



This is the 5th affidavit
of Dennis M. Lindahl in this case
and was made on 06 / Jul / 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 "**Company**"), 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 in support of the relief sought in the Notices of Application filed in the above-captioned proceedings seeking approval of a forbearance agreement and interim financing (the "**Notice of Application**").
3. Further to my Affidavit sworn July 2, 2015 (the "**Fourth Lindahl Affidavit**"), NATC has been engaging in negotiations with one of its senior secured lenders, Callidus Capital Corporation ("**Callidus**"), with respect to providing interim financing.

4. On July 6, 2015, Callidus and the Company reached an agreement on a term sheet, which is attached hereto as **Exhibit "A"** (the "**Callidus Term Sheet**").
5. As part of the negotiations in respect of interim financing, Callidus and the Company negotiated a forbearance agreement, which is attached hereto as **Exhibit "B"** (the "**Forbearance Agreement**").
6. The Forbearance Agreement includes certain milestones, which reflects the dates proposed by NATC to Callidus, including NATC's plans to seek Court approval of a sale and investor solicitation process on or before July 17, 2015.
7. NATC approved the Callidus Term Sheet and the Forbearance Agreement at a board meeting on the afternoon of July 6, 2015.
8. NATC urgently requires interim financing for the reasons set forth in my Affidavit sworn June 29, 2015 (the "**Third Lindahl Affidavit**") and the Fourth Lindahl Affidavit.
9. As set forth in the Third Lindahl Affidavit and the Fourth Lindahl Affidavit, NATC and Comsup Commodities Inc. ("**Comsup**") executed a term sheet in respect of interim financing on June 25, 2015 (the "**Comsup Term Sheet**").
10. Over the last few days, I and other members of the management team and the Board of Directors have been considering the best path available to NATC. In all the circumstances and in considering in particular Callidus' opposition to the Comsup Term Sheet, Callidus' position as senior secured lender to NATC, the terms of the Callidus Term Sheet and the Forbearance Agreement, NATC believes that proceeding with Callidus as its interim lender is not only better for the Company's restructuring efforts than proceeding with Comsup, but is necessary given the urgent need to receive funding this week.
11. The Company views Callidus' advance of \$500,000 last week as evidence that Callidus will be able to fund urgently. Further, the Company believes that Callidus is more likely to fund urgently than a new lender, especially if Callidus is strongly objecting to infusion of funds by such new lender.

12. In addition, Callidus has indicated to the Company that it will consider entering into a factoring agreement in respect of the Company's supply to Global Tungsten and Powders Corp. ("GTP") by which Callidus will advance as against the value of the shipments of tungsten to GTP shortly after the shipments leave the Cantung mine site, and then GTP will make payment in the ordinary course on 30 day terms. This effectively accelerates the company's cash receipts for shipments made to GTP. Such arrangement would be of significant assistance to the Company in managing its cashflows.

SWORN (OR AFFIRMED) BEFORE ME at
Vancouver, BC, on 06 / 07 / 2015.



A Commissioner for taking Affidavits within

DENNIS M. LINDAHL

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

CALLIDUS CAPITAL

EXECUTION VERSION

July 6, 2015

North American Tungsten Corporation Ltd.
#1640 – 1188 West Georgia Street
Vancouver, British Columbia
V6E 4A2

Attention: Dennis Lindahl

This is Exhibit " A " referred to in the
affidavit of Dennis Lindahl
sworn before me at Vancouver
this 6th day of July, 2015.
.....
A Commissioner for taking Affidavits
for British Columbia

RE: Term Sheet - \$3 million Senior Secured Super-Priority Debtor-in-Possession Facility

This Term Sheet will provide you with the terms and conditions of the proposed interim financing facility (the "**DIP Facility**") that Callidus Capital Corporation proposes to provide, subject to Court approval of this Term Sheet. If this Term Sheet is acceptable to you, please sign below and deliver the Structuring Fee as detailed below.

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

DIP Lender: Callidus Capital Corporation (the "**DIP Lender**").

DIP Facility: \$3 million multi-draw term loan.

The first draw of \$500,000 has been paid on June 29, 2015. All further draws are to be made in accordance with the cash flow statements provided by the DIP Borrower under the Forbearance Agreement.

Interest: The DIP Facility will bear interest at 21% per annum payable in cash by the DIP Borrower on the last day of each month.

Additional default interest of 2% per annum applies following a payment default.

Structuring Fee: \$30,000

Term: The earlier of November 15, 2015 and the end of the stay of proceedings in the CCAA Proceeding, with the possibility of monthly extensions subject to credit committee approval and the DIP Borrower paying the DIP Lender an extension fee in the amount of \$10,000 per month (the last day of the Term shall be referred to as the "**Maturity Date**").

181 BAY STREET
SUITE 4620, P.O. BOX 792
BAY WELLINGTON TOWER – BROOKFIELD PLACE
TORONTO, ONTARIO, CANADA •
M5J 2T3

Security:

The DIP Facility shall be secured by:

- (a) a super-priority lien and claim to be granted by way of court order of the British Columbia Supreme Court in the proceeding (the “**CCAA Proceeding**”) commenced by the DIP Borrower under the Canadian *Companies’ Creditors Arrangement Act* (the “**CCAA**”), over all of the assets of the DIP Borrower (including without limitation, the Mactung mine and all assets related thereto);
- (b) a general security agreement providing a first ranking charge on all present and after acquired property of the DIP Borrower (including without limitation, the Mactung mine and all assets related thereto), 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,
- (c) such other security as the DIP Lender and its solicitors may deem necessary, including but not limited to, a first ranking charge over the equipment of the DIP Borrower, subject to section 11.8 claims, over the mining claims of the DIP Borrower and all permits and licenses related to the Cantung Mine and the Mactung Property (as defined in the Initial Order), and any present and after acquired concentrate and inventory from the Cantung Mine (collectively, the “**Security**”).

Repayment:

Repayment at any time upon the earliest to occur of:

- (a) the Maturity Date;
- (b) an Event of Default (as defined below);
- (c) dismissal or termination of the CCAA Proceeding; and
- (d) the commencement of any proceeding (a “**BIA Proceeding**”) pursuant to the *Bankruptcy and Insolvency Act* (Canada), or the conversion of the CCAA Proceeding into a BIA Proceeding, or the commencement of any similar proceeding in any jurisdiction.

Use of Proceeds:

To pay for the costs and expenses related to the CCAA Proceeding and the approved (by DIP Lender) budget expenditures.

Covenants:

Compliance with certain specifically identified line items in the cash flow attached to the forbearance agreement between the DIP Lender, the DIP Borrower and Queenwood Capital Partners II LLC (the “**Forbearance Agreement**”), and to a 13-week cash flow forecast to be provided in accordance with the Forbearance Agreement (provided that variances to line items shall be permitted, provided the net cash flow line item will not vary by more than \$50,000 unless specifically authorized by Callidus in writing), reported and tested weekly.

Reporting:

As set out in the Forbearance Agreement.

Expenses:

All reasonable and documented out-of-pocket fees and expenses of the DIP Lender, including without limitation all reasonable and documented fees and expenses of outside counsel in connection with the DIP Facility, including in connection with due diligence by the DIP Lender associated with the preparation, execution and delivery, waiver or modification, and enforcement of the

documentation contemplated hereby, are to be paid by the DIP Borrower.

**Conditions
Precedent**

Usual and customary for this type of transaction, including:

- (a) approval of the transaction by the DIP Lender's Credit Committee;
- (b) the DIP Lender being satisfied in its sole discretion that there has been no material deterioration of the DIP Borrower's business prior to closing; and
- (c) completion of DIP Credit Agreement and security in form and substance satisfactory to DIP Lender.

Events of Default:

Each of the following events constitutes an "**Event of Default**" under this Term Sheet, 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 DIP Borrower fails to make any payment of fees, interest or principal when due and payable under this Term Sheet;
- (b) **Breach of default of the DIP Borrower:** The DIP 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 Term Sheet or any other document executed by the DIP Borrower in relation to this Term Sheet, and such breach is not remedied within 10 days of the DIP Lender delivering written notice of the breach.
- (c) **Change of Monitor:** There is a change in the party appointed by the Court in the CCAA Proceedings as monitor of the DIP Borrower without the prior written consent of the DIP Lender.
- (d) **Breach of Orders:** The DIP Borrower is in violation of, or non-compliance with, any order issued under the CCAA Proceedings.
- (e) **Orders:** There is a further amendment to or variation of the Initial Order or the DIP Order that the DIP Lender, acting reasonably, does not consent to.
- (f) **Proceedings:** Except as permitted by the Initial Order, any proceeding is taken or commenced by any creditor against the DIP Borrower or its assets and such is not remedied within seven days thereof.
- (g) **Failure to Pay:** The DIP Borrower fails to pay any claims ranking in priority to the DIP Lender's Charge when such claims come due and such failure is not remedied within 10 days thereof.
- (h) **Jeopardy:** The DIP Lender, in good faith and on commercially reasonable grounds, believes that the prospect of payment or performance of any of the DIP Borrower's obligations under this Term Sheet or under the Security is impaired.
- (i) **Administration Charge:** The Administration Charge (as defined in the Initial Order) exceeds \$500,000 without the prior written consent of the DIP Lender.
- (j) **Reporting:** Failure of the DIP Borrower to provide the reporting as required by and set out in the Forbearance Agreement.

Upon the occurrence of an Event of Default, the DIP Facility will become immediately due and owing, and Callidus shall be permitted to immediately apply for the appointment of a Receiver or to assign the DIP Borrower into bankruptcy.

Costs: Whether or not the loan pursuant to this Term Sheet is made, the DIP Borrower will reimburse the DIP Lender for all reasonable costs incurred by the DIP Lender, directly or indirectly, including without limitation, the time spent by the DIP Lender's personnel, at a rate based on the DIP Lender's normal hourly rates, the expenses of the DIP Lender's personnel, including reasonable travel expenses, and all legal fees and disbursements actually incurred by the DIP Lender in respect of the DIP Facility (including preparation of this Term Sheet), the enforcement and preservation of the DIP Lender's rights and remedies under this Term Sheet and the Security and preparation of any valuation of the assets of the DIP Borrower (collectively, the "**Costs**"). The DIP Lender shall be entitled to deduct the Costs from the draws made on the DIP Facility.

Counterparts: This Term Sheet and all related documents, may be executed in any number of counterparts and delivered electronically (including as a PDF attachment to an email), each of which when so executed and delivered shall be deemed to be an original and all taken together will constitute one and the same document.

Closing: No later than July 8, 2015.

This Term Sheet is open for acceptance until the close of business (in Vancouver) on July 7, 2015. Upon acceptance by the DIP Borrower, this Term Sheet shall be deemed to be the Loan Agreement (Interim Financing) between the DIP Borrower and the DIP Lender.

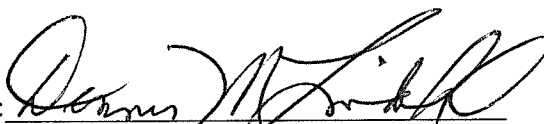
ACCEPTED THIS ____ DAY OF JULY 2015

CALLIDUS CAPITAL CORPORATION

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: _____
Name:
Title:

I have the authority to bind the Corporation

Per: 
Name: Dennis M. Lindahl
Title: CFO

I have the authority to bind the Corporation

EXECUTION VERSION

FORBEARANCE AGREEMENT

THIS AGREEMENT is made this 6th day of July, 2015.

BETWEEN:

CALLIDUS CAPITAL CORPORATION

AND:

NORTH AMERICAN TUNGSTEN CORPORATION LTD

AND:

QUEENWOOD CAPITAL PARTNERS II LLC

RECITALS:

- A. **WHEREAS** Callidus and NATC entered into the May Loan pursuant to which Callidus would loan NATC \$11 million, and NATC would make monthly payments of principal in the amount of \$150,000 and monthly payments of interest at a rate of 18% per annum;
- B. **AND WHEREAS** Callidus and NATC entered into the December Loan pursuant to which: (i) Callidus would loan NATC an additional \$3.65 million; (ii) the May Loan term would be extended from May 2015 to May 31, 2016; (iii) NATC would pay to Callidus a deferred fee of \$154,000; and (iv) NATC would make monthly payments of principal in the amount of \$150,000 and monthly interest payments at a rate of 18% per annum;
- C. **AND WHEREAS** Queenwood Capital Partners II LLC is a secured creditor of NATC;
- D. **AND WHEREAS** NATC has requested, and Callidus has agreed to, forbear from taking any action in relation to the realization of the Security;
- E. **AND WHEREAS** on June 9, 2015, NATC commenced proceedings under the CCAA pursuant to an order of the Supreme Court of British Columbia dated June 9, 2015;
- F. **AND WHEREAS** on June 12, 2015, the Court made an order amending the June 9, 2015 Order;

NOW THEREFORE in consideration of the mutual covenants and agreements in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

Definitions and Interpretation Provisions

- 1. In this Agreement, unless the context otherwise requires, all capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Affidavit #1 of Dennis Lindahl, sworn June 8, 2015 and filed in the CCAA Proceedings (the "**Lindahl Affidavit**");

This is Exhibit " B " referred to in the affidavit of Dennis Lindahl sworn before me at Vancouver this 8th day of July, 2015

 A Commissioner for taking Affidavits
 for British Columbia

- a. “**Appraisal**” shall mean the M&E appraisal of NATC dated May 12, 2015 (effective dated April 16, 2015) prepared by Hilco Valuation Services for Callidus;
- b. “**Bid Deadline**” shall mean the milestone date in the SISP by which parties must have submitted qualified bids capable of acceptance, which shall be no later than September 30, 2015;
- c. “**Callidus**” shall mean Callidus Capital Corporation;
- d. “**CCAA**” shall mean the *Companies Creditors Arrangement Act*, R.S.C. 1985 c. C-44, as amended;
- e. “**CCAA Proceedings**” shall mean the proceedings pursuant to the CCAA commenced by NATC before the Court under action no. S-154746;
- f. “**Consultant**” shall mean an independent mining consultant, or other independent consultant, selected by Callidus;
- g. “**Court**” shall mean the Supreme Court of British Columbia;
- h. “**Current Cash Flow**” shall mean the cash flow statement for the 20 week period ending October 23, 2015 attached as **Schedule “A”** to this Agreement;
- i. “**December Loan**” shall mean the loan agreement dated December 30, 2014 between Callidus and NATC amending the terms of the May Loan and providing for additional funding;
- j. “**DIP Advances**” shall mean advances made by Callidus to NATC in accordance with the DIP Term Sheet;
- k. “**DIP Term Sheet**” shall mean the term sheet attached as **Schedule “B”** to this Agreement;
- l. “**Equipment**” shall mean the equipment subject to the Security that has been identified for sale in the Equipment List;
- m. “**Equipment List**” shall mean the list of Cantung equipment (Callidus collateral) that is attached as **Schedule “C”** to this Agreement;
- n. “**Equipment Sales Process**” shall mean the sales process for the Equipment;
- o. “**Forbearance Period**” shall have the meaning set out in section 8 of this Agreement;
- p. “**Gap Advance**” shall mean the advance in the amount of \$500,000 made by Callidus to NATC on June 29, 2015;

- q. **"Indebtedness"** shall mean the amount owed by NATC to Callidus in respect of the May Loan and the December Loan, including accrued interest and costs;
- r. **"Initial Order"** shall mean the order made June 9, 2015 by the Court in the CCAA Proceedings, as amended on June 12, 2015;
- s. **"Mactung Property"** shall mean the development property owned by NATC and located on the border of the Yukon Territory and the Northwest Territories, \as more particularly described in the Lindahl Affidavit;
- t. **"Mactung Report"** shall mean the report on the Mactung Property to be prepared for Callidus by an independent consultant;
- u. **"May Loan"** shall mean the loan agreement dated May 15, 2014 between Callidus and NATC;
- v. **"Monitor"** shall mean Alvarez & Marsal Canada Inc., the monitor of NATC appointed by the Court in the CCAA Proceedings;
- w. **"NATC"** shall mean North American Tungsten Corporation Ltd.;
- x. **"PPSA"** shall mean the *Personal Property Security Act*, R.S.B.C. c.359, as amended;
- y. **"Priority Payables"** shall mean those obligations of NATC which, under the CCAA or under the *Bankruptcy and Insolvency Act* (Canada), would rank in priority to the security interests and claims of Callidus under the Security;
- z. **"Property"** shall mean all or substantially all of NATC's present and after acquired personal property, other than any present or after acquired personal property, assets and undertakings related to the Mactung Property;
- aa. **"Queenwood"** shall mean Queenwood Capital Partners II LLC;
- bb. **"Reports"** shall have the meaning set out in section 16 of this Agreement;
- cc. **"Security"** shall mean the general security agreement, the financing statements and other documents evidencing the security interests granted by NATC to Callidus to secure the obligations owed by NATC under the May Loan and the December Loan;
- dd. **"Service List"** shall mean the service list maintained by the Monitor in the CCAA Proceedings;
- ee. **"SISP"** shall mean the plan to facilitate an investment in or sale of all or substantially all of the business and assets of NATC (either *en bloc*, piecemeal or otherwise) as approved by the Court in the CCAA Proceedings; and

ff. “**WBH**” shall mean Wolfram Bergbau und Hütten AG.

2. In this Agreement, unless a contrary intention appears:
 - a. an agreement, representation or warranty made by or in favour of more than one (1) person binds or benefits those persons jointly and each of them severally;
 - b. headings are for convenience and do not affect interpretation;
 - c. the word “person” includes a firm, body corporate and unincorporated association or authority;
 - d. a reference to any person is also a reference to their successors or assigns; and,
 - e. words importing the singular include the plural and vice versa and importing gender include all genders.

Acknowledgements

3. **Acknowledgement of Debt:** NATC acknowledges the Indebtedness and agrees that as of June 26, 2015, not including costs, the Indebtedness is \$13,331,429.34. NATC further acknowledges and agrees that the Indebtedness is unconditionally owing to Callidus, without offset, defence or counterclaim of any kind, nature or description. NATC further acknowledges and agrees that it has no basis to contest, avoid, attack, object, offset, reduce, disallow, counterclaim or make any other claim or challenge of any kind or nature with respect to the Indebtedness.
4. **Acknowledgement of Security:** NATC acknowledges and agrees that the Security has been properly entered into, filed or recorded (as applicable). The Security constitutes legal, valid, binding, enforceable, and perfected security interests in the collateral and is not subject to any contest, avoidance, attack, objection, offset, reduction, disallowance, counterclaim or other claim or challenge of any kind or nature with respect to the Security.
5. **Acknowledgement of Priority:** NATC acknowledges and agrees that, except as modified by the Initial Order, the Security has a first priority security interest in the Property.

Interim Financing

6. Callidus agrees to provide DIP Advances, provided that the DIP Term Sheet is approved by the Court in the CCAA Proceedings, and provided that NATC is in compliance with the terms of this Agreement.
7. The Gap Advance shall be deemed to be the first DIP Advance. If the DIP Term Sheet is not approved by the Court in the CCAA Proceedings, upon execution of this Agreement, the December Loan will be amended so as to make NATC liable for the Gap Advance.

The Security shall continue to stand as security for the Gap Advance in addition to all existing obligations under the May Loan and the December Loan.

Forbearance

8. In reliance on the acknowledgements, representations, warranties and covenants of NATC contained in this Agreement, and subject to the terms and conditions of this Agreement, Callidus agrees to forbear from exercising its rights and remedies under the May Loan, the December Loan and the Security until the earlier of:
 - a. July 17, 2015, if NATC has failed to:
 - i. make the payments required by section 10(a) and 10(b) of this Agreement;
 - ii. commence the Equipment Sales Process as required by section 11 of this Agreement;
 - iii. provide Callidus with a plan with respect to the Equipment Sales Process as required by section 12 of this Agreement; or,
 - iv. provide Callidus with a copy of the SISP as required by section 14 of this Agreement;
 - b. July 31, 2015, if NATC has failed to make the payment required by section 10(c) of this Agreement;
 - c. September 4, 2015, if NATC has failed to make the payment required by section 10(d) of this Agreement;
 - d. October 1, 2015, if NATC has failed to make the payment required by section 13(a) of this Agreement;
 - e. October 3, 2015, if NATC has failed to make the payment required by section 10(e) of this Agreement;
 - f. December 1, 2015, if NATC has failed to make the payment required by section 13(b) of this Agreement;
 - g. NATC fails to comply with the reporting requirement in section 15 of this Agreement, and this breach remains uncorrected for a period of two (2) business days following written notice of the breach by Callidus;
 - h. NATC fails to comply with any reporting requirement set out in sections 17, 19 or 23 of this Agreement, and this breach remains uncorrected for a period of ten (10) days following written notice of the breach by Callidus;
 - i. the date on which there is any breach of sections 20, 21, 22, 24, 25 or 26 of this Agreement;

- j. the date that a sale of all or substantially all of the Property is completed;
- k. the business day immediately following the Bid Deadline pursuant to the SISP, if no qualified bids are received by the Bid Deadline;
- l. the date that NATC's obligations under the May Loan, the December Loan and the Security are paid and satisfied in full (including all costs and accrued interest); and,
- m. December 1, 2015

(the "**Forbearance Period**").

- 9. At the end of the Forbearance Period, Callidus shall be permitted to immediately apply for the appointment of a Receiver or to assign NATC into bankruptcy. NATC agrees to consent to the appointment of a Receiver or to the assignment into bankruptcy, and Queenwood agrees that it will not oppose the application, appointment or assignment.

Loan Payments

- 10. NATC agrees to make the following payments to Callidus on the May Loan and the December Loan:
 - a. on July 17, 2015, principal and interest in the amount of \$383,000;
 - b. on July 17, 2015, the facility fee of \$154,208;
 - c. on July 31, 2015, principal and interest in the amount of \$391,000;
 - d. on September 4, 2015, principal and interest of \$391,000; and,
 - e. on October 2, 2015, principal and interest of \$383,000.

Equipment Sales Process

- 11. On or before July 17, 2015, NATC will commence the Equipment Sales Process to sell the Equipment, provided that this commencement is approved by the Court in the CCAA Proceedings.
- 12. On or before July 17, 2015, NATC agrees to provide Callidus with a plan for the Equipment Sales Process, which will include who will conduct the process, how the process will be conducted, the timeline for the process and the anticipated realization (including supporting information for the anticipated realization, where available). The anticipated realization shall be based on the Appraisal. NATC and Callidus anticipate that the Equipment Sales Process will be part of the SISP.
- 13. NATC agrees to pay the proceeds from the sale of the Equipment to Callidus, subject to Priority Payables (including a reserve of funds as the Monitor considers necessary to pay

Priority Payables), expenses properly payable in accordance with the PPSA or the CCAA Proceedings and specifically agrees to make the following payments to Callidus:

- a. \$3,000,000 on or before September 30, 2015; and,
- b. \$8,000,000 on or before November 30, 2015.

Investment and Sales Process

14. On or before July 17, 2015, NATC agrees to provide Callidus with the SISP, which will include who will conduct the process, how the process will be conducted and the timeline for the process (including milestone dates). One of the milestone dates in the SISP will be the Bid Deadline.
15. NATC agrees to report to Callidus weekly with respect to the Equipment Sales Process and the SISP, and to facilitate access to the party (or parties) conducting the sales process. This reporting may take the form of a weekly report or a weekly call.

Reporting Requirements

16. Callidus confirms that NATC has provided Callidus with the following reports (the “Reports”):
 - a. the Cantung Operational Assessment by PricewaterhouseCoopers performed in November 2014;
 - b. the Cantung Mine TP4 and TP3 Closure Design Presentation by SRK Consulting dated April 27, 2015;
 - c. the Mactung Project Open Pit Scoping Study by JDS Energy and Mining Inc. dated May 15, 2015; and,
 - d. the World Tungsten Outlook to 2025 by Argus Media dated May 2015.
17. NATC agrees to provide Callidus with any updates, modifications or revisions of the Reports within two (2) business days of NATC receiving the update, modification or revision and to provide Callidus with any other mine studies and valuations that NATC may obtain during the Forbearance Period within two (2) business days of NATC receiving such mine study or valuation.
18. Callidus confirms that NATC has provided Callidus with the following operating plans:
 - a. a current operating plan for the four month period ending October 31, 2015 and the six month period ending December 31, 2015; and,
 - b. a current operating plan for the two week period ending July 17, 2015.
19. Beginning July 13, 2015, NATC will provide Callidus with:

- a. every two weeks (on Monday), a current operating plan for the upcoming two week period;
- b. every two weeks (on Monday), a comparison of forecast to actual for the previous operating plan;
- c. every two weeks (on Monday), a maintenance report that (i) identifies any items from the Equipment List that have been damaged or require repair; (ii) outlines the maintenance steps or repairs that were carried out over the preceding two week period; and (iii) outlining any maintenance steps or repairs anticipated or planned for the upcoming two weeks;
- d. every two weeks (on Monday), a schedule of all unpaid Priority Payables;
- e. every month (on the 13th of the month), unaudited financial statements and management reports;
- f. a 13 week cash flow forecast;
- g. every week (on Monday), a comparison of actual to budget comparison for the 13 week cash flow comparison with variance analysis;
- h. every month (on the 13th), a roll-forward of the 13 week cash flow forecast; and
- i. any other financial information with respect to the Property or NATC's business and operations reasonably requested by Callidus.

Current Cash Flow

- 20. NATC has provided Callidus with a copy of the Current Cash Flow. During the Forbearance Period, NATC will comply with the Current Cash Flow (as updated pursuant to section 19), and Callidus shall provide the DIP Advances consistent with the Current Cash Flow, as updated pursuant to section 19, provided that the net cash flow line item will not vary by more than \$50,000, unless otherwise authorized by Callidus in writing.

Maintenance

- 21. NATC covenants and agrees that it will ensure that the Property is properly maintained and in particular, subject to section 26(c), covenants and agrees to ensure that the Equipment will be maintained in good working order.

Access

- 22. Callidus shall have the right to inspect the Property at any time, upon reasonable notice to NATC. NATC agrees to cooperate in any inspection and to facilitate access to the Equipment by Callidus, or a third party or agent authorized to inspect the Property on behalf of Callidus. NATC further agrees to pay any reasonable fees or costs incurred by Callidus in connection with the inspection.

23. NATC agrees to facilitate discussions between Callidus and representatives of WBH and will provide Callidus with copies of any reports received by NATC that are created by WBH with respect to the Property and NATC's business and operations.

Mactung Property

24. NATC can make payments with respect to the Mactung Property in accordance with the Current Cash Flow. Callidus will obtain the Mactung Report. NATC agrees that if the Mactung Report determines that further spending on the Mactung Property is not commercially reasonable, Callidus is entitled to make an application to the Court on notice to the Service List to restrict NATC from spending any further funds or committing to any expense related to the Mactung Property.

Independent Advisors

25. Callidus shall have the right to select a Consultant to prepare an independent review of and/or to provide oversight with respect to NATC's operations. If this right is exercised by Callidus, NATC agrees to retain the Consultant selected, on terms and scope acceptable to Callidus, acting reasonably, and to pay any reasonable expenses associated with the Consultant's engagement, including the Consultant's fees.

Representations and Warranties

26. NATC represents and warrants as follows:
- a. the recitals to this Agreement are true and correct;
 - b. the acknowledgements set out in this Agreement are true and correct;
 - c. NATC has maintained the Property, and in particular has followed a reasonable maintenance schedule such that all items in the Equipment List are currently in good working order, unless specifically identified as not being in good working order in the Equipment List;
 - d. there is no matter fact or event which is known to NATC which has not been disclosed to Callidus which is likely to have a material adverse effect on NATC's ability to perform its obligations under this Agreement and NATC has conducted such investigations as it considers necessary to make this representation and warranty;
 - e. subject to receiving Court approval in the CCAA Proceedings, NATC has the authority to enter into this Agreement and the execution, delivery and performance of this Agreement will not violate any order, declaration or judgment binding upon NATC or any agreement to which NATC is a party;
 - f. all financial and other information provided by or on behalf of NATC to Callidus or their respective advisors with respect to NATC and the Property is true, accurate and complete in all material respects as of the date of this Agreement and

any projections provided to Callidus are based on assumptions believed to be reasonable as of the date of their preparation and there has been no material change in any such assumptions (or in their reasonableness) or in the actual results in operations to date which has not been disclosed in writing to Callidus; and,

- g. this Agreement has been fairly and freely negotiated between sophisticated commercial parties having received the benefit of legal advice as the parties consider necessary.

NATC acknowledges and agrees that, in entering into this Agreement, Callidus is relying on the covenants, acknowledgements, agreements, representations and warranties of NATC being materially true and correct at all times and that all such covenants, acknowledgements, agreements, representations and warranties are and will continue to be in full force and effect at all times, both before, during and after any Forbearance Period, notwithstanding any expiration of the Forbearance Period.

Conditions Precedent

- 27. Other than sections 7 and 31, this Agreement shall not be effective unless and until the Court in the CCAA Proceedings approves this Agreement and the DIP Term Sheet. NATC agrees to apply for this approval no later than July 8, 2015.

Notice and Communications

- 28. A notice, approval, consent or other information in connection with this Agreement:
 - a. must be in writing;
 - b. must be marked for attention as indicated below; and,
 - c. must be:
 - i. left at the address of the addressee;
 - ii. sent by pre-paid ordinary post (airmail if posted to or from a place outside North America) to the address of the addressee; or
 - iii. sent by email to the email address identified below.
- 29. The address and contact details for each party is:

Callidus Capital Corporation

Attention: Craig Boyer
4620 – 181 Bay Street, P.O. Box 792
Toronto ON M5J 2T3
Email: cboyer@calliduscapital.com

With a copy to:

Borden Ladner Gervais LLP

Attention: William Skelly/Lisa Hiebert
1200 – 200 Burrard Street
Vancouver BC V7X 1T2
Email: wskelly@blg.com and lhiebert@blg.com

North American Tungsten Corporation Ltd.

Attention: Dennis Lindahl
1640 – 1188 West Georgia Street, P.O. Box 19
Vancouver BC V6E 4A2
Email: dlindahl@queenwoodcapital.com

With a copy to:

Dentons Canada LLP

Attention: John Sandrelli/Tevia Jeffries
20th Floor – 250 Howe Street
Vancouver BC V6C 3R8
Email: john.sandrelli@dentons.com and tjeffries@dentons.com

Queenwood Capital Partners II LLC

Attention: Ronald A. Erickson
4567 American Boulevard
West Bloomington MN 55437
Email: ronald.erickson@holidaycompanies.com

30. A notice, approval, consent or other communication takes effect from the time it is received unless a later time is specified in it.

Miscellaneous

31. **Costs and Expenses:** NATC agrees to pay to Callidus, as often as Callidus may require, and whether or not all or any of the transactions contemplated by this Agreement are consummated, all costs, fees and disbursements of Callidus and its legal advisors in connection with the preparation, negotiation, execution, delivery, administration, interpretation or enforcement of this Agreement, the May Loan, the December Loan and the Security, and all matters related to any of the forgoing.
32. **Survival of Representations and Warranties:** All representations and warranties made in this Agreement shall survive the execution and delivery of this Agreement and no investigation by Callidus or any closing shall affect the representations or warranties or the rights of Callidus to rely on the representations and warranties.
33. **Further Assurances:** The parties agree to execute and deliver such supplemental documents and take such supplemental action as their counterparties may reasonably require to give effect to the provisions and purposes of this Agreement.

34. **No Modification:** No provision of this Agreement may be changed, modified or amended other than by an agreement in writing.
35. **Enurement:** This Agreement shall enure to the benefit of, be binding upon and be enforceable against the parties to this Agreement and their respective heirs, executors, administrators, successors and permitted assigns.
36. **Exercise of Rights:** Failure by a party to exercise or delay in exercising a right, power or remedy under this Agreement does not prevent its exercise.
37. **Severability:** If the whole or any part of a provision of this Agreement is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remainder of this Agreement shall remain in full force and effect and the validity and enforceability of that provision in any other jurisdiction is not affected. This clause has no affect if this severance alters the basic nature of this Agreement or is contrary to public policy.
38. **Jurisdiction:** This Agreement is governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable in British Columbia, and each party to this Agreement irrevocably and unconditionally attorns and submits to the jurisdiction of the courts of British Columbia.
39. **Counterparts:** This Agreement may be executed in counterparts and delivered as a PDF attachment to an email, each of which when so executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument, and shall be effective as of the date specified on page 1 of this Agreement.

[Intentionally blank - Signature page to follow]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

CALLIDUS CAPITAL CORPORATION

Per: _____

Name:

Title:

I have the authority to bind the Corporation

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per:  _____

Name: Dennis M Lindahl

Title: CFO

I have the authority to bind the Corporation

**QUEENWOOD CAPITAL PARTNERS
II LLC**

Per:  _____

Name: Kurt Heikkila

Title: Partner

I have the authority to bind the Corporation

[Signature Page - Forbearance Agreement July 2015]

Forbearance Agreement – Schedule “A”**Current Cash Flow (attached)**

North American Tungsten Corporation Ltd.																			
Cash Flow Statement																			
For the 20 Week Period ending October 23, 2015																			
(\$000's)																			
	Week 1 to 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	Total
	3-Jul-15	10-Jul-15	17-Jul-15	24-Jul-15	31-Jul-15	7-Aug-15	14-Aug-15	21-Aug-15	28-Aug-15	4-Sep-15	11-Sep-15	18-Sep-15	25-Sep-15	2-Oct-15	9-Oct-15	16-Oct-15	23-Oct-15		
Cash flow from operations																			
Collection of accounts receivable	\$ 2,083	\$ 673	\$ 1,598	\$ 2,046	\$ 1,111	\$ 1,173	\$ 1,161	\$ 1,141	\$ 1,141	\$ 1,203	\$ 1,408	\$ 1,408	\$ 1,408	\$ 1,470	\$ 1,266	\$ 1,266	\$ 868	\$ 22,421	
Other receipts	102	-	-	46	-	-	-	40	-	200	-	40	-	200	-	-	40	668	
Employee costs - mine site	(899)	(809)	(610)	(312)	(225)	(510)	(312)	(540)	(228)	(405)	(349)	(393)	(409)	(309)	(489)	(454)	(552)	(7,806)	
Mining raw materials	(30)	(23)	(23)	(23)	(23)	(59)	(59)	(59)	(59)	(54)	(54)	(54)	(54)	(28)	(28)	(28)	-	(656)	
Mill raw materials	(99)	(170)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(60)	(2,004)	
Fuel	(559)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(48)	(3,487)	
Equipment parts and supplies	(60)	(76)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(13)	(510)	
Operating leases and insurance	(65)	-	-	-	(46)	(3)	-	-	-	(46)	-	-	-	(46)	-	-	-	(206)	
Freight and expediting	(226)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(1,426)	
Catering and janitorial	(189)	-	(73)	-	(74)	-	(74)	-	(73)	-	(70)	-	(71)	-	(71)	-	(71)	(767)	
Tailings management and dredging	-	(13)	(13)	-	-	(15)	(15)	-	-	-	-	-	-	-	-	-	-	(56)	
Other operating costs	(229)	(218)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(168)	(126)	(2,925)	
Mill maintenance	-	-	-	(100)	-	(96)	(100)	-	-	(50)	-	(50)	-	-	-	-	-	(396)	
Contingency	-	-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(925)	
Net cash flow from operations	(171)	(902)	248	1,027	112	(141)	(30)	(49)	150	218	279	295	219	631	22	128	(112)	1,924	
Head office disbursements																			
Employee costs - head office	(112)	-	(39)	(9)	(39)	(9)	(39)	(9)	(39)	(9)	(39)	(9)	(39)	(9)	(49)	(9)	(49)	(504)	
Operating leases and insurance	(21)	-	-	-	(21)	-	-	-	-	(21)	-	-	-	(21)	-	-	-	(86)	
Head office and corporate costs	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(125)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(524)	
Total head office disbursements	(157)	(25)	(64)	(34)	(85)	(34)	(64)	(34)	(164)	(55)	(64)	(34)	(64)	(55)	(74)	(34)	(74)	(1,114)	
Non-operating cash flow																			
Proceeds of equipment sales	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	-	-	3,000	
Reclamation costs	-	-	-	-	-	-	(150)	(150)	(100)	-	-	-	-	-	-	-	-	(400)	
Development costs - Mactung	(2)	-	-	-	(150)	(150)	(132)	(32)	(82)	(82)	(32)	(32)	(32)	(32)	(32)	(100)	(110)	(1,000)	
Restructuring professional fees	(20)	(446)	(60)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(37)	(1,044)	
Total non-operating cash flow	(22)	(446)	(60)	(37)	(187)	(187)	(319)	(219)	(219)	(119)	(69)	(69)	2,931	(69)	(69)	(137)	(147)	556	
Net cash flow before interim financing	(350)	(1,373)	124	956	(160)	(362)	(413)	(302)	(233)	44	146	193	3,086	507	(121)	(43)	(333)	1,366	
Net cash flow from interm financing																			
Proceeds of interim financing	500	1,000	500	-	-	-	500	-	500	-	-	-	-	-	-	-	-	3,000	
Interim financing fees and interest	-	(55)	-	-	(32)	-	-	-	-	(53)	-	-	-	(49)	-	-	-	(189)	
Principal and interest on existing Callidus loans	-	-	(537)	-	(391)	-	-	-	-	(391)	-	-	-	(3,383)	-	-	-	(4,702)	
Net cash flow from interim financing	500	945	(37)	-	(423)	-	500	-	500	(444)	-	-	-	(3,432)	-	-	-	(1,891)	
Net Cash Flow	150	(428)	87	956	(583)	(362)	87	(302)	267	(400)	146	193	3,086	(2,925)	(121)	(43)	(333)	(525)	
Opening Cash Position	626	776	348	435	1,391	807	445	532	231	498	98	244	437	3,523	598	477	434	626	
Closing Cash Position	\$ 776	\$ 348	\$ 435	\$ 1,391	\$ 807	\$ 445	\$ 532	\$ 231	\$ 498	\$ 98	\$ 244	\$ 437	\$ 3,523	\$ 598	\$ 477	\$ 434	\$ 101	\$ 101	



EXECUTION VERSION

July 6, 2015

North American Tungsten Corporation Ltd.
#1640 – 1188 West Georgia Street
Vancouver, British Columbia
V6E 4A2

Attention: Dennis Lindahl

RE: Term Sheet - \$3 million Senior Secured Super-Priority Debtor-in-Possession Facility

This Term Sheet will provide you with the terms and conditions of the proposed interim financing facility (the “**DIP Facility**”) that Callidus Capital Corporation proposes to provide, subject to Court approval of this Term Sheet. If this Term Sheet is acceptable to you, please sign below and deliver the Structuring Fee as detailed below.

DIP Borrower: North American Tungsten Corporation Ltd. (the “**DIP Borrower**”).

DIP Lender: Callidus Capital Corporation (the “**DIP Lender**”).

DIP Facility: \$3 million multi-draw term loan.

The first draw of \$500,000 has been paid on June 29, 2015. All further draws are to be made in accordance with the cash flow statements provided by the DIP Borrower under the Forbearance Agreement.

Interest: The DIP Facility will bear interest at 21% per annum payable in cash by the DIP Borrower on the last day of each month.

Additional default interest of 2% per annum applies following a payment default.

Structuring Fee: \$30,000

Term: The earlier of November 15, 2015 and the end of the stay of proceedings in the CCAA Proceeding, with the possibility of monthly extensions subject to credit committee approval and the DIP Borrower paying the DIP Lender an extension fee in the amount of \$10,000 per month (the last day of the Term shall be referred to as the “**Maturity Date**”).

181 BAY STREET
SUITE 4620, P.O. BOX 792
BAY WELLINGTON TOWER – BROOKFIELD PLACE
TORONTO, ONTARIO, CANADA •
M5J 2T3

- Security:** The DIP Facility shall be secured by:
- (a) a super-priority lien and claim to be granted by way of court order of the British Columbia Supreme Court in the proceeding (the "**CCAA Proceeding**") commenced by the DIP Borrower under the Canadian *Companies' Creditors Arrangement Act* (the "**CCAA**"), over all of the assets of the DIP Borrower (including without limitation, the Mactung mine and all assets related thereto);
 - (b) a general security agreement providing a first ranking charge on all present and after acquired property of the DIP Borrower (including without limitation, the Mactung mine and all assets related thereto), 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,
 - (c) such other security as the DIP Lender and its solicitors may deem necessary, including but not limited to, a first ranking charge over the equipment of the DIP Borrower, subject to section 11.8 claims, over the mining claims of the DIP Borrower and all permits and licenses related to the Cantung Mine and the Mactung Property (as defined in the Initial Order), and any present and after acquired concentrate and inventory from the Cantung Mine (collectively, the "**Security**").
- Repayment:** Repayment at any time upon the earliest to occur of:
- (a) the Maturity Date;
 - (b) an Event of Default (as defined below);
 - (c) dismissal or termination of the CCAA Proceeding; and
 - (d) the commencement of any proceeding (a "**BIA Proceeding**") pursuant to the *Bankruptcy and Insolvency Act* (Canada), or the conversion of the CCAA Proceeding into a BIA Proceeding, or the commencement of any similar proceeding in any jurisdiction.
- Use of Proceeds:** To pay for the costs and expenses related to the CCAA Proceeding and the approved (by DIP Lender) budget expenditures.
- Covenants:** Compliance with certain specifically identified line items in the cash flow attached to the forbearance agreement between the DIP Lender, the DIP Borrower and Queenwood Capital Partners II LLC (the "**Forbearance Agreement**"), and to a 13-week cash flow forecast to be provided in accordance with the Forbearance Agreement (provided that variances to line items shall be permitted, provided the net cash flow line item will not vary by more than \$50,000 unless specifically authorized by Callidus in writing), reported and tested weekly.
- Reporting:** As set out in the Forbearance Agreement.
- Expenses:** All reasonable and documented out-of-pocket fees and expenses of the DIP Lender, including without limitation all reasonable and documented fees and expenses of outside counsel in connection with the DIP Facility, including in connection with due diligence by the DIP Lender associated with the preparation, execution and delivery, waiver or modification, and enforcement of the

documentation contemplated hereby, are to be paid by the DIP Borrower.

**Conditions
Precedent**

Usual and customary for this type of transaction, including:

- (a) approval of the transaction by the DIP Lender's Credit Committee;
- (b) the DIP Lender being satisfied in its sole discretion that there has been no material deterioration of the DIP Borrower's business prior to closing; and
- (c) completion of DIP Credit Agreement and security in form and substance satisfactory to DIP Lender.

Events of Default:

Each of the following events constitutes an "**Event of Default**" under this Term Sheet, 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 DIP Borrower fails to make any payment of fees, interest or principal when due and payable under this Term Sheet;
- (b) **Breach of default of the DIP Borrower:** The DIP 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 Term Sheet or any other document executed by the DIP Borrower in relation to this Term Sheet, and such breach is not remedied within 10 days of the DIP Lender delivering written notice of the breach.
- (c) **Change of Monitor:** There is a change in the party appointed by the Court in the CCAA Proceedings as monitor of the DIP Borrower without the prior written consent of the DIP Lender.
- (d) **Breach of Orders:** The DIP Borrower is in violation of, or non-compliance with, any order issued under the CCAA Proceedings.
- (e) **Orders:** There is a further amendment to or variation of the Initial Order or the DIP Order that the DIP Lender, acting reasonably, does not consent to.
- (f) **Proceedings:** Except as permitted by the Initial Order, any proceeding is taken or commenced by any creditor against the DIP Borrower or its assets and such is not remedied within seven days thereof.
- (g) **Failure to Pay:** The DIP Borrower fails to pay any claims ranking in priority to the DIP Lender's Charge when such claims come due and such failure is not remedied within 10 days thereof.
- (h) **Jeopardy:** The DIP Lender, in good faith and on commercially reasonable grounds, believes that the prospect of payment or performance of any of the DIP Borrower's obligations under this Term Sheet or under the Security is impaired.
- (i) **Administration Charge:** The Administration Charge (as defined in the Initial Order) exceeds \$500,000 without the prior written consent of the DIP Lender.
- (j) **Reporting:** Failure of the DIP Borrower to provide the reporting as required by and set out in the Forbearance Agreement.

Upon the occurrence of an Event of Default, the DIP Facility will become immediately due and owing, and Callidus shall be permitted to immediately apply for the appointment of a Receiver or to assign the DIP Borrower into bankruptcy.

Costs: Whether or not the loan pursuant to this Term Sheet is made, the DIP Borrower will reimburse the DIP Lender for all reasonable costs incurred by the DIP Lender, directly or indirectly, including without limitation, the time spent by the DIP Lender's personnel, at a rate based on the DIP Lender's normal hourly rates, the expenses of the DIP Lender's personnel, including reasonable travel expenses, and all legal fees and disbursements actually incurred by the DIP Lender in respect of the DIP Facility (including preparation of this Term Sheet), the enforcement and preservation of the DIP Lender's rights and remedies under this Term Sheet and the Security and preparation of any valuation of the assets of the DIP Borrower (collectively, the "Costs"). The DIP Lender shall be entitled to deduct the Costs from the draws made on the DIP Facility.

Counterparts: This Term Sheet and all related documents, may be executed in any number of counterparts and delivered electronically (including as a PDF attachment to an email), each of which when so executed and delivered shall be deemed to be an original and all taken together will constitute one and the same document.

Closing: No later than July 8, 2015.

This Term Sheet is open for acceptance until the close of business (in Vancouver) on July 7, 2015. Upon acceptance by the DIP Borrower, this Term Sheet shall be deemed to be the Loan Agreement (Interim Financing) between the DIP Borrower and the DIP Lender.

ACCEPTED THIS ____ DAY OF JULY 2015

CALLIDUS CAPITAL CORPORATION

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I have the authority to bind the Corporation

I have the authority to bind the Corporation

Forbearance Agreement - Schedule "C"

Cantung Equipment
Detailed Listing - Callidus Collateral
Source: May 2015 Hilco-Callidus Appraisal
as of: 6-18-15

Ref#	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition	Codes	\$ FLV	\$ OLV	July-Sept	Oct-Nov	KEEP
1 = SELL / 0 = KEEP																
UNDERGROUND																
20.00	1-	501	Equipment	H205-D	Jumbo Core	Drill	97AD582	1987	1,132 Hours at Time of Inspection, 2-Boom, with NA 2-Spare Drifter booms Please Note: Not Inspected Out by Rebuild	NA		0	0	1	1	0
66.00	1-	614	Caterpillar	35-6B	1,812-KVA	Generator Set	N/A		60-Hz, 4,150-Volt, 252-AMP, 1,200-RPM, with 20-HP Fan, Radiator, 22,603-Hours Please Note: Out for Rebuild	NA		0	0	0	0	1
1.00	1-	543	Caterpillar	AD30	30-Ton	Haul Truck	DXR00474	2012	9,883.9 Hours At Time of Inspection	VG		0	0	0	1	0
2.00	1-	549	Caterpillar	AD30	30-Ton	Haul Truck	DXR00395	2010	7,831.3 Hours At Time of Inspection	E		0	0	0	1	0
3.00	1-	541	Caterpillar	AD30	30-Ton	Haul Truck	DXR00451	2012	7,831.3 Hours At Time of Inspection	VG		0	0	0	1	0
4.00	1-	548	Caterpillar	AD45	45-Ton	Haul Truck	CX400437	2011	1,559 Hours At Time of Inspection	G		0	0	0	1	0
5.00	1-	547	Caterpillar	AD45	45-Ton	Haul Truck	JC400169		1,600 Hours At Time of Inspection	F		0	0	0	1	0
6.00	1-	529	Caterpillar	R1700G		Scoop Train	4L200171		720 Hours At Time of Inspection, 8-Yd. Bucket	F		0	0	1	1	0
7.00	1-	522	Caterpillar	R1600G		Scoop Train	9Y200556	2010	1,259 Hours At Time of Inspection, 6-Yd. Bucket	G		0	0	0	1	0
9.00	1-	546	Jarvis Clark	EJC430	30-Ton	Haul Truck	2189		2,199 Hours At Time of Inspection	F		0	0	1	1	0
10.00	1-	539	Caterpillar	R1600G		Scoop Train	9YF00220	2007	1,017 Hours At Time of Inspection, 6-Yd. Bucket	G		0	0	1	1	0
12.00	1-	532	Jarvis Clark	EJC210		Scoop Train	2657		2,039 Hours At Time of Inspection, 6-Yd. Bucket	F		0	0	1	1	0
13.00	1-	530	Caterpillar	R1700G		Scoop Train	8X200375	2004	5,907 Hours At Time of Inspection, 8-Yd. Bucket	G		0	0	0	1	0
14.00	1-	536	Jarvis Clark	EJC130		Scoop Train	2420		1,692 Hours At Time of Inspection, 3-1/2-Yd. Bucket	F		0	0	1	1	0
15.00	1-	535	Jarvis Clark	EJC220		Scoop Train	14837		1,223 Hours At Time of Inspection, 2-2-Yd. Bucket	F		0	0	1	1	0
16.00	1-	537	Caterpillar	R1300G		Scoop Train	LJ801190	2006	3-1/2-Yd. Bucket	F		0	0	0	1	0
17.00	1-	505	Boyard Longyear	Supermaster	Core	Drill	203-02R	2005	5,470 Hours at Time of Inspection	G		0	0	0	1	0
18.00	1-	504	Tamrock	Minimatic	Jumbo Core	Drill	95D465A		1,199 Hours at Time of Inspection, 2-Boom	G		0	0	0	0	1
21.00	1-	581	Caterpillar	968H		Wheel Loader	A6D00574	2007	12,593 Hours at Time of Inspection	G		0	0	0	0	1
22.00	1-	304	Caterpillar	T4220		Teahandler	SLA01106	2007	1,306 Hours at Time of Inspection	G		0	0	0	1	0
23.00	1-	586	Jarvis Clark	JUT43SL41	Scissor	Deck	6593		1,627 Hours at Time of Inspection	G		0	0	0	1	0
24.00	1-	506	McLean	928-MEM	Rock	Boiler	928-164	2005	1,587 Hours at Time of Inspection	F		0	0	0	1	0
25.00	1-	510	Miller	M75	Loader	Backhoe	42N05702	2005	7,848 Hours at Time of Inspection	F		0	0	1	1	0
26.00	1-	367	Caterpillar	416	Loader	Backhoe	SLA00594	2005	1,024 Hours at Time of Inspection	F		0	0	0	1	0
27.00	1-	553	Caterpillar	T4220B	Scissor	Deck	465		1,775 Hours at Time of Inspection	F		0	0	1	1	0
28.00	1-	564	Jarvis Clark	JUT415	Scissor	Boom Lift	77135		1,395 Hours at Time of Inspection	P		0	0	1	1	0
29.00	1-	554	Jarvis Clark	PK7000A		Loader	794		Please Note: Out of Service at Time of Inspection	F		0	0	1	1	0
30.00	1-	580	Emco	975	Anto	Vehicle	CE1463		1,359 Hours at Time of Inspection	F		0	0	1	1	0
31.00	1-	593	Kubota	RTV1140		Agricultural Tractor			1,359 Hours at Time of Inspection	F		0	0	1	1	0
32.00	1-	562	Kubota	L4600		Agricultural Tractor	53992		754 Hours at Time of Inspection	F		0	0	0	1	0
35.00	1-	564	Kubota	RTV1140		All Terrain Vehicle	25089		Please Note: Not Inspected by Abraser	NA		0	0	1	1	0
36.00	1-	579	Kubota	RTV1140		All Terrain Vehicle	18178		Please Note: Not Inspected by Abraser	NA		0	0	0	1	0
37.00	1-	582	Kubota	RTV1140		All Terrain Vehicle	21298		Please Note: Not Inspected by Abraser	NA		0	0	0	1	0
39.00	1-	577	Toyota	Land Cruiser	Man	Carrier	JTFLB7J7B002741		Please Note: Not Inspected by Abraser Unit #6309	NA		0	0	1	1	0
40.00	Lot		Undefined Make	Miscellaneous Transformers		Transformer			Please Note: Not Inspected by Abraser (7) Transformers 750 KVA to 200 KVA	G		0	0	0	0	1

Equip List to Callidus based on Hilco Report May 2015

Canting Equipment
Detailed Listing - Callidus Collateral
 Source: May 2015 Hilco-Callidus Appraisal
 as of: 6-18-15

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLV	1 = SELL / 0 = KEEP	July-Sept	Oct-Nov	KEEP
40.10			UNDERGROUND													
41.00	2		MAINTENANCE													
			MAINTENANCE													
41.00	2		Norco	5-Ton x 25' Span x 80' Travel Single		Bridge Cranes			with Chain Hoist	G	0	0	0	0	0	1
42.00	2		Lincoln Electric	DC655		Welders				G	0	0	0	0	0	1
43.00	1		Lincoln Electric	LF-74		Wire Feed				G	0	0	0	0	0	1
44.00	1		Miller	Spectrum 875		Wire Feed				G	0	0	0	0	0	1
45.00	1		Miller	Fair SWX-D Furne		Extractor				G	0	0	0	0	0	1
46.00	1		Victor	VC-M200		Plasma Cutter	CM002625		Table Mounted	G	0	0	0	0	0	1
47.00	1		Manufacturer Unknown	15-Ton x 30' Span x 135' Travel Double		Bridge Crane			with Chain Hoist	G	0	0	0	0	0	1
48.00	Lot		Undefined Make	Glider					Shop Equipment Consisting of: Tool Sets, Tool Boxes, 6,000-Lb. Engine Hoist, SPX Power Team 5-Ton Shop Press, Belcores, Shop Storage Cabinets, Battery Chargers, Desks, Chairs, Hand Jacks, Double End Grinders, Cut Off Saw, End Washer, Shop Fans	F	0	0	0	0	0	1
48.001																
48.10			MAINTENANCE													
48.00	1		SHOP	SM072N-000	12,000-Lb. Rotary	Vehicle Lift	JQD0610002			G	0	0	0	0	0	1
			Rotary Lift	Above Ground 4.												
50.00	1		Omega	TK-100120-10-HP		AI Compressor	OC-S884		Tank Mounted	E	0	0	0	0	0	1
51.00	1		Rigid	325		Pipe Threader				F	0	0	0	0	0	1
52.00	1		Rigid	300		Pipe Threader			with Rigid 915 Attachment	F	0	0	0	0	0	1
53.00	1		Rigid	1224		Pipe Threader				F	0	0	0	0	0	1
54.00	1		Westward	DR220F	1-HP Drill		138W0322	2013		F	0	0	0	0	0	1
55.00	1		Miller	SRH-333		Welder	JK554460			G	0	0	0	0	0	1
56.00	1		Miller	Metamatic 261		Welder				G	0	0	0	0	0	1
57.00	1		Miller	261		Welder				G	0	0	0	0	0	1
58.00	1		Gallant	75-HP Double End		Grafter	380			P	0	0	0	0	0	1
59.00	1		Ber Pearson	ORC-2		OR Filter	CM0112135			F	0	0	0	0	0	1
60.00	1		Landa	Hol Water		Pressure Washer	1,0391E+13			F	0	0	0	0	0	1
62.00	1		Caterpillar	GP-25	LPG	Ford Truck	6AM-00399	1985		G	0	0	0	0	0	0
63.00	1		Coats	506EX	Rim Clamp Tire Machine					F	0	0	0	0	0	1
64.00	1		GM	Tech II	Diagnostic System					G	0	0	0	0	0	1
65.00	1		Western	5-Ton x 30' Span x 80' Travel Single		Bridge Crane			with Chain Hoist	G	0	0	0	0	0	1
66.00	1		Western	10-Ton x 30' Span x 80' Travel Single		Bridge Crane			with Chain Hoist	G	0	0	0	0	0	1
67.00	Lot		Undefined Make	Glider					Maintenance Shop Consisting of: Work Tables, Shop Lights, Torch Sets, Tire Racks, Stacking Cabinets, Table Vices, Parts Bins, Parts Washers, Blast Cabinet, Tool Boxes, Battery Chargers, Diagnostic Tools	F	0	0	0	0	0	1
68.00	1		363	VO60	Tandem Axle	Dump Truck	4V2SCBJHLL506105	1991	with PTO and Road Grader Blade	P	0	0	0	0	0	0
69.00	1		318	VO60	Major Grader		VC05G990/033339	2007		G	0	0	0	0	0	1
70.00	1		375	Champion	Major Grader		X02463X	1984		F	0	0	0	0	0	0
71.00	1		373	Caterpillar	DB0	Crawler Tractor	4V5555	1981		P	0	0	0	0	0	0

Cranting Equipment
Detailed Listing - Callidus Collateral
Source: May 2015 Hilco-Callidus Appraisal
as of: 6-18-15

Ref#	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLV	July-Sept	Oct-Nov	KEEP
72.00	1-	377	Hyatt	Challenge	LPG	Forklift Truck	E316748	1980		P	0	0	1	1	1
73.00	1-	374	Grove	Rough Terrain		39007				F	0	0	0	0	1
74.00	1-	317	Caterpillar	950F	Cone			1994		F	0	0	0	0	1
75.00	Lot		Unclassified Make	55901176	Tool Carrier				Spare Buckets, Snow Blade, Breaker	G	0	0	0	0	1
76.00	1-		Unclassified Make						Attachment: Handylift	F	0	0	1	1	0
77.00	1-	361	Komatsu	PC400LC-7	Excavator	Unit	60008			G	0	0	0	0	1
77.10			SURFACE EQUIPMENT												
78.00	1-	5077	Caterpillar	3406	455-KVA	Generator Set	2W1315888	1996	438-Amp, 600-Volt, 60-Hz.	G	0	0	0	1	0
79.00	1-	6097	Newage	HC143C1H	312.5-KVA	Generator Set	M04AG5070-1		250-KW, 60-Hz, 600-Volt, 300-Amp, with	G	0	0	0	1	0
80.00	1-		Toy Tank		2.140-Liter Fuel Oil	Tank		2007	Caterpillar 3406 Engine	G	0	0	1	1	0
81.00	1-	676	Caterpillar	3516BHD	1.812-KVA	Generator Set	CG2700154	2010	1,450-KW, 60-Hz, with Cam Industries Model UTR, U-Tube Heat Recovery Unit, Ameritex Plate Heat Exchanger, SN 5153, 25,658 Hours, with enclosed sound proof container, roof mounted condensation unit.	VG	0	0	1	1	0
82.00	1-	615	Caterpillar	3516BHD	1.812-KVA	Generator Set	HG2700152	2010	1,450-KW, 60-Hz, with Cam Industries Model UTR, U-Tube Heat Recovery Unit, Ameritex Plate Heat Exchanger, SN 5153, 23,407 Hours with enclosed sound proof container, roof mounted condensation unit.	VG	0	0	0	0	1
83.00	1-	617	Caterpillar	3516BHD	1.812-KVA	Generator Set	HG2700155	2014	1,300-APM, 600-KW, 60-Hz, with CA 3212 Engine, with Radiator, 20-HP Fan, 4,342 Hours	G	0	0	1	1	0
84.00	1-	602	Caterpillar	3512	1,125-KVA	Generator Set	NA	1998	60-Hz, 600-Volt, 1,082-Amp, 800-KW, with 6' x 6' Radiator, 20-HP Fan, 7,996-Hours	G	0	0	0	1	0
87.00	1-	601	Caterpillar	3512	1,214-KVA	Generator Set	4M0000737	1998	60-Hz, 600-Volt, 1,163-Amp, 850-KW, with 20-HP Fan, Radiator, 8,627-Hours	G	0	0	0	0	1
88.00	1-	605	Caterpillar	S14	875-KVA	Generator Set	B2000796	1999	700-KW, 60-Hz, 600-Volt, 1,200-RPM, 3,512 G Engine, with 20-HP Fan, Radiator, 88,306-Hours	G	0	0	0	0	1
89.00	1-	603	Kato	1030-	1,030-KVA	Generator Set	94861-33	1997	60-Hz, 1,200-SHP, 600-Volt, 1,200-RPM, 3,516 G Caterpillar Engine, with 20-HP Fan, Radiator, 2,400-Hours	G	0	0	1	1	0
90.00	1-	621	Atlas Copco	GA1107	147-HP	Air Compressor	ABP202083		with Receiver Tank	F	0	0	0	0	1
91.00	2-		Ameritex		Plate	Heat Exchanger	94354, 94144			G	0	0	0	0	1
92.00	1-		Manufacturer Unknown		5' x 7' x 40' Span x 40' Travel Single Girder	Bridge Crane			with Cable Hoist	G	0	0	0	0	1
93.00	Lot		Armstrong Gycon							VG	0	0	0	0	1
93.01	3-		Armstrong	S-46-BF	Vertical Inline	Pumps			1/2 HP bronze fitted circulator pump		0	0	0	0	1
93.02	1-		Armstrong	SMZ5-150-29	Plate	Heat Exchanger	AC111600-2013	2011	150-psi at 230°F Hot MAMP, 324°F at 150-psi Hot MDMT, 150-psi at 230°F Cold MAMP, 324°F at 150-psi Cold MDMT		0	0	0	0	1
93.03	4-		Armstrong	982-KFA	24" Dia.	Pressure Vessels					0	0	0	0	1
93.04	2-		Armstrong	SMZ5-150-57	Plate	Heat Exchangers	AC111600-201, AC111600-202	2011	150-psi at 230°F Hot MAMP, 324°F at 150-psi Hot MDMT, 150-psi at 230°F Cold MAMP, 324°F at 150-psi Cold MDMT		0	0	0	0	1
93.05	2-		Armstrong	4300TC	Circulating	Pumps	691707, 691708	2011			0	0	0	0	1
93.06	1-		Armstrong	4030	Circulating	Pump	691736	2011			0	0	0	0	1
95.00	Lot		Veolia Water Treatment System, Consisting of							E	0	0	0	0	1
95.01	1-		Hapman	Super Sac	Bag	Dispenser	H-14408BA	2014	with 2-ton Crane, with Chain Hoist		0	0	0	0	1

Note B

Canting Equipment
Detailed Listing -- Callidus Collateral
Source: May 2015 Hilco-Callidus Appraisal
as of 6-18-15

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLV	1 = SELL / 0 = KEEP	July-Sept	Oct-Nov	KEEP
95.02	1-	Lot	Las Plastique	CV-80	Coagulant Poly Mix	Tank		2014	with (2) 1/2-HP Centrifugal Pumps		0	0	0	0	0	1
95.03	1-	Lot	Las Plastique	CV-90	Coagulant Poly Mix	Tank		2014			0	0	0	0	0	1
95.04	2-	Chemtrif	CT18EP3V	Pulse Feeder	Pumps		AA963715-01 & AA963715-02	2014	with (2) 15-HP, 3 x 3-10 Centrifugal Pump		0	0	0	0	0	1
95.05	1-	Undefined Make	AA963715-01	4W x 4L x 8H	Tank			2014	with (2) 7.5-HP Centrifugal Pumps, (4) Mixers		0	0	0	0	0	1
95.06	1-	Undefined Make	Carbon Steel	27L x 15W x 8H	Tank			2014			0	0	0	0	0	1
95.07	3-	Undefined Make	Carbon Steel	Water Solvers				2014			0	0	0	0	0	1
95.08	1-	Undefined Make	6L x 20W x 9H	Tank				2014	with (2) 15-HP Goulds 2 x 3-10 Centrifugal Pumps		0	0	0	0	0	1
95.09	1-	Grand For	Carbon Steel	Water Pump				2014			0	0	0	0	0	1
95.10	2-	Goulds	XLT2	3-HP, 6x8-13	Pumps			2014			0	0	0	0	0	1
95.11	1-	Goulds	Centrifugal	3-HP, 2x3-10 SRL	Pump			2014			0	0	0	0	0	1
95.12	1-	Vacua	Hydrex 5105	Polymer Flocculant System				2014			0	0	0	0	0	1
95.13	1-	John Wood	Hot	Water Heater				2014			0	0	0	0	0	1
95.14	1-	Undefined Make	Polymer System	Screw				2014	with (2) Stainless Steel Open Top 3H x 4 Dia Tanks, with Mixer		0	0	0	0	0	1
95.15	3-	Giant	1023C-3-15	96 Gallon	Tanks		AA951240	2014			0	0	0	0	0	1
95.16	4-	Riznor	Gas Fired Building	Heaters				2014			0	0	0	0	0	1
95.17	1-	Undefined Make	Portable Building	Station				2014			0	0	0	0	0	1
95.18	1-	Undefined Make						2014	Miscellaneous Valves, Pipes, Gauges, Motor Control Center, Transformers Please Note: Valued for Salvageable Components Only		0	0	0	0	0	1
96.00	1-	Genie	Z60J4J	Boom Lift			Z660J-8931	2009			0	0	0	0	0	1
97.00	1-	Industrial Commercial	IDF-350-H	Heater							0	0	0	0	0	1
98.00	1-	Industrial Commercial	IDF-500-H	Heater							0	0	0	0	0	1
98.00	1-	Workman	Multi-Meter II	Mixer					with Gas Engine		0	0	0	0	0	1
100.00	1-	Godwin	CD100	4" Diesel	Inverters				with Rado Model 40F-10 Type 263T Burner, SN 135031562		0	0	0	0	0	1
101.00	2-	Manitex	4000X	Trailer Mounted Generator							0	0	0	0	0	1
102.00	1-	Alas Copco	US-5	Tank Mounted Air Compressor			CU1309170125				0	0	0	0	0	1
103.00	1-	Alas Copco	F3411	As Dryer							0	0	0	0	0	1
104.00	1-	Miller	252	Welder							0	0	0	0	0	1
105.00	1-	Godwin	CD100	4" Diesel	Pump			2011			0	0	0	0	0	1
106.00	1-	Metter Toledo	AE200	Digital Scale					with Granite Plate		0	0	0	0	0	1
109.00	1-	Thermo Scientific	Precision 658	Oven			491804-1050				0	0	0	0	0	1
110.00	4-	Stearns	S1500	150,000-BTU Propane	Heaters						0	0	0	0	0	1
111.00	Lot	Backfill Paste Plant									0	0	0	0	0	1
111.01	1-	Recess	38300-Carbon Pig	Tank			383121555C-M01482	2011	SIN 21241E-JL-6482		0	0	0	0	0	1
111.02	1-	Undefined Make	Cone Bottom Bulk	Tank					with (2) Thermo Fisher Model 80, 75A-18 Feeders, Valves		0	0	0	0	0	1
111.03	1-	Thermo Scientific	Microtech 2000	Ball Feed	Control System						0	0	0	0	0	1
111.04	1-	Undefined Make	10 Dia x 8H	Tank					with Micro 31G1C, 15-HP Mixer, (2) 20-HP Centrifugal Pumps		0	0	0	0	0	1
111.05	1-	Undefined Make	10 Dia x 8H	Tank					with Micro 31G1C, 15-HP Mixer, (2) 20-HP Centrifugal Pumps, with 150000 5-HP Mixer		0	0	0	0	0	1
111.06	1-	Undefined Make	10 Dia x 8H	Tank					with Micro 31G1C, 15-HP Mixer, 3-HP Centrifugal Pumps		0	0	0	0	0	1

Equip List to Callidus based on Hilco Report May 2015

Cantung Equipment
Detailed Listing - Callidus Collateral
 Source: May 2015 Hilco-Callidus Appraisal
 as of: 6-18-16

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLV	1 = SELL / 0 = KEEP	July-Sept	Oct-Nov	KEEP
1107	1		Danabon Tort	CLM1415		Dust Collector					0	0	0	1	1	0
1108	1		Air Products	1000780		Burner	18300				0	0	0	1	1	0
1109	1		Unidentified Make		Cone Bottom	Tank			with (5) Kokes Model DFB8-12-1750 Oxygens		0	0	0	1	1	0
1110	1		Pulvermaster	KOS1480	Concrete	Pump	29010204	2004	50 Bar Max. Pressure, with Pumping Power		0	0	0	1	1	0
1111	1		AIS		Pressure	Tank	83411	2012	725-PSIG at 200°F		0	0	0	1	1	0
1112	1		Amstar	TL100	Air Conveyor	Burner	18328				0	0	0	1	1	0
1113	1		Techno	MHR80	Diesel Power	Pump	411011		200-GPM Capacity, 1,400 Max. Head Feet		0	0	0	1	1	0
1120	1	626	Sulair	LS25-200/LA 200-HP		Air Compressor	003-12483		100/110 PSIG, 1,780-RPM, 58.358 Hours		0	0	0	0	1	0
1130	1	623	Sulair	LS25-200/LA 200-HP		Air Compressor	2,009,12E+11		100/110 PSIG, 1,780-RPM, 48,343 Hours at		0	0	0	0	1	0
1140	1	622	Sulair	LS25-200/LA 200-HP		Air Compressor	3137143		Time of Inspection		0	0	0	1	1	0
1150	1		Manufacturer	200-PSIG at 400°F		Tank		2006			0	0	0	0	0	1
1160	1		Unknow	Air Receiver		Incinerator	12,1MS	2012	600V / 3 PH-440V Power Supply, FOM 31685, with VG		0	0	0	0	0	1
1170	Lot		Eco Waste Solutions	CA-100	Waste				Waste Oil Tank, 1000 Gallons, 42" x 247" 26" F		0	0	0	0	0	1
						Bel Conveyor			462' 20" x 24" 26" x 32' 20" x 32' 20" x 32' 20" x 112,		0	0	0	0	0	1
									26" x 86" 26" x 86" 26" x 86" 26" x 86" 26" x 20" x		0	0	0	0	0	1
									166		0	0	0	0	0	1
1180	1		Pioneer	4248	200 HP Jaw	Crusher	4248-5		with Pioneer 42" x 10" Pan Feeder, S/N CF-42-		0	0	0	0	0	1
1190	1		Edipe Combustion	16007AH V2	Mine Air	Burner	CM2942-2	2010	Propane Fired, 16,000,000 BTU, with 72" Dia.		0	0	0	0	0	1
1200	1		Edipe Combustion	16007AH V2	Mine Air	Burner	CM2942-1	2010	Propane Fired, 16,000,000 BTU, with 72" Dia.		0	0	0	0	0	1
1210	1		Atlas Chalmers		18" x 30" Jaw	Crusher			with JEFFERY MEG CO. R24 Feeder		0	0	0	0	0	1
1220	Lot		Unidentified Make			Office Furniture, Fixtures & Equipment			Desks, Chairs, Computers, Filing Cabinets, cabinets, conference tables, TV's, break room tables and chairs, lockers, printers, fax machines, telephones, etc.		0	0	0	0	0	1
1230	1		PROCESS MILL	LS-25-200	200-HP	Air Compressor	003-128564		100/110 PSIG, 1,785-RPM		0	0	0	0	0	1
1240	1		Parker Boiler	CRN	Steam	Boiler	48047	1997	573 Sq. Ft. Heating Surface, 3,880-Lb./Hr.		0	0	0	0	0	1
1250	1		AVY	K352, 214	Plate	Heat Exchanger			Steam, 125-Psi		0	0	0	0	0	1
1260	1		Amstar	X-20	Plate	Heat Exchanger	95844		31 Plates		0	0	0	0	0	1
1270	1		Well Mohan	480	Gas Field	Boiler			287 Steam BTU, 1,238 Sq. Ft. Steam, 287-		0	0	0	0	0	1
1280	1		Manufacturer			Dust Collector			MEI LU Make, 8050L, with 30" HP Burner		0	0	0	0	0	1
1290	1		Unknow	CG100-200	Oil Field	Boiler	S-64376	1977	8,369,000-BTU, 15-Psi		0	0	0	0	0	1
1300	2		Cherrier Brooks	472	Pipe Fillion	Machines					0	0	0	0	0	1
1310	2		Cherrier	15-S-SA-SL		Concentrator	115-02383				0	0	0	0	0	1
1320	1		Unidentified Make		1,000-Ton Course	Bin					0	0	0	0	0	1
1330	1		Unidentified Make		800-Ton Fine Ore	Bin					0	0	0	0	0	1
1340	2		FMC	24W x 30L V-Belt		Conveyors					0	0	0	0	0	1
1350	2		FMC	24W x 45L V-Belt		Conveyors					0	0	0	0	0	1
1360	2		FMC	24W x 45L V-Belt		Conveyors					0	0	0	0	0	1
1370	1		Atlas Chalmers	9' x 12' Rod		Conveyors	C-2478		with Lubricant Gear Spray System, Like Pumps, Peak Model 1120ETIS Gear Reducer, Rod		0	0	0	0	0	1
1380	1		Hardinge	7' x 10'	Ball Mill		R249		with Hardinge Motor Gear Spray System, Peak Gear Reducer		0	0	0	0	0	1

Equip List to Callidus based on Hilco Report May 2015

Centring Equipment
Detailed Listing - Callidus Collateral
Source: May 2015 Hilco-Callidus Appraisal
as of: 5-18-15

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLV	1 = SELL / 0 = KEEP	July-Sept	Oct-Nov	KEEP
139.00	1		Mary	#65		Ball Mill	10020H		with Howard Martin Gear Spray System, with (2) 15-HP Discharge Pumps.	F	0	0	0	0	0	1
140.00	1		Nordberg Symons	4-1/4" Cone		Crusher	C-4274	1970	50-Ton Per Hour	F	0	0	0	0	0	1
141.00	1		Nordberg Symons	4 Cone		Crusher	C-4128	1970	50-Ton Per Hour	F	0	0	0	0	0	1
142.00	2		Undefined Make	25-HP SRC-65K4		Centrifugal Pump				G	0	0	0	0	0	1
143.00	2		Undefined Make	40-HP BX6-18		Centrifugal Pump				G	0	0	0	0	0	1
144.00	2		Derrick Corporation	K-18-98A-35	Single Gravity Concentration	Tables	8711-00-001	1989	48" x 96" Rubber Deck	F	0	0	0	0	0	1
145.00	3		Krebs	0158		Cyclones	77V7587-3			F	0	0	0	0	0	1
146.00	1		Steele	42VY x 11L Stang		Tank				F	0	0	0	0	0	1
147.00	1		Manufacturer	60" Dia. x 10H		Tank				F	0	0	0	0	0	1
148.00	1		Unknown	Carbon Steel		Cell				F	0	0	0	0	0	1
149.00	1		Denver	4-Cell 240 Cu. Ft.		Cell			with 60x15 pump	F	0	0	0	0	0	1
150.00	3		Manufacturer	20" Dia. x 40H		Tanks			with 60x15 pump	F	0	0	0	0	0	1
151.00	1		Manufacturer	4-Cell 400 Cu. Ft.		Cell			with (2) 60x15 pumps, 30x10 pumps, 10yo DL3p pump	F	0	0	0	0	0	1
152.00	3		Undefined Make	6" Dia. x 8H		Tanks			with Mixer	F	0	0	0	0	0	1
153.00	6		Outotec	TC-5		Cells	271653	2010	15-HP Motors with Paddles, 6-C-Cells	VG	0	0	0	0	0	1
154.00	1		Manufacturer	216 Cu. Ft. Sub A		Cell			with (2) AC Goules 60x14 SRL-C Pumps	F	0	0	0	0	0	1
155.00	1		Manufacturer	8" Dia. x 20H		Column			with (2) AC Goules 60x14 SRL-C Pumps	F	0	0	0	0	0	1
156.00	1		Eriez	M01-091-080 36" Scavenger Cleaner		Column				G	0	0	0	0	0	1
157.00	1		Manufacturer	32" Dia. x 20H		Column			with (4) AC Goules 22x10 SRL pumps	F	0	0	0	0	0	1
158.00	1		Manufacturer	18" Dia. x 10H		Tank				F	0	0	0	0	0	1
159.00	2		Manufacturer	Thickener		Tanks				F	0	0	0	0	0	1
160.00	1		Unknown	6" Dia. x 12H Cone		Tanks				F	0	0	0	0	0	1
161.00	1		Manufacturer	VS3310-6		Fiber			24 VV x 60" Belt	F	0	0	0	0	0	1
162.00	1		Manufacturer	32" Dia. x 21L		Dryer				F	0	0	0	0	0	1
163.00	1		Manufacturer	400 Cu. Ft. L-Cell		Cell			with (2) Gougher 60x SRL Pumps, Denver 30x10 pump, 10yo DL3p Pump	F	0	0	0	0	0	1
164.00	1		Manufacturer	7" Dia. x 6H		Tank			with Mixer	F	0	0	0	0	0	1
165.00	1		Manufacturer	400 Cu. Ft. L-Cell		Cell			with (2) Denver 60x14 SRL-C Pumps	F	0	0	0	0	0	1
166.00	1		Manufacturer	500 Cu. Ft. S-Cell		Cell			with (2) Gougher 60x SRL Pumps, Denver 30x10 pump, 10yo DL3p Pump	F	0	0	0	0	0	1
167.00	1		Manufacturer	15-Head Distributor		Manifold				F	0	0	0	0	0	1
168.00	1		Dresler	15-Head Distributor		Manifold				F	0	0	0	0	0	1
169.00	10		Dresler	Triple Deck		Screen				F	0	0	0	0	0	1
170.00	1		Mineral Technologies	4P-MGDCS		Separator			7-Turns, 3.2 T/H Solids, 55% Pulp Density Solids, 0.5-2.0mm Size Range, 8 M3/MN Slurry Volume	G	0	0	0	0	0	1

Equip List to Callidus based on Hilco Report May 2015

Canting Equipment
Detailed Listing - Callidus Collateral
Source: May 2015 Hilco-Callidus Appraisal
as of 6-18-15

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLW	July/Sept	Oct/Nov	KEEP
171.00	1-		Metall Technologies	GP-MC40F	5-Pk Spiral	Separator			7-Turns, 3.2 IPI Seals, 55% Pulp Density Solids, 0.03-2.0mm Size Range, 8 M3/Mn Slurry Volume	G	0	0	0	0	1
172.00	1-		Krebs			Cyclone				F	0	0	0	0	1
173.00	11-		Dexter			Diagonal Vibratory Screens			72" W x 15' L Rubber Screen Material	F	0	0	0	0	1
174.00	1-		Dexter			4-Head Distributor				F	0	0	0	0	1
175.00	4-		Dexter	999		Triple Deck Tables			with Rubber Screen Material	F	0	0	0	0	1
176.00	4-		Dexter	9		Concentrator Single Deck Tables			with Rubber Screen Material	F	0	0	0	0	1
177.00	3-		Dexter	RH6SD		Vibratory Screens				F	0	0	0	0	1
178.00	3-		Krebs			Cyclones				F	0	0	0	0	1
179.00	1-		Unidentified Make			12-Head Distributor				F	0	0	0	0	1
180.00	1-		Dominion Engineering			6' x 8' Ball Mill			200-HP, with AC Gears 25-HP 5x 4-14 SRL-C Discharge Pump	F	0	0	0	0	1
181.00	1-		Denver			255 Cu. Ft. 4-Cell Froth Flotation				F	0	0	0	0	1
182.00	1-		Denver			255 Cu. Ft. 4-Cell Secondary Sulphide Froth Flotation				F	0	0	0	0	1
183.00	1-		Manufacturer Unknown			Cyclone				F	0	0	0	0	1
184.00	1-		Sweco	S30-0065		Vibratory Bowl Feeder				F	0	0	0	0	1
185.00	1-		Manufacturer Unknown			4' Dia. x 5'H Tank			with Mixer	F	0	0	0	0	1
186.00	3-		Denver			Conditioner 8-Cu. Ft. Single Cells			with Paddles	F	0	0	0	0	1
187.00	1-		Manufacturer Unknown			8' Dia. x 5'H Holding Tank				F	0	0	0	0	1
188.00	1-		Unidentified Make			Slurry Roaster 10' Unit	3132		850 - 1, 1100A/F, Full Oil, with Allied Engineering Scrubber	F	0	0	0	0	1
189.00	1-		FL Smith			18' Dia. : 18' Wanda Classifier	130E110			F	0	0	0	0	1
190.00	1-		Drugs	EBK		High Intensity Separator		1978	18' Bed Wash, with 440V Powertronic Rectifier, F	F	0	0	0	0	1
191.00	2-		Carpo	HFP-251121		Magnetic Separators	M1-118-62		SINUS250604Z	F	0	0	0	0	1
192.00	1-		Manufacturer Unknown			Primary Cleaner Cell			240-Cu. Ft. 4-Cell	F	0	0	0	0	1
193.00	1-		Manufacturer Unknown			Secondary Cleaner Cell			108-Cu. Ft. 6-Cell	F	0	0	0	0	1
194.00	1-		Krebs			Froth Flotation				F	0	0	0	0	1
195.00	1-		Allis Chalmers			10-HP SRL Cyclone				G	0	0	0	0	1
196.00	1-		Manufacturer Unknown			Cone Bottom Tank			4' Dia. x 20'H, with 5-HP 2x2-10 SRL Pump	F	0	0	0	0	1
197.00	1-		Unidentified Make			4' x 4' 10-HP Ball Mill			Howard Mann GSS424 Gear Spray System, with 10-HP 3x3-10 SRL Pump	F	0	0	0	0	1
198.00	1-		Unidentified Make			4' x 15' Straight Line Belt	72828			P	0	0	0	0	1
199.00	1-		P.J.Hannah	38S-10-30		Dial Collector	CD791025			P	0	0	0	0	1
200.00	1-		Unidentified Make			Dial Compartment Hopper				P	0	0	0	0	1
201.00	1-		Unidentified Make							G	0	0	0	0	1
202.00	1-		Unidentified Make							G	0	0	0	0	1
203.00	1-		Unidentified Make							G	0	0	0	0	1
204.00	1-		Unidentified Make							G	0	0	0	0	1

Cantung Equipment
Detailed Listing - Callidus Collateral
 Source: May 2015 Hilco-Callidus Appraisal
 as of: 6-18-15

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLV	1 = SELL / 0 = KEEP	July/Sept	Oct/Nov	KEEP
205.00	1		LAB													
206.00	1		Tyler	RX-94	Sieve	Shaker	20-1248	2015		N	0	0	0	0	0	1
207.00	1		Gilbre	5 X 5 Double Door	Open					P	0	0	0	0	0	1
208.00	1		Pro-Tip	Gas Fired	Sound	Exhaust	976			P	0	0	0	0	0	1
209.00	1		Marcy	Lab Jaw	Cocher		3341915			F	0	0	0	0	0	1
210.00	1		TM Engineering	Lab Jaw	Cocher					F	0	0	0	0	0	1
211.00	3		Manufacturer	4 x 3	Fume Hoods					P	0	0	0	0	0	1
212.00	1		Unknown							F	0	0	0	0	0	1
213.00	1	637	TM Engineering			Lapping Machine	00612			F	0	0	0	0	0	1
214.00	1		Blue M	POM-1406C		Lapping Machine				P	0	0	0	0	0	1
215.00	1		Barnard Thermoflyne	62700		Furnace	P142814			P	0	0	0	0	0	1
216.00	1		Thermo Scientific	280		Vicker Bath				F	0	0	0	0	0	1
217.00	2		Locking Blue M	24" x 36"	Hot Plates				Precision Microprocessor Controlled	F	0	0	0	0	0	1
218.00	3		Manufacturing Technology	48" x 60"	Fume Hoods					P	0	0	0	0	0	1
219.00	1		Mettler Toledo	New Classic Analytical	Scale					F	0	0	0	0	0	1
220.00	1		Ohaus	Valer 1000	Scale					F	0	0	0	0	0	1
221.00	1		Eltra	CS690	Carbon Sulfide	Determinator				G	0	0	0	0	0	1
222.00	1		Chase	Enduser Pro Digital	Scale					F	0	0	0	0	0	1
223.00	1		Perkin Elmer	A Analyst	Spectrophotometer					G	0	0	0	0	0	1
224.00	1		Carver	3853	Manual Pellet Press		110061			F	0	0	0	0	0	1
225.00	1		Siemens	3987	Automatic Pellet Press		3867422	1986		F	0	0	0	0	0	1
226.00	1		Genie	VLC100	Personal Lifter	Spectrometer	VIA-201-164			G	0	0	0	0	0	1
228.00	1		Cyclizer	MK-4	Sub-Sieve Sizer		SV071			G	0	0	0	0	0	1
228.10			MILL RIGHT SHOP													
229.00	1		ABEA			Shop Press				F	0	0	0	0	0	1
230.00	1		Rigid	535	10-Ton	Pipe Threader				F	0	0	0	0	0	1
231.00	1		Undefined Make		Double End Grinder			4" Wheel		F	0	0	0	0	0	1
232.00	1		Princess	LCN-11	Press					G	0	0	0	0	0	1
233.00	1		First	LC-185CS	3 HP Vertical Milling Machine		2000435			F	0	0	0	0	0	1
234.00	1		Clamping Machine		24" x 12"	Engine Lathe			with Tool Post, Steady Rest, 4" Hole Through	F	0	0	0	0	0	1
235.00	1		Navac	2060	20" x 60"	Engine Lathe	E206		with Digital Readout	F	0	0	0	0	0	1
236.00	1		Hydro Mech	DM-10		Horizontal Band Saw				P	0	0	0	0	0	1
237.00	1		Miler	251	Millmatic	Welding Power Source				G	0	0	0	0	0	1
238.00	1		Miler	XMT350	COCV	Welding Power Source				G	0	0	0	0	0	1
239.00	Lot		Undefined Make													
240.00	1		Mod-U-Blast		24-Hole	Blast Cabinet			Miscellaneous Shop Equipment, Consisting of Shop Tables, Table Vices, Tool Boxes, Cabinets, Shop Lights, Paint Bins, Torch Sets, Welding Tables, Etc.	G	0	0	0	0	0	1
241.00	1		Imperial Rand	SSR-LPS-50-125-HP	24-Hole	Air Compressor	PV130008323	125-PSIG		F	0	0	0	0	0	1

Equip List to Callidus based on Hilco Report May 2015

Cantung Equipment
Detailed Listing - Callidus Collateral
 Source: May 2015 Hilco-Callidus Appraisal
 as of: 5-18-15

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition Codes	\$ FLV	\$ OLX	1 = SELL / 0 = KEEP	July-Sept	Oct-Nov	KEEP
241.00	1	2277	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E6727	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
243.00	1	2276	Ford	F350 XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E61420	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
244.00	1	2289	Chevrolet	Suburban	4D Utility 4WD	Sport Utility	3G9FK16386189924	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
245.00	1	379	Ford	1500 LT	Flatbed Crane	Truck	1FDPK84F0LVA6254	1990	Single Axle, with Winch Crane	P	0	0	0	0	0	1
247.00	1	378	Ford	F700	Van	Truck	K7ANVJDB420	1990	with Lamps model SLT6-3023E Steam with PTO, Road Grading Blade	G	0	0	0	0	0	1
248.00	1	303	Kenworth	T470	ProWander	Truck	2NWBGX0X0CJMS3605	2011	Piccon Unit Not on Property	VG	0	0	0	0	0	1
249.00	1	2400	Chevrolet	Suburban	4D Utility 4WD	Sport Utility	1G9FK16386172310	2008	Piccon Unit Not on Property	G	0	0	0	0	0	1
250.00	1	358	Kenworth	TA800B	Day Cab	Tractor	1G4H638K28172310	2008	Piccon Unit Not on Property	P	0	0	0	0	0	1
251.00	1	305	GMC	G3500	Extended	Van	1G4H638K28172310	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
252.00	1	306	GMC	Sierra 3500	Crew Cab 4WD	Pickup Truck	1GTHK3K3G9F154710	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
253.00	1	307	GMC	Sierra 3500	Crew Cab 4WD	Pickup Truck	1GTHK3K3G9F154710	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
254.00	1	308	GMC	Sierra 3500	Crew Cab 4WD	Pickup Truck	1GTHK3K3G9F154710	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
255.00	1	309	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E63419	2005	Scrap	F	0	0	0	0	0	1
256.00	1	310	Chevrolet	G3500	Extended	Van	1G4H638K18181445	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
257.00	1	311	Chevrolet	G3500	Extended	Van	1G4H638K18181445	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
258.00	1	316	Chevrolet	G3500	Extended	Van	1G4H638K18181445	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
259.00	1	381	Dodge	Ram 2500	Club Cab 4WD	Pickup Truck	3B7MY2232VMS5952	1997	Plastic Niece Leased	G	0	0	0	0	0	1
260.00	1	382	Ford	E350 XL	4D Utility 4WD	Sport Utility	1F8BS31P22H41117	2002	Scrap	F	0	0	0	0	0	1
270.00	1	383	GMC	1500 SLF	Van	Vehicle	1G6FK1623J215046	2003	Scrap	F	0	0	0	0	0	1
271.00	1	384	Ford	E350 XL	4D Utility 4WD	Sport Utility	1F8BS31P22H41117	2002	Scrap	F	0	0	0	0	0	1
272.00	1	385	Dodge	Ram 1500	Quad Cab 4WD	Pickup Truck	3B7MY2232VMS5952	1997	Plastic Niece Leased	G	0	0	0	0	0	1
273.00	1	387	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E6727	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
274.00	1	380	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E6727	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
275.00	1	391	Ford	E350 XL	4D Utility 4WD	Sport Utility	1F8BS31P22H41117	2002	Scrap	F	0	0	0	0	0	1
276.00	1	382	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E6727	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
277.00	1	383	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E6727	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
278.00	1	384	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E6727	2008	Piccon Unit Not on Property	F	0	0	0	0	0	1
279.00	1	387	Ford	F350 XL	Reg Cab 4WD	Pickup Truck	2F1EP284G1C813400	1990	Scrap	P	0	0	0	0	0	1
280.00	1	389	Ford	F350 XL	Reg Cab 4WD	Pickup Truck	2F1EP284G1C813400	1990	Scrap	P	0	0	0	0	0	1
281.00	1	399	Chevrolet	Silverado	Crew Cab 4WD	Pickup Truck	1GCHK33274F259943	2004	Scrap	F	0	0	0	0	0	1
282.00	1	970	Ford	F350SD XL	Crew Cab 4WD	Pickup Truck	1F1TWV3186E6727	2008	Piccon Unit Not on Property	VG	0	0	0	0	0	1
283.00	1		Volkswagen	ATL	Truck	Truck	4V3CB1HLL1506105	1990	Piccon Unit Not on Property	P	0	0	0	0	0	1

Net change 0
 Net valuation 10%
 Loss cost to sell 0
 Net of selling costs USD 0

Cantling Equipment
 Detailed Listing - Callidus Collateral
 Source: May 2015 Hilco-Callidus Appraisal
 as of: 5-18-15

Ref #	Qty	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition		FX	\$ FLY	\$ OLV	July-Sept	Oct-Nov	KEEP
										Codes							
									FX Rate at April 16, 2015 - effective date of valuation				1,2459	1,2459			
									Net of selling costs	CDN		0	0	0			
									Lending base %	CDN		90%	90%	0			
									Lending base at 90%	CDN		0	0	0			
									Callidus Loan Balance at April 30, 2015	CDN		0	0	0			
									Positive lending base			0	0	0			

Note A - reference Number 20, Tarmock Junbo was sent offsite to be overhauled and due to cash constraints, the overhaul has not been started - as such this asset is not currently in operating condition
 Note B - reference Number 62, Caterpillar Generator, the generator has been removed from service as it is due for a rebuild and the rebuild has not occurred to conserve cash - as such this asset is not currently in good operating condition.

CALLIDUS

CAPITAL

EXECUTION VERSION

July 6, 2015

North American Tungsten Corporation Ltd.
#1640 – 1188 West Georgia Street
Vancouver, British Columbia
V6E 4A2

Attention: Dennis Lindahl

RE: Term Sheet - \$3 million Senior Secured Super-Priority Debtor-in-Possession Facility

This Term Sheet will provide you with the terms and conditions of the proposed interim financing facility (the “**DIP Facility**”) that Callidus Capital Corporation proposes to provide, subject to Court approval of this Term Sheet. If this Term Sheet is acceptable to you, please sign below and deliver the Structuring Fee as detailed below.

DIP Borrower: North American Tungsten Corporation Ltd. (the “**DIP Borrower**”).

DIP Lender: Callidus Capital Corporation (the “**DIP Lender**”).

DIP Facility: \$3 million multi-draw term loan.

The first draw of \$500,000 has been paid on June 29, 2015. All further draws are to be made in accordance with the cash flow statements provided by the DIP Borrower under the Forbearance Agreement.

Interest: The DIP Facility will bear interest at 21% per annum payable in cash by the DIP Borrower on the last day of each month.

Additional default interest of 2% per annum applies following a payment default.

Structuring Fee: \$30,000

Term: The earlier of November 15, 2015 and the end of the stay of proceedings in the CCAA Proceeding, with the possibility of monthly extensions subject to credit committee approval and the DIP Borrower paying the DIP Lender an extension fee in the amount of \$10,000 per month (the last day of the Term shall be referred to as the “**Maturity Date**”).

181 BAY STREET
SUITE 4620, P.O. BOX 792
BAY WELLINGTON TOWER – BROOKFIELD PLACE
TORONTO, ONTARIO, CANADA •
M5J 2T3

Security: The DIP Facility shall be secured by:

- (a) a super-priority lien and claim to be granted by way of court order of the British Columbia Supreme Court in the proceeding (the “**CCAA Proceeding**”) commenced by the DIP Borrower under the Canadian *Companies’ Creditors Arrangement Act* (the “**CCAA**”), over all of the assets of the DIP Borrower (including without limitation, the Mactung mine and all assets related thereto);
- (b) a general security agreement providing a first ranking charge on all present and after acquired property of the DIP Borrower (including without limitation, the Mactung mine and all assets related thereto), 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,
- (c) such other security as the DIP Lender and its solicitors may deem necessary, including but not limited to, a first ranking charge over the equipment of the DIP Borrower, subject to section 11.8 claims, over the mining claims of the DIP Borrower and all permits and licenses related to the Cantung Mine and the Mactung Property (as defined in the Initial Order), and any present and after acquired concentrate and inventory from the Cantung Mine (collectively, the “**Security**”).

Repayment: Repayment at any time upon the earliest to occur of:

- (a) the Maturity Date;
- (b) an Event of Default (as defined below);
- (c) dismissal or termination of the CCAA Proceeding; and
- (d) the commencement of any proceeding (a “**BIA Proceeding**”) pursuant to the *Bankruptcy and Insolvency Act* (Canada), or the conversion of the CCAA Proceeding into a BIA Proceeding, or the commencement of any similar proceeding in any jurisdiction.

Use of Proceeds: To pay for the costs and expenses related to the CCAA Proceeding and the approved (by DIP Lender) budget expenditures.

Covenants: Compliance with certain specifically identified line items in the cash flow attached to the forbearance agreement between the DIP Lender, the DIP Borrower and Queenwood Capital Partners II LLC (the “**Forbearance Agreement**”), and to a 13-week cash flow forecast to be provided in accordance with the Forbearance Agreement (provided that variances to line items shall be permitted, provided the net cash flow line item will not vary by more than \$50,000 unless specifically authorized by Callidus in writing), reported and tested weekly.

Reporting: As set out in the Forbearance Agreement.

Expenses: All reasonable and documented out-of-pocket fees and expenses of the DIP Lender, including without limitation all reasonable and documented fees and expenses of outside counsel in connection with the DIP Facility, including in connection with due diligence by the DIP Lender associated with the preparation, execution and delivery, waiver or modification, and enforcement of the

documentation contemplated hereby, are to be paid by the DIP Borrower.

**Conditions
Precedent**

Usual and customary for this type of transaction, including:

- (a) approval of the transaction by the DIP Lender's Credit Committee;
- (b) the DIP Lender being satisfied in its sole discretion that there has been no material deterioration of the DIP Borrower's business prior to closing; and
- (c) completion of DIP Credit Agreement and security in form and substance satisfactory to DIP Lender.

Events of Default:

Each of the following events constitutes an "**Event of Default**" under this Term Sheet, 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 DIP Borrower fails to make any payment of fees, interest or principal when due and payable under this Term Sheet;
- (b) **Breach of default of the DIP Borrower:** The DIP 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 Term Sheet or any other document executed by the DIP Borrower in relation to this Term Sheet, and such breach is not remedied within 10 days of the DIP Lender delivering written notice of the breach.
- (c) **Change of Monitor:** There is a change in the party appointed by the Court in the CCAA Proceedings as monitor of the DIP Borrower without the prior written consent of the DIP Lender.
- (d) **Breach of Orders:** The DIP Borrower is in violation of, or non-compliance with, any order issued under the CCAA Proceedings.
- (e) **Orders:** There is a further amendment to or variation of the Initial Order or the DIP Order that the DIP Lender, acting reasonably, does not consent to.
- (f) **Proceedings:** Except as permitted by the Initial Order, any proceeding is taken or commenced by any creditor against the DIP Borrower or its assets and such is not remedied within seven days thereof.
- (g) **Failure to Pay:** The DIP Borrower fails to pay any claims ranking in priority to the DIP Lender's Charge when such claims come due and such failure is not remedied within 10 days thereof.
- (h) **Jeopardy:** The DIP Lender, in good faith and on commercially reasonable grounds, believes that the prospect of payment or performance of any of the DIP Borrower's obligations under this Term Sheet or under the Security is impaired.
- (i) **Administration Charge:** The Administration Charge (as defined in the Initial Order) exceeds \$500,000 without the prior written consent of the DIP Lender.
- (j) **Reporting:** Failure of the DIP Borrower to provide the reporting as required by and set out in the Forbearance Agreement.

Upon the occurrence of an Event of Default, the DIP Facility will become immediately due and owing, and Callidus shall be permitted to immediately apply for the appointment of a Receiver or to assign the DIP Borrower into bankruptcy.

Costs: Whether or not the loan pursuant to this Term Sheet is made, the DIP Borrower will reimburse the DIP Lender for all reasonable costs incurred by the DIP Lender, directly or indirectly, including without limitation, the time spent by the DIP Lender's personnel, at a rate based on the DIP Lender's normal hourly rates, the expenses of the DIP Lender's personnel, including reasonable travel expenses, and all legal fees and disbursements actually incurred by the DIP Lender in respect of the DIP Facility (including preparation of this Term Sheet), the enforcement and preservation of the DIP Lender's rights and remedies under this Term Sheet and the Security and preparation of any valuation of the assets of the DIP Borrower (collectively, the "Costs"). The DIP Lender shall be entitled to deduct the Costs from the draws made on the DIP Facility.

Counterparts: This Term Sheet and all related documents, may be executed in any number of counterparts and delivered electronically (including as a PDF attachment to an email), each of which when so executed and delivered shall be deemed to be an original and all taken together will constitute one and the same document.

Closing: No later than July 8, 2015.

This Term Sheet is open for acceptance until the close of business (in Vancouver) on July 7, 2015. Upon acceptance by the DIP Borrower, this Term Sheet shall be deemed to be the Loan Agreement (Interim Financing) between the DIP Borrower and the DIP Lender.

ACCEPTED THIS ____ DAY OF JULY 2015

CALLIDUS CAPITAL CORPORATION

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I have the authority to bind the Corporation

I have the authority to bind the Corporation