

This is the 3rd affidavit
of Dennis M. Lindahl in this case
and was made on 29 / Jun / 2015

NO. S-154746
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
R.S.C. 1985, c. C-36, as amended

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985 c. C-44, as amended

AND

IN THE MATTER OF NORTH AMERICAN TUNGSTEN CORPORATION LTD.

PETITIONER

AFFIDAVIT

I, **DENNIS M. LINDAHL**, of 1640 – 1188 West Georgia Street, Vancouver, British Columbia, businessperson, SWEAR (OR AFFIRM) THAT:

1. I am the chief financial officer and a director of North American Tungsten Corporation Ltd., the petitioner in this proceeding ("**NATC**" or the "**Petitioner**"), and as such have personal knowledge of the matters deposed to in this Affidavit except where I depose to a matter based on the information from an informant I identify, in which case, I believe that both the information from the informant and the resulting statement are true.

2. I am authorized to make this Affidavit on behalf of the Petitioner.

Discussions with DIP Lenders

3. As set out in my initial affidavit, NATC's initial cashflow projection showed the need for a small infusion of funds in late June, 2015.

4. Given this, and recognizing the need for urgency, NATC has been actively pursuing options for interim financing since that time, while carefully managing its cash

outflows and taking steps to stabilize and preserve the mine assets and identify restructuring options.

5. In particular, for the past several weeks, I have been involved in numerous discussions with potential interim financing lenders, including with most of NATC's existing secured creditors, in an effort to secure interim financing for NATC.

6. Based on current cashflow projections, the Petitioner estimates it will need approximately \$2 million to \$3 million in interim financing to fund its ongoing operations and continue limited development of the Mactung project over the next several months.

7. Following these various initial discussions, the Petitioner identified two main parties that were seriously interested in offering interim financing: Callidus Capital Corporation ("**Callidus**") and Comsup Commodities Inc. ("**Comsup**").

8. Callidus is a secured creditor of NATC, with first ranking security over the assets related to the Cantung Mine (as defined in my earlier affidavit).

9. Comsup is in the tungsten trade business and has been a purchaser of tungsten concentrate from NATC on a spot basis over the last few years.

10. The Petitioner has received draft term sheets from both potential lenders, and has had discussions with these potential lenders in an effort to secure a suitable financing offer.

Urgency arising from GTP Receivable

11. As noted in my first affidavit, NATC only has two customers for tungsten concentrate: Global Tungsten & Powders Corp. ("**GTP**") and Wolfram Bergbau und Hütten AG ("**WBH**"). NATC has entered into separate supply agreements with each of GTP and WBH.

12. The supply agreements in each case provide, in general terms, for payment by the customer within 30 days of shipment. However, NATC had made arrangements with each of its customers to allow for earlier payment following each shipment of tungsten ore. In particular:

- (a) in the case of WBH, following an amendment to the supply agreement that was approved by the Court on June 26, 2015, WBH has agreed to pay for all shipments within 5 business days of shipping; and
- (b) in the case of GTP, the Petitioner and Royal Bank of Scotland plc ("**RBS**") entered into a Master Prepayment Agreement for Irrevocable Payment

Orders (the "**Factoring Agreement**"), under which RBS could, in its discretion, prepay NATC for any shipments made to GTP, and subsequently collect on the receivable due by GTP to NATC at a later date.

13. I was aware from previous conversations with GTP that RBS had indicated it may be seeking to exit the factoring business at some point in the future. As a result, I understood that GTP was seeking an alternative lender to continue with the factoring arrangement, for if and when RBS decided to terminate payments under the Factoring Agreement.

14. However, based on my conversations with GTP, I was under the impression that RBS would continue to make payments under the factoring agreement until at least the end of June. To the best of my information and belief, until the events described below occurred, neither NATC nor GTP had any notice that RBS intended to actually cease making payments under the Factoring Agreement.

15. On June 22, 2015, a payment of approximately US\$0.5 million was due to be received from RBS under the Factoring Agreement, in respect of two shipments that had recently been made to GTP (the "**GTP Shipments**"). The payment was not received when expected. On the same day, NATC advised GTP that funds had not been received, and requested it make inquiries with RBS regarding the same.

16. On June 24, 2015, the above payment had still not been received. As a result, I personally contacted GTP to determine the cause of the delay. During that call, GTP advised me that it had just learned that RBS had decided it would not make any further payments under the Factoring Agreement, including the payments that were scheduled for June 22.

17. Given this development, and the impact it would have on NATC's cashflow, I requested GTP start making payments directly to NATC on the same schedule that would have been received from RBS. These terms would, in essence, be the same as what WBH has agreed to (namely, payment within 5 business days of shipping).

18. GTP advised me that they would have to seek internal approval to amend the payment schedule, but would do so and respond within a day or two.

19. On June 25, 2015, GTP advised me that it would not be able to make immediate payment for shipments. GTP further advised that, going forward, it would proceed with 30 day payment terms as set out in the existing supply agreement.

20. GTP continues to be supportive of NATC throughout this restructuring process, and I understand it will continue buying tungsten ore in the normal course. However, for its own commercial reasons, GTP had advised NATC that it is not prepared to alter the payment terms of the existing supply agreement.

21. NATC currently has a US \$1.26 million receivable due from GTP. Under the 30 day payment terms, the \$0.5 million payment for the GTP Shipments will not come due until on or around July 16, 2015, with the balance of the receivable becoming due over the following two weeks.

Comsup Term Sheet

22. During the evening of June 25, the Petitioner received a signed term sheet (the "**Term Sheet**") from Comsup, on terms that I considered to be reasonable.

23. As noted in the Term Sheet, any advance made by Comsup is conditional upon the Court granting the Interim Lender's Charge (as defined therein) over all of the Petitioner's assets, and in priority to all existing secured creditors.

24. Given the urgency arising from the above situation, the board of directors (comprised of Kurt Heikkila, Ronald Erickson, Allan Krasnick, Bryce Porter and myself, collectively, the "**Board**") convened an emergency meeting by teleconference on June 26 to consider the Term Sheet.

25. At the board meeting, I explained that NATC had been in discussions with both Callidus and Comsup to provide interim financing. I further explained that, in addition to the Term Sheet from Comsup, Callidus had provided a draft term sheet, a copy of which was also provided to the Board.

26. In addition, I advised the Board that, based on our earlier discussions, Callidus had indicated that it may have been willing to provide limited financing under its existing credit facility to address any urgent cash needs the company may have before a formal interim financing loan could be approved by the Court.

27. Notwithstanding the foregoing, I had several concerns with the Callidus draft term sheet and financing offer, including that:

- (a) the term sheet was in draft and there was no certainty we could successfully negotiate terms;
- (b) all offers remained subject to approval by Callidus' credit committee, and there was no indication how long such approval may take; and

- (c) advances under the draft form of term sheet were subject to several other significant conditions and restrictions, which could give Callidus considerable control over the Petitioner's restructuring.

28. Given these terms, the Board concluded that under the Callidus proposal (even if formalized) the Petitioner would not have the certainty it would require to continue operating given its urgent cash needs. The Board further concluded that the Comsup Term Sheet gave the NATC greater flexibility to pursue restructuring alternatives and preserve value for all of its stakeholders.

29. As a result, the Board approved the Comsup Term Sheet and authorized the NATC's management to seek urgent approval of the first tranche under the Term Sheet.

30. Now shown to me and attached hereto as **Exhibit "A"** is a fully executed copy of the Term Sheet, as accepted by NATC.

Cashflow Management

31. In the interim, NATC continues to take any steps it can to manage its cashflow and short term liquidity crisis.

32. Among other things, given GTP's advice that it would be moving to 30 day payment terms, WBH has offered to purchase all of NATC's production for at least the next three weeks. The company is currently discussing this proposal with GTP to obtain their consent, given their rights to certain volumes under the supply agreement. Given WBH's earlier payment terms, this arrangement will assist in alleviating the Petitioner's short term liquidity needs.

33. Nevertheless, there remains a significant delay in cash receipts for the GTP Shipments. As a result, unless the Company is able to access capital by Monday or Tuesday morning, it will be unable to meet its post-filing obligations.

34. Now shown to me and attached hereto as **Exhibit "B"** is a copy of an updated cashflow, with projections to the end of October, 2015. As noted in that document, the Petitioner will need \$500,000 by June 30, 2015, and a further \$1,000,000 during the week ending July 10, 2015, in place of the US \$1.2 million receipt which the Petitioner anticipated receiving from RBS.

No Prejudice to Callidus

35. As described in more detail in my first Affidavit, Callidus has a first priority security interest in assets related to the Cantung Mine. NATC owes Callidus approximately \$13.1 million (the "**Callidus Loan**").

36. Pursuant to the terms of the Callidus Loan, Callidus commissions semi-annual confidential appraisals of the principal equipment over which Callidus has a first priority charge. The most recent appraisal, which is dated May 12, 2015, effective April 16, 2015 (the "**Appraisal**"), shows a forced liquidation value of this equipment that is greater than the balance of the Callidus Loan.

37. In fact, based on the Appraisal, Callidus would have more than sufficient security to repay the Callidus Loan in full, even accounting for existing priority charges already ordered and allowing for the Interim Lender's Charge in the amount of \$500,000.

38. Furthermore, this does not account for the value of Mactung, which would bear some portion of the priority charges, and further reduces the priority amount being sought over Callidus' position.

39. As a result, there is no prejudice to Callidus in granting the priority charge Interim Lender's Charge in the amount of \$500,000.

Alternatives to Interim Financing

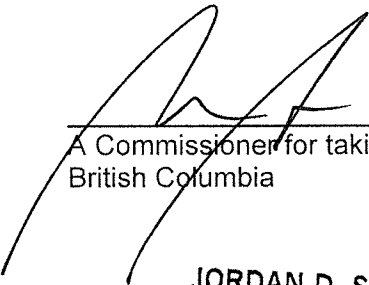
40. If NATC is unable to access immediate financing by June 30, it will be unable to meet its negotiated payment terms for post filing obligations and it may not be able to meet its payroll obligations later in the week, which could create significant complications with its suppliers and employees and likely lead to an early closure of the Cantung Mine. Furthermore, it may be unable to continue in these restructuring proceedings, and will likely face enforcement action and liquidation by its secured creditors.

41. As set out in my previous affidavit, and in particular paragraphs 120 to 123, there is greater value to the Petitioner's stakeholders if NATC is permitted to continue operating as a going concern. Among other things, there is a greater prospect of recovery for the majority of creditors, as well as continued benefits to employees, local communities and local businesses when the Cantung Mine is operating. If NATC is forced into a liquidation at this time, there will likely be no recovery for any creditors other than the senior secured creditors.

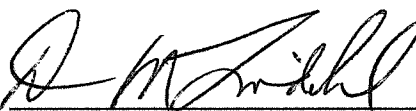
42. Furthermore, a shutdown of the Cantung Mine would effectively result in an abandoned mine site, and could leave the Government of the Northwest Territories with a significant reclamation obligation. Allowing the Cantung Mine to stay in operation preserves NATC's ability to manage any environmental issues quickly and efficiently, and work towards progressive reclamation of the mine site in an orderly fashion.

43. As a result, in my view, it would be in the best interest of all stakeholders for the Court to approve the Term Sheet and grant the Interim Lender's Charge.

SWORN (OR AFFIRMED) BEFORE ME at
Vancouver, BC, on 29 / 06 / 2015.



A Commissioner for taking Affidavits within
British Columbia



DENNIS M. LINDAHL

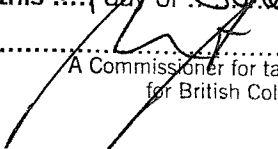
JORDAN D. SCHULTZ
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

**SUMMARY OF TERMS FOR SENIOR SECURED SUPER-PRIORITY INTERIM LENDING CREDIT
FACILITY (the "Interim Loan Agreement")**

DATE: June 25, 2015

TO: North American Tungsten Corporation Ltd. (the "Borrower")

FROM: Comsup Commodities INC (the "Interim Lender")

This is Exhibit "A" referred to in the
affidavit of Dennis Lindahl
sworn before me at Vancouver, BC
this 29 day of June, 2015

A Commissioner for taking Affidavits
for British Columbia

WHEREAS the Interim Lender has agreed to make a credit facility available to the Borrower pursuant to its court-ordered authority to borrow on the terms and conditions set out in this Interim Loan Agreement. NOW THEREFORE, in consideration of the respective covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Borrower and the Interim Lender), the Borrower and the Interim Lender hereby covenant and agree as follows:

Borrower: The Borrower.

Lender: The Interim Lender.

CCAA Case: *Companies' Creditors Arrangement Act ("CCAA")* proceedings commenced in the Supreme Court of British Columbia (the "**Court**"), Vancouver, Registry Action Number S-154746 (the "**CCAA Proceedings**").

Purpose: Credit facility for interim lending, as authorized in the CCAA Proceedings.

Maximum Availability: Subject to the Court in the CCAA Proceedings granting an order (the "**Interim Borrowing Order**") approving and authorizing the Borrower to enter into this Interim Loan Agreement, and subject to satisfaction of the Conditions Precedent (as herein defined), a non-revolving demand credit facility will be available to the Borrower to a maximum amount of \$3,000,000.00 (the "**Interim Lending Facility**").

The Interim Lending Facility will be made available as follows:

- (a) subject to satisfaction of the Initial Loan Conditions (as defined herein), an initial amount of \$500,000.00 (the "**Initial Loan**") on the Initial Loan Closing Date (as defined herein); and
- (b) subject to satisfaction of the Supplemental Loan Conditions (as defined herein), a second amount of up to \$2,500,000 (the "**Second Loan**") on the Second Loan Closing Date (as defined herein).

Security: Security for repayment of the Interim Lending Facility will be: (i) a fully perfected \$3,000,000.00 (plus all interest, costs, fees and expenses as provided herein) court-ordered super-priority first-ranking charge against all the Property of the Borrower (as such term is defined in the initial order in the CCAA Proceedings made June 9, 2015 (the "**Initial Order**"), including, without limitation, in priority to any and all equipment lessors, claims of lien or reclamation, or any other claims of the Government of the Northwest Territories ("**GNWT**") excepting therefrom any claims under section 11.8(8) of

the CCAA (the "**11.8(8) Claims**") in a form satisfactory to the Interim Lender (the "**Interim Lender's Charge**"); (ii) a general security agreement providing a first ranking charge on all present and after-acquired personal property of the Borrower which shall be perfected under the provisions of the *Personal Property Security Act* in British Columbia, Yukon and the Northwest Territories by registration of a financing statement in respect of the security interest created by the general security agreement in the British Columbia, Yukon and Northwest Territories Personal Property Registries; and (iii) such other security as the Interim Lender and its solicitors may deem necessary, including but not limited to a first ranking charge over the Equipment of the Borrower (defined below), and subject to any 11.8(8) Claims, over the mining claims of the Borrower and all permits and licenses related to the Cantung Mine and Mactung Property (as defined in the Initial Order), and any present and after acquired concentrate and inventory from the Cantung Mine (collectively, the "**Security**"). Notwithstanding the foregoing, the Interim Lender hereby agrees that the Security shall be subordinate to the rights of the purchasers of concentrate in the ordinary course of business upon the title passing to such purchasers at the mine gate and further that the Security shall rank behind the Administration Charge (as such term is defined in the Initial Order), provided such Administration Charge is limited to a maximum of \$500,000).

**Conditions Precedent
to Closing:**

- (a) The making of the Initial Loan is subject to:
- (i) (i) the issuance, on notice to all secured creditors of the Borrower likely to be affected, of the Interim Borrowing Order, satisfactory in form and substance to the Interim Lender, acting reasonably, which order shall include, among other things, orders (i) creating the Interim Lender's Charge, which shall be a charge on all of the Property of the Borrower (as defined in the Initial Order) and assets of the Borrower ranking in priority to all other security interests, trusts, liens, charges and encumbrances statutory or otherwise, including without limitation any and all reclamation claims of GNWT (other than the Administration Charge and the 11.8(8) Claims) as security for the satisfaction of all obligations of the Borrower to the Interim Lender in connection with this Interim Loan Agreement, (ii) approving the terms of the Interim Lending Facility, and (iii) authorizing the Borrower to borrow up to the Initial Loan amount from the Interim Lender; and such order being in full force and effect, unamended, not stayed and not appealed, or if appealed, such appeal has been denied;
 - (ii) provision of a list of Borrower owned equipment (the "**Equipment**") satisfactory to the Interim Lender, acting reasonably, with supporting evidence of title as necessary, and
 - (iii) the Borrower shall have paid the Good Faith Deposit (as defined herein) and the First Commitment Fee (as defined herein) to the Interim Lender;
- (the "**Initial Loan Conditions**");
- (b) The making of the Second Loan is subject to satisfaction of the following conditions:
- (iv) the Court shall have granted an order authorizing the Borrower to borrow up to the full amount of the Interim Lending Facility



from the Interim Lender;

- (v) the Borrower shall have paid the Second Commitment Fee (as herein defined) then owing together with any other fees then owing to the Interim Lender hereunder;
- (vi) verification to the satisfaction of the Interim Lender, acting reasonably, of title/ownership of all mineral claims and permits;
- (vii) provision of a cash flow forecast satisfactory to the Interim Lender, acting reasonably;
- (viii) a valuation of the assets of the Borrower, satisfactory to the Interim Lender, acting reasonably (the "**Valuation**"), be completed at the Borrower's expense, provided however that the Valuation need not be obtained in the event the Borrower is able to provide to the Interim Lender the valuation prepared by Hilco Valuation Services dated May 12, 2015 (the "**Hilco Valuation**") and the Hilco Valuation is satisfactory to the Interim Lender; and
- (ix) any other due diligence deemed necessary by the Interim Lender and its solicitors in their sole discretion,

(the "**Second Loan Conditions**" and, together with the Initial Loan Conditions, the "**Conditions Precedent**").

Each of the Conditions Precedent is for the sole benefit of the Interim Lender and may be waived by the Interim Lender in writing in its sole discretion.

Availability

Provided that no Event of Default (as defined herein) has occurred and is then continuing and has not been waived, on and after the respective Closing Dates (as defined herein), the Borrower may request advances under this Interim Loan Agreement.

Drawdowns:

Drawdowns may be made in minimum instalments of \$100,000.00 with no maximum.

Termination Date:

The maturity date of the Interim Lending Facility shall be the earliest of (the "**Termination Date**");

- (i) November 15th, 2015;
- (ii) the date the stay of proceedings expires in the CCAA Proceedings; and
- (iii) 10 days following written notice being provided by the Borrower to the Interim Lender of an unremedied Event of Default that has not been waived (as defined herein).

Closing Date:

The closing date for the Initial Loan shall be the date on which the Initial Loan Conditions shall have been satisfied or waived (the "**Initial Loan Closing Date**"). The closing date for the Second Loan shall be within two business days (in Vancouver) of the date on which the Second Loan Conditions shall have been satisfied or waived (the "**Second Loan Closing Date**" and, together with the Initial Loan Closing Date, the "**Closing Dates**").



Interest Rate: 14.0% per annum.

Repayment: All amounts outstanding under the Interim Lending Facility, including principal and interest, shall be repaid by Borrower on the Termination Date. Subject to payment of the Borrower's obligations to the beneficiaries of the Administration Charge up to the maximum amount of \$500,000 (provided such payments reduce the amount of the Administration Charge with priority over the Security), the Interim Lender shall be entitled to any proceeds received by the Borrower from the sale of any of the Borrower's assets which proceeds shall be applied by the Interim Lender against the amounts owing under the Interim Lending Facility.

Fees: **First Commitment Fee** - the Borrower shall pay to the Interim Lender an initial commitment fee (the "**First Commitment Fee**") equal to 4.0% of the amount of the Initial Loan. The First Commitment Fee shall be non-refundable, fully earned and payable no later than the Initial Loan Closing Date. Notwithstanding the foregoing, \$15,000 of the First Commitment Fee is non-refundable, payable, and fully earned in advance on execution of this Interim Loan Agreement (the "**Good Faith Deposit**") and will be credited towards the First Commitment Fee, or may be financed as part of the Initial Loan.

Second Commitment Fee - the Borrower shall pay to the Interim Lender a second commitment fee (the "**Second Commitment Fee**") equal to 4.0% of the amount of the Second Loan. The Second Commitment Fee shall be non-refundable, fully earned and payable no later than the Second Loan Closing Date.

Standby Fee - the Borrower shall pay to the Interim Lender a standby fee (the "**Standby Fee**") equal to 2% of the undrawn portion of the Interim Lending Facility, payable monthly in arrears on the last business day (in Vancouver) of each month.

Prepayment Option: Provided that no Event of Default has occurred and is then continuing and has not been waived, the Interim Lending Facility may be prepaid by the Borrower at any time following two months from the date of the Interim Borrowing Order, subject to a prepayment penalty of:

- 3.0% of the Interim Lending Facility amount if repaid after 2 months but before 3 months after the Initial Order date;
- 2.25% of the Interim Lending Facility amount if repaid after 3 months but before 4 months after the Initial Order date;
- 1.5% of the Interim Lending Facility amount if repaid after 4 months but before 5 months after the Initial Order date;
- 0.75% of the Interim Lending Facility amount if repaid after 5 months of the Initial Order date but before the Termination Date; and
- 0.0% of the Interim Lending Facility amount if repaid on the Termination Date.

**Representations,
Warranties and
Covenants:**

The Borrower represents, warrants and covenants to the Interim Lender:

- (a) Corporate Power. The Borrower has full corporate power and authority to enter into and perform its obligations provided for under this Interim Loan Agreement;



- (b) Authorization. This Interim Loan Agreement has been duly authorized by all necessary corporate action;
- (c) Accuracy of Information. All written information filed by the Borrower in connection with the CCAA Proceedings and delivered by the Borrower to the Interim Lender in connection with this Interim Loan Agreement is accurate in all material respects and contains no material misstatement of fact nor does it omit a material fact the omission of which would make such information misleading in light of the circumstances in which the statements contained therein were made; and, to the extent that there are financial forecasts contained in such information, they have been prepared on the basis of reasonable assumptions and procedures and represent an estimate of the results forecast therein;
- (d) Default. No Event of Default has occurred and is continuing;
- (e) Defects of Title. There is no deficiency or defect in the title of the Borrower to the Borrower's assets which would have, or which would reasonably be expected to have, a Material Adverse Effect (as defined herein) on the Borrower;
- (f) Mineral Claims. The Borrower is the sole legal and beneficial owner of all right, title and interest in and to the mineral claims as disclosed by the Borrower to the Interim Lender, free and clear of all encumbrances except those charges and encumbrances evidenced by registrations in public registries, including the British Columbia, Yukon, and Northwest Territories Personal Property Registries as well as the Yukon and Northwest Territories Mining Recorder, and the 11.8(8) Claims, if any, and there are no adverse claims against or challenges to the title to or ownership of such mineral claims. The Borrower shall pay all annual, renewal or other fees and take such other steps and do such other things in order to maintain the mineral claims and permits currently owned or held by it in good standing with all applicable governmental authorities from and after the date of execution of this Interim Loan Agreement until the Termination Date;
- (g) Notices. The Borrower will provide the Interim Lender with prompt written notice of any adverse notice, document or other correspondence it receives from any governmental authority, including, but not limited, to the Yukon and Northwest Territories government;
- (h) Sales Proceeds. The Borrower will give the Interim Lender prompt written notice of any sale by or on behalf of the Borrower of the Borrower's assets with details of the proceeds derived from such sale; and
- (i) Reporting. The Borrower shall provide weekly reporting of the Borrower's actual cash flow compared to its budgeted cash flow which will be subject to the Monitor's review prior to issuance to the Lender.

Events of Default:

"Material Adverse Effect" means: (a) any effect which is, or could reasonably be expected to be adverse on the, (i) status or condition (financial or otherwise), properties, assets, ownership, capital, liabilities, obligations (whether absolute, accrued, conditional or otherwise), business operations or results of operations of the Borrower that, in the Interim Lender's opinion, is material; or (ii) ability of the Borrower to perform and discharge its obligations under this Interim Loan Agreement or any document executed by the Borrower in relation to this Interim Loan Agreement which, in the Interim Lender's



opinion, is material; or (b) any event that would constitute an Event of Default or any event which, with the giving of notice or lapse of time or otherwise, could constitute an Event of Default.

Each of the following events constitutes an "**Event of Default**" under this Interim Loan Agreement whether any such Event of Default shall be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any governmental authority:

- (a) Payment. The Borrower fails to make any payment of fees, interest or principal when due and payable hereunder.
- (b) Breach or Default of Borrower. The Borrower commits a material breach of, or defaults in the due and prompt performance or observance of, any of its covenants, conditions or obligations pursuant to this Interim Loan Agreement or any other document executed by the Borrower in relation to this Interim Loan Agreement, and such breach is not remedied within 10 days after the Borrower has received written notice from the Interim Lender thereof.
- (c) Change of Monitor. There is a change in the party appointed by the Court in the CCAA Proceedings as monitor of the Borrower without the prior written consent of the Interim Lender.
- (d) Breach of Orders. The Borrower is in violation of, or non-compliance with, any order issued under the CCAA Proceedings.
- (e) Orders. There is an amendment to or variation of the Initial Order or the Interim Borrowing Order not consented to by the Interim Lender, acting reasonably.
- (f) Proceedings. Except as permitted by the Initial Order, any proceeding is taken or commenced by any creditor against the Borrower or its assets.
- (g) Failure to Pay. The Borrower fails to pay any claims ranking in priority to the Interim Lender's Charge as and when such claims come due.
- (h) Jeopardy. The Interim Lender in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Borrower's obligations hereunder or under the Security is impaired.
- (i) Administration Charge. The Administration Charge (as defined in the Interim Order) exceeds \$500,000, without the prior written consent of the Interim Lender.
- (j) Reporting. Failure of the Borrower to provide the reporting specified herein.

**Legal and Other
Costs:**

Whether or not the Initial Loan or the Second Loan are made, the Borrower will reimburse the Interim Lender for all reasonable costs incurred by the Interim Lender, directly or indirectly, including without limitation, the time spent by the Interim Lender's personnel, at a rate based on the Interim Lender's normal hourly rates, the expenses of the Interim Lender's personnel, including reasonable travel expenses, and all reasonable legal fees and disbursements actually incurred by the Interim Lender in respect of the Interim Lending Facility (including preparation of this Interim Loan Agreement), the enforcement and



preservation of the Interim Lender's rights and remedies under this Interim Loan Agreement and the Security and preparation of any valuation of the assets of the Borrower (collectively, the "**Costs**"). The Interim Lender shall be entitled to deduct the Costs from the Initial Loan or the Second Loan.

Governing Law: This Interim Loan Agreement is governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.

Currency: All sums of money referred to in this Interim Loan Agreement are expressed in lawful money of Canada.

Counterpart Execution: This Interim Loan Agreement and all other documents related hereto or arising herefrom may be executed in any number of counterparts (including by facsimile transmission or other electronic means) and by different parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

This Interim Loan Agreement is open for acceptance until the close of business (in Vancouver) on June 26, 2015.

COMSUP COMMODITIES INC



Name: Michael Bollag
Title: President

I have authority to bind the corporation

NORTH AMERICAN TUNGSTEN CORPORATION LTD.

By: _____

Name:
Title:

I have authority to bind the corporation

ACCEPTED this _____ day of June , 2015.

preservation of the Interim Lender's rights and remedies under this Interim Loan Agreement and the Security and preparation of any valuation of the assets of the Borrower (collectively, the "Costs"). The Interim Lender shall be entitled to deduct the Costs from the Initial Loan or the Second Loan.

Governing Law:

This Interim Loan Agreement is governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.

Currency:

All sums of money referred to in this Interim Loan Agreement are expressed in lawful money of Canada.

**Counterpart
Execution:**

This Interim Loan Agreement and all other documents related hereto or arising herefrom may be executed in any number of counterparts (including by facsimile transmission or other electronic means) and by different parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

This Interim Loan Agreement is open for acceptance until the close of business (in Vancouver) on June 26, 2015.

COMSUP COMMODITIES INC

Name: Michael Bollag
Title: President

I have authority to bind the corporation

NORTH AMERICAN TUNGSTEN CORPORATION LTD.

By: 

Name: Dennis Lindahl
Title: CFO

I have authority to bind the corporation

ACCEPTED this _____ day of June, 2015.

SCHEDULE "C"

Draft for discussion

North American Tungsten Corporation Ltd.																				
Second Cash Flow Statement																				
For the 20 Week Period ending October 23, 2015																				
(\$000's)																				
	Week 1 to Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 1 to Week 20
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Receipts																				
Collection of accounts receivable	\$ 594	\$ 316	\$ 421	\$ 1,290	\$ 1,727	\$ 2,036	\$ 1,105	\$ 1,158	\$ 1,155	\$ 1,155	\$ 1,155	\$ 1,247	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,518	\$ 1,281	\$ 1,281	\$ 880	\$ 21,046
Interim financing	-	-	-	500	-	-	-	-	-	-	500	-	-	-	-	-	-	-	-	2,000
Other receipts	102	-	-	46	-	-	-	-	40	-	-	200	40	-	-	200	40	-	-	668
Total Receipts	1,096	326	921	2,336	1,727	2,036	1,105	1,198	1,195	1,655	1,155	1,447	1,465	1,425	1,425	1,718	1,321	1,281	880	25,714
Disbursements																				
Financing costs	-	-	20	40	-	-	3	-	-	20	-	2	-	-	-	-	-	-	-	86
Employee costs - mine site	334	523	190	809	855	312	225	510	312	540	228	405	349	393	409	309	469	454	552	8,158
Employee costs - head office	79	33	34	-	-	39	9	39	9	39	9	39	9	9	39	9	49	9	49	519
Mining raw materials	29	0	23	23	23	23	23	59	59	59	54	54	54	54	54	28	28	28	-	679
Milling raw materials	38	41	40	170	120	120	120	120	120	120	120	120	120	120	120	120	120	120	60	2,023
Fuel	335	3	98	192	192	192	192	192	192	192	192	192	192	192	192	192	192	192	48	3,361
Equipment parts and supplies	37	1	11	76	26	26	26	26	26	26	26	26	26	26	26	26	26	26	13	499
Operating leases and insurance	(3)	-	73	-	-	-	67	3	-	-	-	67	-	-	-	67	-	-	-	275
Freight and expediting	73	66	111	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	1,449
Catering and janitorial	-	116	73	-	-	-	74	-	74	-	73	-	70	-	-	71	-	-	71	767
Tailings management and dredging	-	-	-	13	13	-	-	15	165	150	100	-	-	-	-	-	-	-	-	456
Development costs - Mactung	2	-	-	150	150	132	32	82	82	32	32	32	32	32	32	32	32	32	82	1,000
Head office and corporate costs	12	-	25	25	25	25	25	25	25	25	125	25	25	25	25	25	25	25	25	537
Other operating costs	125	112	118	218	168	168	168	168	168	168	168	168	168	168	168	168	168	168	126	3,051
Maintenance	-	-	50	-	-	-	100	-	100	-	-	50	-	50	-	-	-	-	-	446
Restructuring professional fees	-	-	-	446	60	37	37	37	37	37	37	37	37	37	37	37	37	37	37	1,024
Contingency	-	-	25	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	75	1,000
Total Disbursements	1,060	895	869	2,286	1,868	1,768	1,355	1,467	1,524	1,502	1,323	1,310	1,261	1,255	1,322	1,164	1,387	1,240	1,214	25,372
Net Cash Flow	\$ 37	\$ (570)	\$ 52	\$ 50	\$ (141)	\$ 768	\$ (50)	\$ (269)	\$ (329)	\$ 152	\$ (169)	\$ 137	\$ 204	\$ 170	\$ 103	\$ 554	\$ (65)	\$ 41	\$ (334)	\$ 342
Opening Cash Position	626	663	93	145	195	54	822	771	503	374	326	158	295	499	659	772	1,326	1,261	1,302	676
Closing Cash Position	\$ 663	\$ 93	\$ 145	\$ 195	\$ 54	\$ 822	\$ 771	\$ 503	\$ 174	\$ 326	\$ 158	\$ 295	\$ 499	\$ 669	\$ 772	\$ 1,326	\$ 1,261	\$ 1,302	\$ 968	\$ 988

This is Exhibit "B" referred to in the affidavit of Dennis Lindahl sworn before me at Vancouver, BC this 29 day of July, 2015.

[Signature]
A Commissioner for taking Affidavits for British Columbia