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Metals & Mining

Tungsten Industry Report

September 29, 2008

Tungsten – A Bright Future

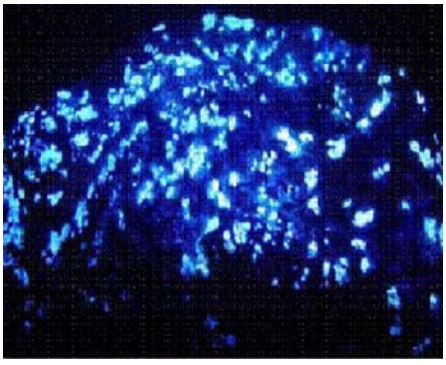
- We introduce four tungsten-focused names, all delivering either preliminary economic assessments or feasibility studies by year-end; namely, ***North American Tungsten (NTC–V), Geodex Minerals (GXM–V), Largo Resources (LGO–V), and Oriental Minerals (OTL–V).*** Also, we provide a list tungsten-focused companies with a production and exploration focus.

- ***Commodity outlook at odds with equities*** - Tungsten, also known as wolfram, is a steel-grey metal that has the symbol W, an atomic number of 74, and a bright future supported by firm fundamentals and limited new primary supply. We are bullish on the metal, which currently fetches US$254 / mtu as ammonium paratungstate (APT). We forecast a strengthening of APT prices trading up to US$300 / mtu within 3 years sustainable for a 5 year time frame before assuming a long term price of US$250 / mtu in response to new primary supply, but at a lower grade. ***Tungsten driven stocks have declined an average 63%, 56% and 63% over the past 3, 6 and 12 months while the metal's price has remained firm.*** The dislocation between tungsten focused equities and prices has recently widened, prompted by the recent credit crisis which will compromise the ability of potential new primary suppliers of tungsten to finance new mine construction.

- ***Demand solid, supply deficit forecast - Our geographic and end user profile work supports a base case annual growth of 8% in demand to 2010 dropping to a longer term 5% growth in demand. We estimate annual production to advance at more modest 3% over the next 4 years before new production should advance annual gains to the plus 5% range.*** The growing supply deficit underpins our bullish outlook. As a gauge on the current tightening supply fundamentals of tungsten current U.S. Government Stockpile have been drawn down to 21,300 tonnes from levels of 30,000 tonnes over a five year time frame leaving a depleted stockpile that represents between 3.5 to 5.3 years of current consumption.

- China is the primary user and production supplier responsible for 86% of world primary supply. ***The future of tungsten is underpinned by China, a recent net importer of this minor metal.*** The world's remaining primary tungsten supply, which is limited primarily to a small number of Western world producers, provides the only feedstock for Western world consumers. Firm growth in Chinese consumption tungsten threatens to draw more product from Western world consumers unless new supply comes on line in the near term.

High-Grade Tungsten Ore under a Fluorescent Light



Source: Haywood Securities

Please see pages 31 - 34 for full rating structures, important disclosures, risk parameters and disclaimers.

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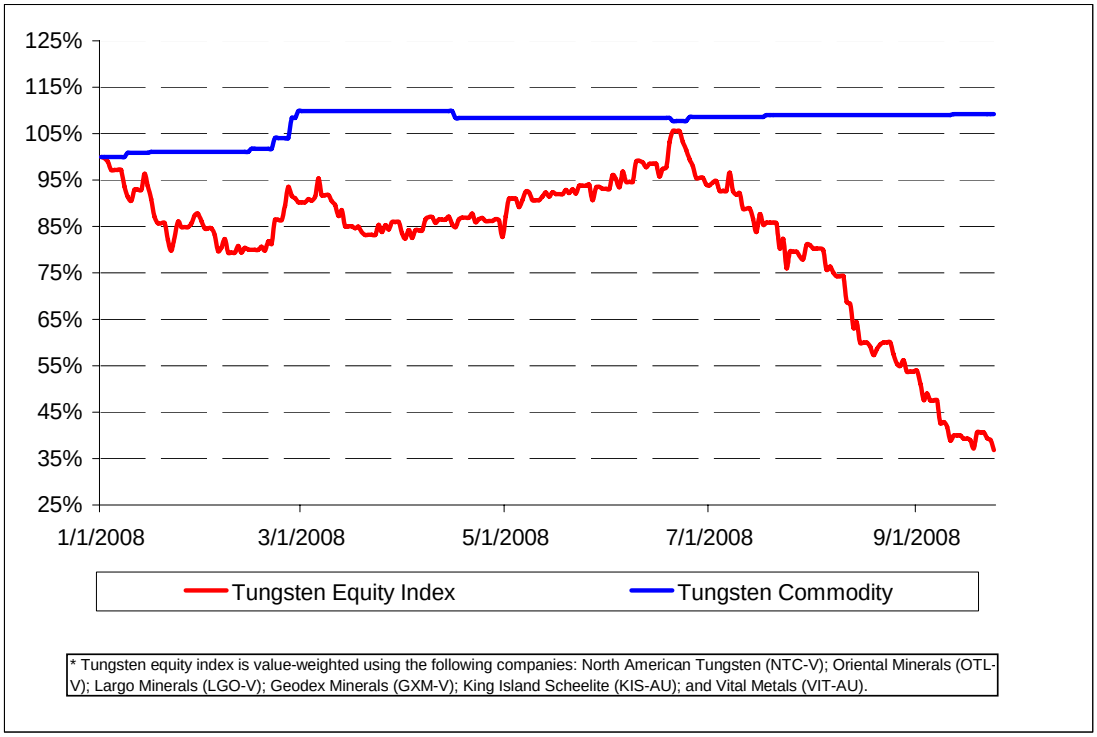
Investment Highlights

- Tungsten – Unique physical properties that limit substitution
- Strong market fundamentals driven by increasing consumer demand and limited primary Western world supply
- Recent economic uncertainty and a credit crisis (difficulty in raising project financing) facing potential near-term tungsten primary producers underpins a sustainable tungsten price at current or higher levels
- Lack of high grade tungsten deposits to supplement long term supply requirements further justifies high tungsten prices over the long term
- Haywood long-term price forecast of US$250 per mtu rising to US$300 per mtu in the near term (3 years).
- Preliminary economic assessments / feasibility studies for four development-stage tungsten-focused companies.

Equity Performance vs. Commodity Price Performance

Figure 1. Equity Performance vs. Tungsten Price Performance



Source: Haywood Securities

The tungsten APT price (European free market price) has exhibited remarkable stability, remaining above US$250 / mtu for seven straight months after breaching the US$255 / mtu mark in late February 2008. However, in contrast, tungsten focused equities, in concert with recent board based weakness in mining / exploration equities, have demonstrated significant market weakness since early July 2008 spawned by uncertainty and a credit crisis. The inability of near-term primary Western world suppliers of tungsten from financing new mine construction will potentially exacerbate the already tight market fundamentals for tungsten.

TUNGSTEN FACT SHEET

Investment Highlights	Unique metal subject to limited substitution - Limited Western World supply
Conversion: 1 mtu = 10kg = 22.04 lbs	Tight supply forecast through to 2017 causing APT price to rise to US$300 / mtu - alleviated by new low grade production - depressing APT price to US$250 long term forecast

Current APT Pricing: ($US per mtu)

European free market (Source: Metals Bulletin)
12 month Change: +US$25 (10%)

US$255 / mtu

Tungsten Conversions

1 mtu = 10kg = 22.04 lbs

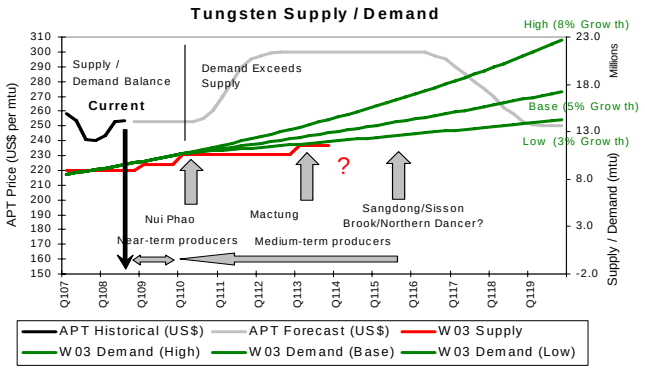
Tungsten Minerals

Mineral	Formula	%WO3
Wolframite	(FeMn) W04	76.5
Scheelite	CaWO4	80.5

Tungsten World Production (2007) - Source: USGS

	(M mtu)	%	Global Res (M mtu)
China	7.70	86%	420.00
Russia	0.44	5%	42.00
Canada	0.29	3%	49.00
Austria	0.13	1%	1.50
Bolivia	0.09	1%	10.00
Portugal	0.08	1%	6.20
Korea, North	0.06	1%	3.50
United States	-	0%	20.00
Other countries	0.20	2%	74.00
World total (rounded)	8.99	100%	626.20

Supply & Demand - 10 year outlook



Key Assumptions

Base Case: Tungsten demand increases at 8% through to 2010 and 5% thereafter

High Case: Tungsten demand increases at 8% through to 2010 and plus 5% (8%) thereafter

Low Case: Tungsten demand increases at 8% through to 2010 and minus 5% (3%) thereafter

Tungsten Deposit Types

Type	Total %	Mineral	%WO3	Key Deposits
Skarn	49%	Scheelite	0.3 – 1.5	China, South Korea, CIS, Brazil, Canada, USA, Australia, Turkey
Vein/Stockwork	34%	Wolframite	Variable 0.1 upwards	Panasqueira (Portugal); Minera, Malaga (Peru); Central Africa
Porphyry	15%	Wolframite	0.1 – 0.4	USA, Bolivia, Canada, China
Disseminated	5%	Mainly Scheelite	0.1 – 0.4	Austria,Cornwall (UK)

Supply & Demand Highlights - 10 year outlook

- Tight supply of APT exists - delivered by Near-term Producers - through to 2010, assuming 8% demand growth

- APT supply deficit exists from 2010 through to 2013 with no significant increase in supply driving APT prices to US$300 / mtu, assuming plus 3% demand growth

- Tight supply of APT exists - alleviated by supply from Medium-term Producers - through to 2017, assuming plus 3% demand growth

- Supply surplus exists from new low grade high cost producers depressing APT prices to long term US$250 / mtu, assuming plus 3% demand growth

Tungsten Focused Peer Companies (Publicly listed)

	Ticker		Ownership	In-Situ WO3	AMC (US$)	$ / mtu WO3
Near-term	ASX: QOL	Queensland Ore	85%	0.39	11.0	28.09
	ASX: THR	Thor Mining	100%	1.92	3.2	1.68
	ISE:ORQ	Ormonde Mining	90%	1.80	18.7	10.39
	ASX: VML	Vital Metals	100%	4.41	11.7	2.67
Medium-term	ASX: KIS	King Island Scheelite	50%	8.58	11.3	1.32
	TSXV: GWY	Galway Resources	100%	5.53	1.8	0.33
	TSXV: NTC	North American Tung	78%	23.65	47.3	2.00
	TSXV: OTL	Oriental Minerals	100%	23.32	6.1	0.26
	TSXV: LGO	Largo Resources	100%	21.06	33.9	1.61
	TSXV: GXM	Geodex Minerals	100%	13.13	13.8	1.05
	ASX: PDM	Paradigm Metals	100%	0.18	2.4	13.25
	TSXV: PLY	Playfair Mining	100%	0.73	4.0	5.44
	ASX: WLF	Wolf Minerals	100%	10.44	12.1	1.16
	TSX: GP	Golden Predator Mines	100%	1.53	42.8	27.90
	ASX: III	Icon Resources	100%	0.22	7.1	32.28

Main Tungsten Deposits

Name	Type	WO3 (M mtu)	
Verkhne-Kayrakty (CIS)	Vein/stockwor	87.2	
Shizhuyuan (China)	Porphyry	50.2	
Tyrnyauz (CIS)	Skarn	24.4	
Mactung (Canada)	Skarn	23.7	M Term Prod
Sangdong (S Korea)	Skarn	23.3	M Term Prod
Northern Dancer (Canada)	Porphyry	21.1	M Term Prod
Yangchuling (China)	Porphyry	16.0	
Xingluokeng (China)	Porphyry	14.4	
Sisson Brook (Canada)	Skarn	13.1	M Term Prod
Damingshan (China)	Stratabound	11.6	
Vostok 2 (CIS)	Skarn	10.2	
Ta'ergou (China)	Vein/stockwor	10.0	

Source: Haywood Securities

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Supply and Demand Outlook

Five-Year Outlook: 2009 to 2013

Demand

The current market fundamentals for tungsten, supported by continued strong growth in China's consumption, the uniqueness of the metal that makes substitution unlikely, and the increasing cost of developing and operating tungsten mining operations, will likely backstop the price of tungsten at current levels for the next five years.

Over the next five years, global consumption of tungsten is expected to increase from its current level of approximately 95,000 tonnes WO_3 (9.5 million mtu) per year to 12,500 tonnes (12.5 million mtu) per year in 2013, or an annualized 5.5% growth rate overall. Most of this growth is still expected to come from China, in line with projected Chinese growth in gross domestic product (GDP). Haywood forecasts an annual rate of growth in consumption of 8% (matching Chinese annual GDP growth projections) to 2010, with an annual growth rate of consumption of 5% thereafter. Projected tungsten consumption is based on 2007 reported statistics, the most recent consumption statistic, published by the U.S. Geological Survey (USGS).

Haywood's projected growth in tungsten consumption over the next five years will require the development of approximately 3 million mtu of new production, or a 32% increase in current production. If Chinese GDP maintains its current 8% growth profile, tungsten consumption over the next five years will require more than 4.5 million mtu of new production, or a 50% increase in current production.

Supply

China, host to approximately 60% of known economic reserves of tungsten, is currently the metal's dominant producer, followed by the Commonwealth of Independent States (CIS), Canada, and Austria. Current supply is estimated at 6.45 million mtu from new tungsten production and 2.05 million mtu from recycled product.

Table 1. World Tungsten Production and Reserve Base (tonnes)

	Mine Production 2007e		Reserves 7	Reserve Base 7
China	77,000	86%	1,800,000	4,200,000
Russia	4,400	5%	250,000	420,000
Canada	2,860	3%	260,000	490,000
Austria	1,300	1%	10,000	15,000
Bolivia	870	1%	53,000	100,000
Portugal	800	1%	4,700	62,000
Korea, North	600	1%	NA	35,000
United States	-	0%	140,000	200,000
Other Countries	2,040	2%	420,000	740,000
World Total (rounded)	89,600		2,900,000	6,300,000

Source: U.S. Geological Survey, 2007

The high tungsten APT price and buoyant fundamentals for the metal have prompted a wave of exploration and mine development activities outside China, and particularly, in Australia and in North and South America. However, despite this increased activity, and apart from the restart of the Canadian Cantung mine (owned and operated by North American Tungsten Corporation Ltd., NTC–V) in 2005, only small projects, such as the Los Santos project in Spain, Malaga project in Peru (owned and operated by Malaga Inc., MLG–T), and the Wolfram Camp project (Queensland Ores Ltd., QOL–ASX) in Australia have begun operation. No new major production has been realized or is likely to occur before 2010 at the earliest.

A number of deposits in Canada, Australia, Vietnam, Germany, and other countries are in various stages of development, ranging from initial exploration to full feasibility studies. Haywood recognizes 15 Western world development-stage projects at different stages of advancement. They can be divided into three groups, namely:

1) Near-term producers: companies advancing projects that present potential to deliver product before 2010

2) Medium-term producers: companies advancing projects that present potential to deliver product after 2010

3) Wild-card producers: companies with no clear production timelines or with uncertain production outcomes.

Near-term producers that present potential for delivering production either this year or next year include Queensland Ore at Wolfram Camp, Thor Mining at Molyhil, Ormonde Mining at Barruecopardo, and Vital Metals at Watershed. The key producer in this group is Vital Metals, which is expecting the delivery of a final feasibility study at its 100% owned Watershed property that is targeted to deliver 0.4 million mtu WO_3 in annual concentrate production over a ten year mine life. Production is targeted for H2 2009.

Medium-term producers that present potential for delivering production in 2010 or later include King Island Scheelite at King Island, Galway Resources at Victorio, and Dragon Capital at Nui Phao and North American Tungsten at Mactung. Key producers in this group are Dragon Capital at Nui Phao and North American Tungsten at Mactung.

Production at Nui Phao was anticipated in 2009, but will in all likelihood be delayed owing to the relocation of road, rail, and some villages. In addition to an annual production of 0.48 million mtu WO_3 in concentrate, the project is anticipated to produce 222,500 tonnes per year of acid-grade fluorspar and 2,000 tonnes per year of bismuth, both of which have been tied up with offtake agreements, and copper and gold credits. Recent proposals to increase royalty taxes applicable to Vietnam miners introduces an additional level of production uncertainty for Nui Phao.

A feasibility study for North American Tungsten's 100% owned Mactung project is anticipated in Q4/08. Haywood projects average annual production to be 0.9 million mtu WO_3 in concentrate starting in 2013.

Wild-card producers with no clear production timetable include Paradigm Metals at White Rock, Playfair Mining at Grey River, Wolf Minerals at Hemerdon, Golden Predator Mines at Springer, and Icon Resources at Mt. Carbine.

Table 2. Western World Potential Tungsten Producers

Ticker	Company	Ownership	Project	Location	Type	Development Stage	Commodities	Potential Production
ASX: QOL	Queensland Ore	85%	Wolfram Camp	Australia	OP	Commissioning	Tung/Moly	Before 2010
ASX: THR	Thor Mining	100%	Molyhil	Australia	OP	Feasibility	Tung/Moly	Before 2010
AIM: IEW	Ormonde Mining	90%	Barruecopardo	Spain	UG	Pre-Feasibility	Tung	Before 2010
ASX: VML	Vital Metals	100%	Watershed	Australia	OP	Feasibility[A]	Tung	Before 2010
ASX: KIS	King Island Scheelite	50%	King Island	Australia	OP	Permitting[B]	Tung	After 2010
TSX: GWY	Galway Resources	100%	Victorio	USA	UG	Scoping Study	Tung/Moly	After 2010
-	Dragon Capital	78%	Nui Phao	Vietnam	OP	Permitting[C]	Tung/Bi/Flu	After 2010
TSXV: NTC	North American Tung	100%	Mactung[1]	Canada	UG	Feasibility[D]	Tung	After 2010
TSXV: OTL	Oriental Minerals	100%	Sangdong[2]	S Korea	OP	Scoping Study[E]	Tung/Moly	After 2010
TSXV: LGO	Largo Resources	100%	Northern Dancer[3]	Canada	OP	Feasibility[F]	Tung/Moly	After 2010
TSXV: GXM	Geodex Minerals	100%	Sisson Brook[4]	Canada	OP	Pre-Feasibility[G]	Tung/Moly/Cu	After 2010
ASX: PDM	Paradigm Metals	100%	White Rock	Australia	-	-	Tung/Tin	?
TSXV: PLY	Playfair Mining	100%	Grey River	Canada	UG	Scoping Study	Tung	?
ASX: WLF	Wolf Minerals	100%	Hemerdon	UK	-	Feasibility	Tung/Tin	?
TSX: GP	Golden Predator Mines	100%	Springer	USA	OP	Permitting	Tung/Moly/Au	?
ASX: III	Icon Resources	100%	Mt Carbine	Australia	-	-	Tung	?

Notes* Historical Resources

[1] Haywood estimates for Mactung - Feasibility Study expected in Q408

[2] Scoping Study for Sangdong expected in Q408

[3] Scoping Study for Northern Dancer expected in Q408

[4] Scoping Study for Sisson Brook expected in Q408

[A] Final Feasibility for Watershed expected in Q4/08

[B] Waiting for mining lease - awaiting payment of rehabilitation bond monies - Construction expected in Q308

[C] Renegotiating engineering, procurement and construction management contracts - development strategy, schedule and capital cost estimate expected shortly

[D] Feasibility for Mactung is expected in Q4/08

[E] Scoping Study for Sangdong is expected by Q4/08

[F] Feasibility for Northern Dancer is expected in Q4/08

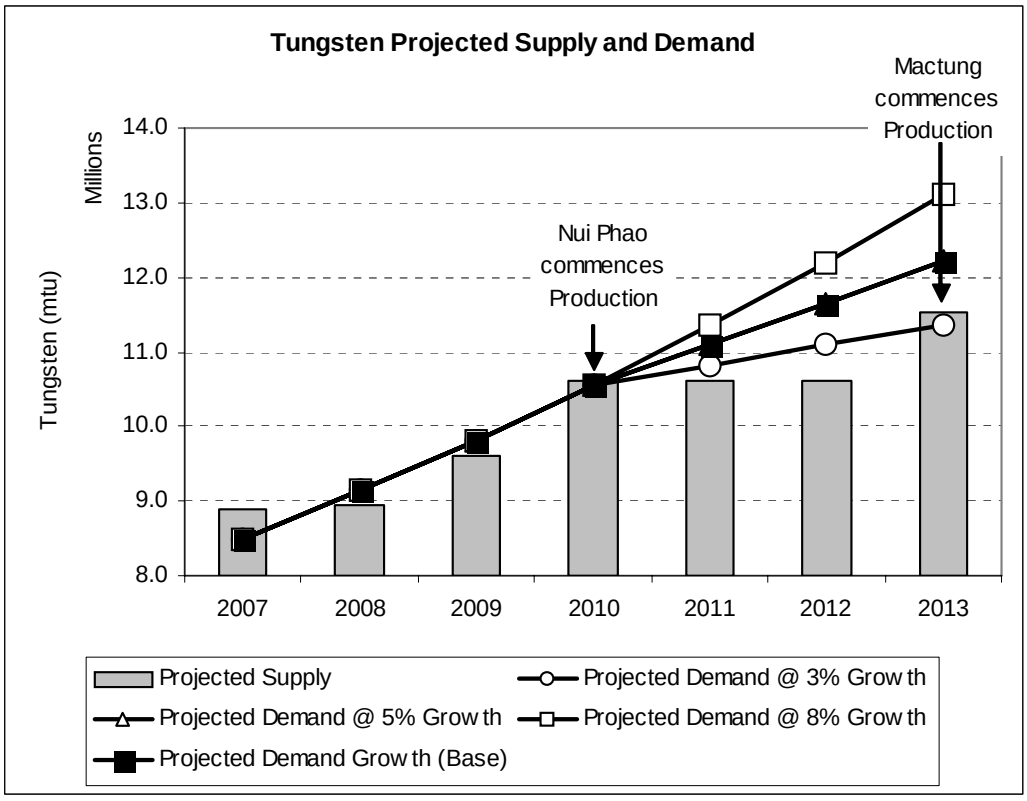
[G] Pre-Feasibility for Sisson Brook is expected in Q4/08

Source: Haywood Securities

Assuming no falloff in existing tungsten production, which is highly unlikely, and a growth in tungsten demand in excess of 8% matching Chinese annual GDP growth projections, new near-term tungsten production will satisfy projected demand through to 2010. Supply of the metal will, however, remain tight, underpinning APT prices near their current levels of US$250 to US$260 per mtu FOB China, despite new production anticipated from Nui Phao in 2010.

No new major production will likely occur before 2013 at the earliest, causing a tungsten shortage that will support higher tungsten prices. Haywood forecasts that APT prices will increase to US$300 per mtu until new production is realized after 2013. The suspension of production from the Cantung mine will further impede available tungsten supply. Haywood forecasts an annual rate of growth in consumption of 5% after 2010, which will underpin the supply/demand deficit and higher prices for the metal, despite new production anticipated from Mactung in 2013.

Figure 2. Tungsten Projected Supply and Demand



Source: Haywood Securities

A virtual hiatus in Western world tungsten exploration and development activity was caused by a long period of poor market conditions in the 1980s and 1990s and exacerbated by China's swing in focus from being a net exporter to net importer of concentrates and intermediate products. The result is the limited availability of tungsten concentrates and APT to the Western world and minimal development-stage projects ready to meet future demand.

Consequently, new tungsten production and the ability of supply to satisfy demand beyond 2010 look desperately thin. If new supply does materialize, it will likely be from operations delivering product at lower production grades and higher costs, further justifying high tungsten prices over the long term. Haywood forecasts APT prices to reach $300 per mtu in 2013, continuing through to 2017, and dropping to a long-term price of $250 per mtu beginning in 2019.

Failing new supply, with ongoing strong demand for tungsten, a longer term $300 per mtu or higher APT price could be sustained. Caveats for our long-term price forecast for APT are continued robust growth in demand for tungsten in excess of 3%, specifically from China, and limited new high-grade supply, especially from current producing countries such as China, Russia, and Australia, all of which possibilities seem unlikely in the medium term.

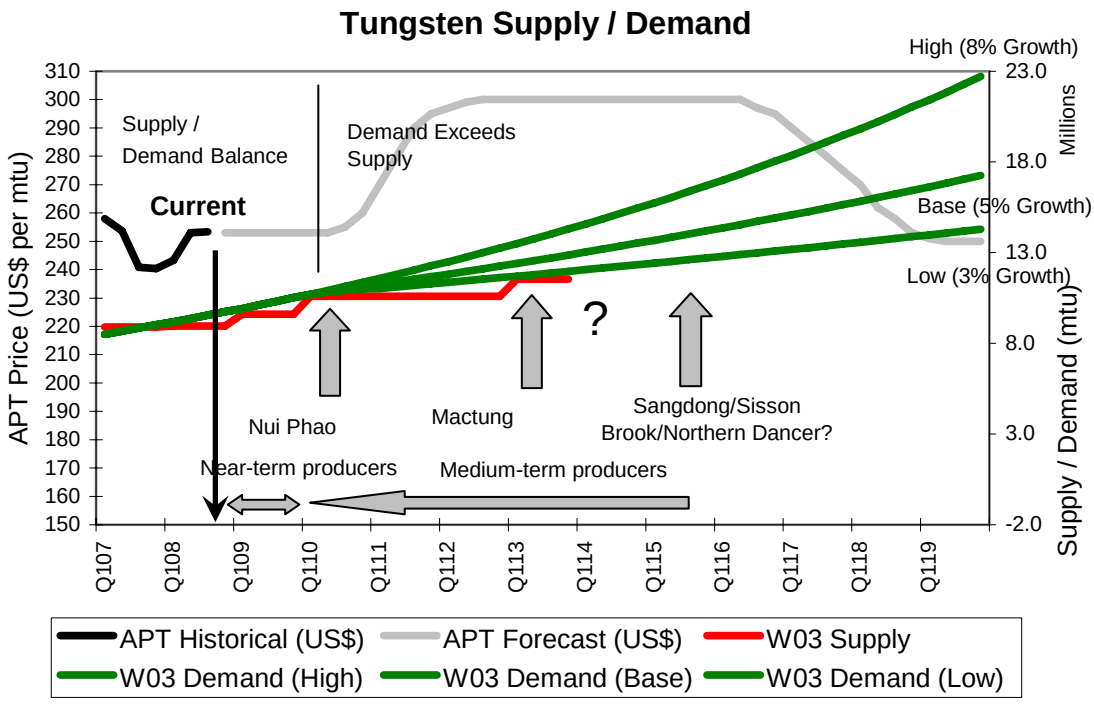
Besides North American Tungsten's (NTC–V) high-grade Mactung project, likely candidates are Oriental Minerals' (OTL–V) Sangdong project, Geodex Minerals' (GXM–V) Sisson Brook project, and Largo Resources' (LGO–V) Northern Dancer project, which combined host close to 35% of the 16 projects recognized by Haywood as offering the most likely sources of new supply.

The lack of new production has been recognized by Asian operators, promoting a spate of strategic agreements, offtake agreements, and acquisitions to support new development through an input of capital. The credit crisis and associated spate of market volatility makes the involvement of joint venture partners with the ability to finance projects a near necessity.

In summary, the continued strong market fundamentals for the metal are enhanced by the following:

- Limited new high-grade tungsten production materializing from China
- Limited tungsten production from a small number of new tungsten projects anticipated in the short term, benchmarked by new production from Nui Phao and a declining production profile at the Cantung mine
- Increased mine development and operating costs based on low-grade deposits (i.e., < 1% WO_3), such as Sisson Brook (a grade of 0.09% WO3) with molybdenum and copper credits; and Northern Dancer with molybdenum credits.
- Recent economic uncertainty and the credit crisis (difficulty in raising project financing) facing potential near-term tungsten primary producers underpins a sustainable tungsten price at current or higher levels.

Figure 3. Tungsten Supply and Demand vs. Price Forecast



Source: Haywood Securities

Recycling

It is estimated that today some 30% of tungsten is recycled. The tungsten processing industry is able to treat almost every kind of tungsten-containing scrap and waste to recover the metal, and if present, other valuable constituents.

Contaminated cemented carbide scrap, turnings, grindings, and powder scrap are oxidized and chemically processed into APT in a way similar to that used for the processing of tungsten ores. If present, cobalt, tantalum, and niobium are recovered in separate processing lines. Other tungsten-containing scrap and residues might require a modified process.

U.S. Government Stockpile

The Defense National Stockpile Center (DNSC) stockpiles materials including tungsten in the interest of national defence to prevent dependence on foreign sources of supply in times of a national emergency.

In the January 2008 US Geological Survey publication of the Mineral Commodity Summary 2008, it was estimated that the DNSC had 21,300 tonnes of tungsten concentrate on hand, or 46 million pounds. This represents a reduction from 30,000 tonnes of tungsten concentrate in 2003. Year end estimates are approximately 43 million pounds. Industry sources suggest that at least a third (14.2 million pounds) are either contaminated or of such poor quality rendering that portion un-saleable and unwanted which leaves some 28.6 million pounds available for industrial consumption.

The congressional mandate calls for 8 million pounds to be auctioned off each year, implying that the current stock pile will be exhausted in 3.5 years or 5.3 years if the entire stockpile was high quality.

Tungsten Opportunities to 2013 and Beyond

Table 3. Major Western World Potential Producers in Feasibility

Ticker	Company	Ownership	Project	Location	Type	Development Stage	Commodities	Total Resource (M Tonnes)	Grade (%WO3)	WO3 (M mtu)
TSXV: NTC	North American Tung	100%	Mactung[1]	Canada	UG	Feasibility[D]	Tung	21.9	1.08%	23.65
TSXV: OTL	Oriental Minerals	100%	Sangdong[2]	S Korea	OP	Scoping Study[E]	Tung/Moly	80.4	0.29%	23.32
TSXV: LGO	Largo Resources	100%	Northern Dancer[3]	Canada	OP	Feasibility[F]	Tung/Moly	162.0	0.13%	21.06
TSXV: GXM	Geodex Minerals	100%	Sisson Brook[4]	Canada	OP	Pre-Feasibility[G]	Tung/Moly/Cu	158.2	0.08%	13.13

[1] Haywood estimates for Mactung - Feasibility Study expected in Q408
[2] Scoping Study for Sangdong expected in Q408
[3] Scoping Study for Northern Dancer expected in Q408
[4] Scoping Study for Sisson Brook expected in Q408

[D] Feasibility for Mactung is expected in Q4/08
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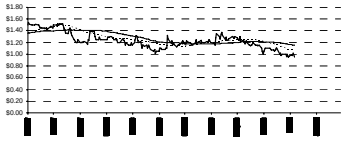
[F] Feasibility for Northern Dancer is expected in Q4/08
[G] Pre-Feasibility for Sisson Brook is expected in Q4/08

Source: Haywood Securities

North American Tungsten Corporation Ltd. (NTC–V; $0.40)

Price Performance:



Source: Capital IQ

131 million shares, basic
155.6 million shares, fully diluted
MCap: $52.4 million
$5 million cash and equivalent

Rating: SECTOR OUTPERFORM
Target: $2.00
Risk: SPECULATIVE

Company Overview

North American Tungsten's primary focus is the operation of its 100% owned Cantung mine and the development of its Mactung project, both located in the western Northwest Territories, Canada. Besides being the Western world's largest producer of tungsten in concentrate, with its ownership of the Mactung project North American Tungsten ranks as one of very few tungsten-focused companies with a near-term development-stage asset. Mactung is classed as one of the world's largest undeveloped high-grade tungsten skarn deposits.

Capital Structure

The Company has $5 million in cash, 131 million shares outstanding, and 155.6 million shares fully diluted, implying a market capitalization of $52.4 million at a share price of $0.40. Management and insider ownership currently stands at 10%, with institutional investors accounting for 50%. The Company has $2.33 million in-the-money warrants and options.

Cantung – No. 1 in the West for Tungsten Concentrate Production

Since rehabilitating operations in August 2005 and starting commercial milling in September, Cantung has delivered mixed financial performance resulting from poor but improving working efficiencies. The mine remains a high-cost underground operation that presents opportunity for a further improvement in efficiencies through mine development into new areas currently being defined by exploration drilling.

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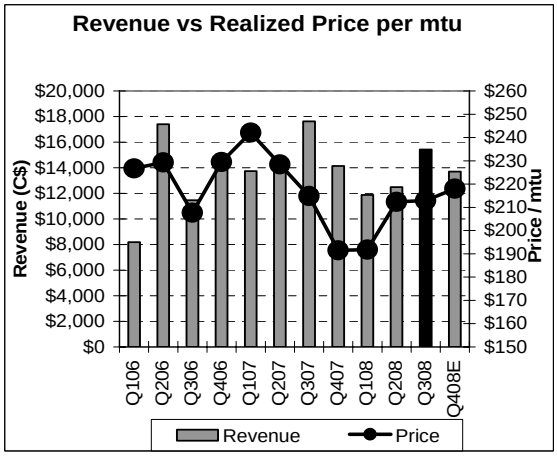
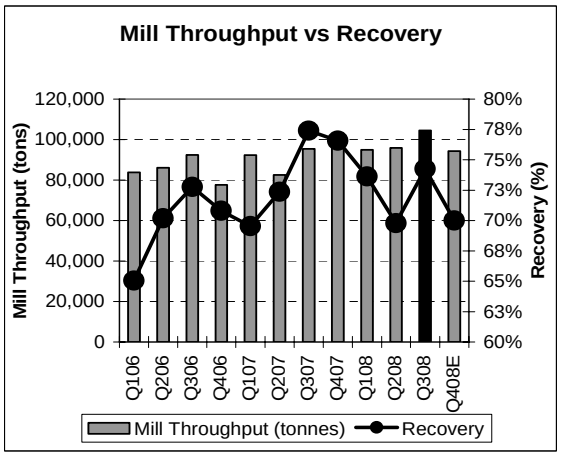
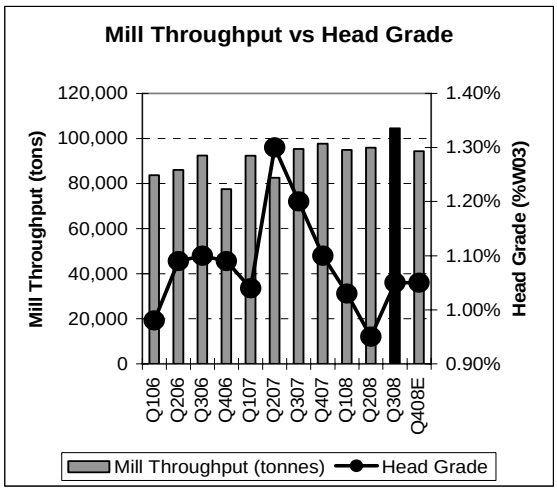
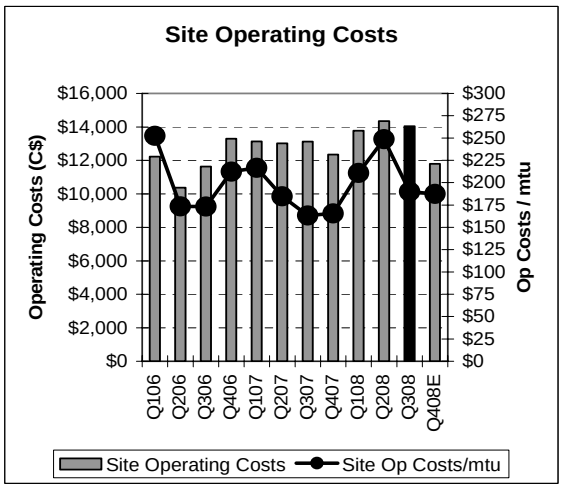
Figure 4. Cantung Operational Performance (Company Fiscal Quarter)









Source: Haywood Securities

Table 4. NTC Quarterly Operational Performance (Company Fiscal Quarter)

	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08E
Production	80,357	74,632	65,297	57,660	73,893	62,877
Revenue	$17,638	$14,140	$11,879	$12,495	$15,432	$16,853
Concentrate Sales	82,099	73,830	61,464	58,840	72,470	62,877
Inventory (est)	-1,742	802	3,833	-1,180	1,423	0
Mill Throughput (tonnes)	95,375	97,664	94,916	95,877	104,489	94,300
Head Grade	1.20%	1.10%	1.03%	0.95%	1.05%	1.05%
Recovery	77%	77%	74%	70%	74%	70%
Site Operating Costs	$13,119	$12,348	$13,762	$14,340	$14,039	$11,786
Site Op Costs/mtu	$163	$165	$211	$249	$190	$187
Revenue	$17,638	$14,140	$11,879	$12,495	$15,432	$16,853
Price	$215	$192	$192	$212	$213	$268

Source: Haywood Securities

Mactung – A World-Class Tungsten Deposit Waiting in the Wings

While operational improvements at Cantung are encouraging, we recognize Mactung as holding most of the Company's value. The key catalyst for Mactung and the Company remains the announcement of a feasibility study expected shortly.

The Mactung deposit, discovered in 1962 during a regional exploration program by a subsidiary of AMAX Inc. and extensively explored, has been subjected to various economic studies during the 1980s and 1990s. While accessible by road, it has remained undeveloped, largely owing to the remoteness of its location that adds to capital and operating costs.

In excess of $25 million has been spent on exploration to date, which included two phases of bulk samples (grading 1.66% WO_3) from 800 metres of underground development consisting of an adit, three crosscuts, and stopes. Extensive baseline environmental data and geotechnical data were collected, which led to a production decision in the early 1980s. Planned production was aborted when the price of tungsten collapsed in 1984. At that time, construction bidding was terminated, and the project has been idle since.

Mineralization at Mactung is hosted within two zones: the higher grade Lower Zone and the Upper Zone. The Upper Zone mineralization is approximately 100 metres above the Lower Zone. Owing to the configuration of the mineralization into two separate and distinct zones, mining will most likely begin with the higher grade lower zone, using adit access. Following the underground mining, open-pit mining would take place on the Upper Zone, since it outcrops at surface. A number of previous optimization studies have been conducted that indicate optimal daily mill rates would be similar to Cantung (1,000 tonnes per day). However, it is understood that higher mill rates are currently being considered

Mactung hosts a National Instrument 43-101 compliant indicated resource of 33 million tonnes at a grade of 0.88% (29 million in situ mtu), and a National Instrument 43-101 compliant inferred resource of 11.9 million tonnes at a grade of 0.78% (9.3 million in situ mtu).

Table 5. Mactung Resource Base

Resource	Tonnes* (M)	Grade* (% WO3)	In Situ (M mtu)
Indicated	33.029	0.88%	29.07
Inferred	11.857	0.78%	9.25
* Cutoff grade: 0.5% WO3			

Cutoff % WO3	Tonnes (M)	Grade* (% WO3)	In Situ (M mtu)
0.5	33.029	0.88%	29.0
0.6	27.927	0.94%	26.2
0.7	22.198	1.01%	22.5
0.8	15.571	1.13%	17.6
0.9	10.423	1.27%	13.2
1.0	8.245	1.36%	11.2

Source: North American Tungsten

We model Mactung over a 25-year mine life using mill throughput of 2,000 tonnes per day. We model 20 million tonnes of resource at an average head grade of 1.1% WO_3. (8.1 million tonnes of measured and indicated resource, and 11.9 million tonnes of inferred resource). We assume an average head grade of 1.1% WO_3 and an average life-of-mine recovery of 83%. Our capital-cost assumption for Mactung is US$350 million. Our operating-cost assumptions for Mactung are an average life-of-mine cost of US$100 per tonne (average life-of-mine cash cost of US$148 per mtu).

Our project NAV for Mactung at an 8% discount rate is US$277.1 million ($1.78 per fully diluted share inclusive of an equity raise).

Investment highlights include the following:

- The Western world's largest producer of tungsten concentrate, from Cantung in the Northwest Territories – the world's highest grade operating tungsten mine
- Mactung – the world's highest grade tungsten resource and one of the world's largest that is still undeveloped: National Instrument 43-101 compliant indicated resource inventory of 33 million tonnes grading 0.88% WO_3, and an inferred resource of 11.8 million tonnes grading 0.78% WO_3
- Recent strategic alliance and $19.4 million private placement from Hunan Nonferrous Metals Corporation
- News flow from resource expansion at Cantung and feasibility work at Mactung throughout 2008
- A base-case pre-tax NPV at 8% of $277 million using a tungsten price of US$250 per mtu.

North American Tungsten Corp. Ltd.

TSX-V:NTC | **Price $0.40** | **Rating: Sector Outperform**

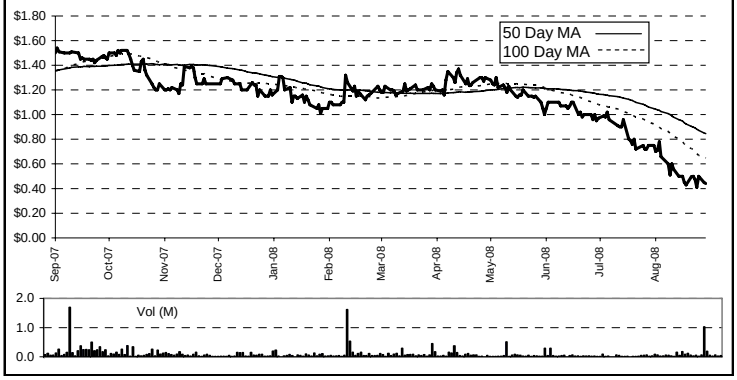
Shares O/S (M) 131.0 * | **MCap (C$) (M) $52.4** | **Target: $2.00**

Alpha: With Cantung operating smoothly, APT prices firm, NTC's status as the Western world's largest tungsten supplier will be reinforced by delivery of a feasibility study at Mactung, expected in late 2008.

Investment Highlights

- **The Western World's largest producer of tungsten concentrate.**
- **Ownership of Cantung tungsten mine (100%) in the Northwest Territories - the World's highest grade operating tungsten mine.**
- **Ownership of the Mactung development stage project in the Northwest Territories - the World's highest grade tungsten resource.**
- **The Western World's largest producer of tungsten concentrate.**
- **Recent strategic alliance and $19.4 M private placement from Hunan Nonferrous Metals Corp.**
- **News flow from resource expansion at Cantung and feasibility work at Mactung throughout 2008.**
- **Catalysts include:**
- **Continued robust price of APT (ammonium paratungstate).**
- **Management of operating costs for 2008 at Cantung mine.**
- **Fiscal Q408 feasibility study for Mactung.**
- **Positive exploration results from Cantung**

North American Tungsten Corp. Ltd. Chart



Financials

	2007A	2008	2009	2010	2011	2012
Forecast APT Price, US$/mtu	$230.00	$241.25	$255.00	$255.00	$285.00	$300.00
C$/US$ FX Rate	1.08	1.02	1.06	1.07	1.09	1.10
Shares O/S, millions	127.3	132.0	134.2	137.7	155.2	155.6
Income Statement						
Revenue, $M	$59.4	$56.7	$67.5	$68.1	$78.8	$84.3
Operating Expenses, $M	($51.6)	($56.3)	($50.1)	($50.6)	($51.6)	($52.1)
Depreciation, $M	$4.6	$3.7	$0.4	$0.4	$0.4	$2.8
General & Admin, $M	($2.7)	($3.3)	($3.6)	($3.7)	($3.7)	($3.8)
Tax, $M	($1.6)	($1.7)	($6.1)	($6.2)	($9.7)	($10.6)
Net Income, $M	($1.2)	($7.7)	$10.9	$11.0	$17.2	$18.8
Balance Sheet						
Cash & Equivalents, $M	$11.4	$2.8	$14.6	$29.6	$47.0	$3.0
Working Capital, $M	$12.6	$0.7	$12.5	$27.4	$44.8	$0.8
Long-term Debt, $M	$0.6	$1.5	$1.5	$1.3	$1.3	$0.0
Shareholder Equity, $M	$34.0	$26.2	$37.6	$52.2	$101.8	$118.4
Book Value, $M	$34.0	$26.2	$38.4	$53.1	$103.1	$121.1
Cash Flow						
Op. CF (before W/C), $M	$4.1	($2.2)	$17.4	$17.5	$27.2	$32.2
Financing CF, $M	$15.1	$0.1	$0.9	$3.9	$130.4	$190.7
Investing CF, $M	$5.3	$4.1	$0.0	$0.0	$130.2	$253.4
Free CF, $M	($1.9)	($11.9)	$11.2	$11.4	($112.7)	($231.8)
EPS	-$0.01	-$0.06	$0.08	$0.08	$0.11	$0.12
P/E	42.3x	6.8x	4.9x	5.0x	3.6x	3.3x
Target Price/EPS	211.8x	34.3x	24.7x	25.1x	18.1x	16.6x
CFFOPS	$0.03	-$0.02	$0.13	$0.13	$0.18	$0.21
P/CFFOPS	12.5x	23.9x	3.1x	3.1x	2.3x	1.9x
Target Price/CFFOPS	62.3x	119.8x	15.5x	15.7x	11.4x	9.7x

Trading Statistics (C$); Capital Structure

52 Week High/Low	$1.64 / $0.82	Average Daily Vol (M)	0.12
Ownership (M)	**Shares O/S, M**	**% O/S**	
Management	13.10	10%	
Institutional	65.50	50%	
Last Financing			
Pending	$19.4 million	Private placement	13.4M shares @ $1.45 + 13.4M FT shares @
Shares O/S - Basic, F.D.		130.99	155.60

(C$) (M)	Av Strike	Basic	ITM	Proceeds
Cash & Equiv				$5
Options	$0.12 to $1.76	9.22	2.23	$0.28
Warrants	$1.40	0.45	0.00	$0.00
Total Cash & ITM		9.67	2.23	$5
Market Cap				$52

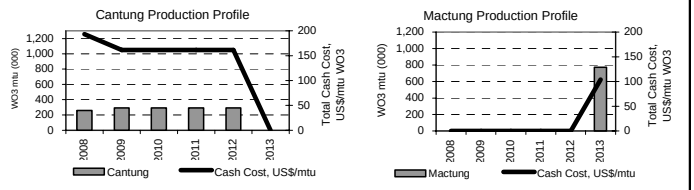
Corporate NAV Summary and Sensitivity (C$)

Project NAV - Cantung (4%)	$60.7	$0.39
Project NAV - Mactung (8%)	$216.4	$1.39
Sub Total @ 1.1x Multiple	$310.3	$1.99
Exploration Credit	$0.0	$0.00
Corporate NAV	$0.8	$0.01
Corp. NAV & Exploration Upside		$2.00

WO3 Price vs.Discount Rate Sensitivity	Discount Rate					
WO3 Price	8%	7%	6%	5%	4%	3%
-5% (US$238/mtu)	$ 1.82	$ 2.08	$ 2.38	$ 2.72	$ 3.12	$ 3.58
Long Term Price: 0% (US$250/mtu)	$ 2.00	$ 2.29	$ 2.61	$ 3.00	$ 3.44	$ 3.96
5% (US$263/mtu)	$ 2.18	$ 2.49	$ 2.85	$ 3.27	$ 3.76	$ 4.34
10% (US$275/mtu)	$ 2.36	$ 2.70	$ 3.09	$ 3.55	$ 4.09	$ 4.72
15% (US$288/mtu)	$ 2.54	$ 2.90	$ 3.33	$ 3.83	$ 4.41	$ 5.10

Production Profile

Tungsten (000) mtu	2008	2009	2010	2011	2012	2013
Cantung	260	292	292	292	292	-
Cash Cost, US$/mtu	193	162	162	162	162	-
Mactung	-	-	-	-	-	772
Cash Cost, US$/mtu	-	-	-	-	-	104
Company Total	260	292	292	292	292	772
Total Cash Cost, US$/mtu	218	162	162	162	162	83
Total Production Cost, US$/mtu	220	163	163	163	171	134



Peer Group Comparables (Haywood Securities estimates)

		Close	Project	Corp. Adj.	Total	P/PNAV	Discount
Ivernia Inc.	IVW-T	C$0.51	US$1.33	US$0.20	US$1.53	0.2x	10%
Katanga Mining Limited	KAT-T	C$10.35	US$15.57	US$1.68	US$17.25	0.5x	12%
Moly Mines	MOL-T	C$1.74	US$3.76	(US$0.07)	US$3.69	0.5x	10%
Imperial Metals Corp	III-T	C$7.44	US$12.20	US$1.81	US$14.01	0.4x	8% - 5%
Group Average						0.4x	
North American Tungsten Corp. Ltd.		C$0.40	US$1.68	US$0.01	US$1.69	0.2x	8% - 4%

Corporate Contact

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Tel:	(604)684-5300
CEO:	Stephen M. Leahy

Chris Thompson, P.Geo. - Research Analyst
cthompson@haywood.com 604-697-7433

Metal Inventory - Model Mineable, Reserve, and Resource

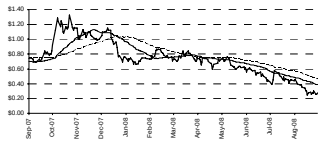
Reserve & Resource Inventory	Tonnes	WO3 (%)	WO3 (mtu)
Cantung Resources (000)	2,934	1.21%	3,550
Mactung Resources (000)	21,914	1.08%	23,773
Total	24,848	1.14%	27,323
Modeled Reserves & Resources			
Cantung Resources (000)	2,263	1.21%	2,738
Mactung Resources (000)	18,468	1.13%	20,878
Total	20,731	1.14%	23,617

Source: Haywood Securities

Note: * Includes $5 million equity financing

Geodex Minerals Ltd. (GXM–V; $0.25)

Price Performance:



Source: Capital IQ

65.9 million shares, basic
71.9 million shares, fully diluted
MCap: $16.5 million
$1 million cash and equivalent

Rating: Not Rated
Target Price: Not Rated

Company Overview

Geodex is a public junior resource company engaged primarily in the exploration and development of molybdenum-tungsten, tin-indium, and gold projects in New Brunswick, Canada. Geodex Minerals' flagship project is Sisson Brook, a large open-pittable tungsten-molybdenum-copper deposit located near Fredericton in central New Brunswick. In November 2007, Geodex tabled a positive preliminary economic assessment for Sisson Brook prepared by Wardrop Engineering. The Company is currently working towards the completion of a prefeasibility study, the results of which are expected imminently.

Capital Structure

Geodex has $1 million in cash, 65.9 million shares outstanding, and 71.9 million shares fully diluted, implying a market capitalization of $16.5 million at a share price of $0.25. The Company's estimated burn rate is currently $75,000 per month for offices, exclusive of capital expenditures and drilling. Management and insider ownership now stands at 4%. The Company has $160,000 in-the-money warrants and options.

Sisson Project – Turning New Brunswick into a Tungsten Producer

Texas Gulf / Kidd Creek Mines actively explored Sisson Brook in the late 1970s and outlined three zones of disseminated and fracture-controlled porphyry-style mineralization: two tungsten-copper bodies and a larger molybdenum-tungsten zone. Work by Geodex has since expanded the potential that Sisson Brook offers. The Company announced a National Instrument 43-101 compliant inferred resource of 13.3 million tonnes grading 0.281% WO_3 equivalent at a 0.225% WO_3 cutoff, and a revised resource estimate of 15.8 million tonnes grading 0.281% WO_3 equivalent. The culmination was a preliminary economic assessment by Wardrop Engineering in November 2007 defined by 21,500 metres of diamond drilling in 2006/2007. The Company has since announced a revised measured and indicated resource of 25.6 million tonnes grading 0.11% WO_3 and 0.056% Mo at a 0.225% WO_3 equivalent cutoff defined by 128 angled drill holes. Inferred resources stand at 11.4 million tonnes grading 0.094% WO_3 and 0.06% Mo. The resource estimate is based solely on the southern half of the Sisson Brook deposit, the focus of the 2007 preliminary economic assessment.

Table 6. Sisson Brook 2007 Preliminary Economic Assessment Assumptions

Sisson Brook 2007 Preliminary Economic Assessment		
Metal Price Basis	Molybdenum	US$21.60/lb
	Tungsten	US$8.00/lb (US$176/mtu)
Average Annual Metal Production	Molybdenum	3.3 million
	Tungsten	8.1 million (0.36 million mtu)
Pre-tax Net Present Value	Base Case	$693 million
Pre-tax Internal Rate of Return	Base Case	29.80%
Milling Rate (tonnes/day)		20,000
Tungsten Recovery (aggregate gravity/flotation)		70%
Molybdenum Recovery		85%
Initial Capital Cost		$353 million
Operating Cost (first 10 years)		$9.16/tonne
Projected Mine Life		31 years

Source: Geodex Minerals

Mineralization at Sisson Brook extends for more than 2 kilometres and currently encompasses two northern zones (tungsten and copper mineralization) and a central, more significant zone of tungsten and molybdenum mineralization (Zone III). Zone III is a 1.5-kilometre-long, fracture-controlled area of tungsten and molybdenum mineralization, which is localized along a gabbro-volcanic contact area. The zone has a north-northeast trend and is up to 500 metres wide through its central area. Exploration to date suggests that the mineralized zone is steeply dipping. Results of a prefeasibility study are expected in late 2008. Geodex has been actively exploring extensions to various mineralized zones at Sisson Brook. The Company has also been aggressively exploring seven other properties in the vicinity of the planned Sisson Brook mine site.

Investment highlights include the following:

- National Instrument 43-101 compliant measured and indicated resource inventory of 25.6 million tonnes grading 0.11% WO3 and 0.056% Mo at a 0.225% WO3 equivalent cutoff
- A base-case pre-tax NPV at 8% of $693 million using a tungsten price of US$8.00 per pound WO3 (US$176 per mtu) and a molybdenum price of US$21.60 per pound from the 2007 preliminary economic assessment
- A deposit with the benefits of low-cost open-pit mining in an easily accessible area and a willing labour force
- Infrastructure in place; concentrate will be trucked to the port of Saint John, about 2 hours away on the Bay of Fundy coast.

Geodex Minerals Ltd.	TSXV:GXM	Price $0.25	September 25, 2008
	Shares O/S (M) 65.9	MCap (C$) (M) $16.5	

Comment: Developing Sisson Brook tung/moly deposit through feasibility in mining-friendly New Brunswick. PEA completed in Q4/07 - pre-feasibility expected in Q1/09.

Investment Highlights

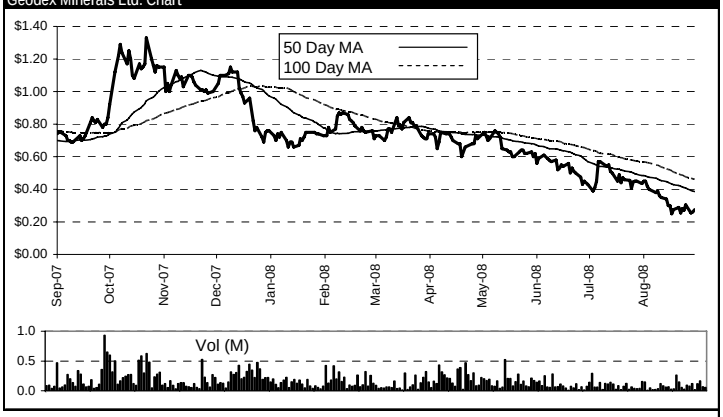
Highlights

- Canadian company with strong management team
- Main focus is Sisson Brook tungsten / molybdenum property (43-101 compliant measured resource of 10.3Mt @ 0.086% WO3 & 0.036% MOS2 indicated resource of 92.5Mt @ 0.088% WO3 & 0.036% MOS2, and inferred resource of 55.4Mt @ 0.072% WO3 & 0.036% MOS2 at a cutoff of 0.125% WO3)
- A base case pre-tax NPV at 8% of $693 million using a tungsten price of US$8.00/ lb WO3 (US$176/mtu) and a molybdenum price of US$21.60 / lb from the 2007 preliminary economic assessment. .
- The deposit will have the benefit of low-cost open-pit mining in an easily accessible area and a willing labour force.
- Infrastructure in place; Concentrate will be trucked to the port of Saint John, about two hours away on the Bay of Fundy coast

Catalysts

- Pre-feasibility study expected in Q1/09
- Appreciation in the price of tungsten
- Signing of an offtake agreement
- Securing funds to finance exploration/development

Geodex Minerals Ltd. Chart



Peer Group Companies		Price (C$)	MC (C$) (M)
TSXV:NTC	North American Tungsten Corp. Ltd.	$0.50	$52.00
TSX:GP	Golden Predator Mines Inc.	$1.09	$48.35
TSXV:LGO	Largo Resources Ltd.	$0.34	$42.60
ASX:VML	Vital Metals Limited	$0.19	$21.75
TSXV:GXM	Geodex Minerals Ltd.	$0.25	$16.47
ASX:WLF	Wolf Minerals Limited	$0.61	$15.66
TSXV:OTL	Oriental Minerals Inc.	$0.17	$14.69
ASX:KIS	King Island Scheelite Ltd .	$0.33	$13.39

Estimated Burn Rate (C$) (M)* provided by Co		Exploration Timetable
September 2008 cash & equiv	$1.0	
Payment from Tech	$0.5	
Core Assay	($0.1)	
Corporate costs	($0.3)	Q3-Q4
Sisson Brook expenditures	($0.4)	
Pre-feasibility study	($0.9)	Q4/08-Q2/09
Financing	??	
December 2008 cash & equiv	-$0.2	

Last Financing			
30-Jan-08	$1.7 million	Private Placement	1.5M shares @ $1.15

Key Tungsten Property

Sisson Brook — 86%

Location: New Brunswick

Exploration Stage: Advanced Exploration

Description: 30km NW of Fredericton, NB and accessible by provincial highway and rail.

Current: Sisson Brook has been considerably expanded by Geodex drilling since 2005. The mineralized area extends for over 2 km, encompassing at this point two northern zones with tungsten and copper and a central, more significant zone of tungsten and molybdenum over 300 m wide (Zone III). Zone III has been the subject of three resource estimates and a Preliminary Economic Evaluation by Wardrop Engineering in November 2007. The deposit will have the benefit of low-cost open-pit mining in an easily accessible area and a willing labour force. Concentrate will be trucked to the port of Saint John, about two hours away on the Bay of Fundy coast. The largest mine in the nearby Bathurst mining district is due to close in mid 2010 after a 60 year mine life. This may have a positive impact on the supply of equipment and labour for the project and encourage the New Brunswick government to fast track the Sisson Brook development.

During 2007, Geodex made a significant discovery of a higher grade molybdenum zone on the eastern edge of the Sisson Brook deposit . Further step-out drilling was perfomed through Q3/08, with results expected in Q4/08. Updated metallurgical report expected in Dec/08.

Reserve/Resource: 43-101 compliant measured resource of 10.3Mt @ 0.086% WO3 & 0.036% MOS2 indicated resource of 92.5Mt @ 0.088% WO3 & 0.036% MOS2, and inferred resource of 55.4Mt @ 0.072% WO3 & 0.036% MOS2 at a cutoff of 0.125$ WO3.

Corporate Contact

President/CEO: Jack Maris

Website: www.geodexminerals.com Telephone: 604-689-7771

Capital Structure (C$) (M)				
Shares O/S - Basic, F.D.		65.86	71.97	
(C$) (M)	Av Strike	Basic	ITM	Proceeds
Cash & Equiv				$1.00
Options	$0.59	5.35	0.98	$0.16
Warrants	$1.65	0.76	0.00	$0.00
Total Cash & ITM		6.11	0.98	$1.16
Market Cap				$16.47

Trading Statistics (C$)	
52 Week High / Low	$1.37 / $0.33
Average Daily Vol (M)	0.16

Ownership (M)	Management	Institutional
Shares	2.86	n/a
% O/S	4.34%	n/a

Analyst Coverage	# Analysts
	n/a

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Calum Morrison - Research Associate
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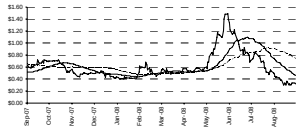
Source: Haywood Securities

Largo Resources Ltd. (LGO–V; $0.30)

Price Performance:



Source: Capital IQ

142.4 million shares, basic
179.7 million shares, fully diluted
MCap: $42.7 million
$4 million cash and equivalent

Rating: Not Rated
Target Price: Not Rated

Company Overview

Largo Resources is a Canadian natural-resource development and exploration company with two advanced-stage projects: the Maracas vanadium-PGM deposit in Brazil and the Northern Dancer tungsten-molybdenum deposit in the Yukon. The Company recently announced a positive feasibility study for the Maracas project. The Company is currently working towards the completion of a preliminary economic assessment for Northern Dancer, the results of which are expected at any time. Recent exploration results from Northern Dancer have revealed encouraging grades over wide widths.

Capital Structure

The Company has $4 million in cash, 142.4 million shares outstanding, and 179.7 million shares fully diluted, implying a market capitalization of $42.7 million at a share price of $0.30. The Company's estimated burn rate is currently $150,000 per month based on $1 million per annum operating overhead for offices, exclusive of capital expenditures and drilling. Management and insider ownership currently stands at 4%, with institutional investors accounting for 16%. The Company has $1.31 million in-the-money warrants and options.

Northern Dancer Project – Ready to Dance?

The Northern Dancer deposit is one of the world's largest known tungsten-molybdenum porphyry systems and lies 115 kilometres east of Adanac Molybdenum Corporation's Ruby Creek porphyry molybdenum deposit in the Yukon, Canada. Mineralization is hosted in fractures and veins associated with a northeast-trending sheeted vein system in calc-silicate (skarn) rocks and spatially related to a felsic intrusion (quartz-feldspar porphyry). The deposit, which has been tested by drilling for 750 metres along strike, 500 metres vertically, and 600 metres in width, remains open along strike to both the northeast and southwest as well as at depth. Within the deposit's core, a higher grade molybdenum zone occurs inside and adjacent to the felsic intrusion. A tungsten zone surrounds and partially overlaps the molybdenum zone.

Historical work was carried out by AMAX Minerals Exploration from 1977 to 1980, which led to the identification of tungsten-molybdenum porphyry-style mineralization, the core of which was partially delineated by 68 diamond-drill holes and 496 metres of underground workings. Largo Resources completed a 17-hole diamond-drill program in 2006 and followed up with National Instrument 43-101 compliant inferred resource of 242.0 million tonnes grading 0.10% WO_3 and 0.047% MoS_2. A 25-hole 5,000-metre diamond-drill program in 2007 focused on defining higher grade tungsten and molybdenum zones.

Recent drilling culminated in the tabling of a revised resource estimate that defines an indicated resource of 140.8 million tonnes grading 0.10% WO_3 and 0.026% Mo, and an inferred resource of 253.2 million tonnes grading 0.10% WO_3 and 0.022% Mo. The resource includes a higher grade tungsten zone of 17.1 million tonnes grading 0.17% WO_3 and 0.030% Mo (indicated), and 18.7 million tonnes grading 0.16% WO_3 and 0.023% Mo (inferred) at a 0.14% WO_3 cutoff grade. Also, a higher grade molybdenum zone of 27.6 million tonnes grading 0.048% Mo (indicated) at a 0.024% Mo cutoff grade has been defined. The higher grade tungsten zone averages 50 metres in width, extending along strike for 1,200 metres, and from surface to an average depth of 350 metres. Selected results include 339.90 metres grading 0.15% WO_3 and 0.03% Mo, including 53.60 metres grading 0.32% WO_3 and 0.02% Mo. The high-grade intersection is 3 times the current grade of the existing National Instrument 43-101 resource of 0.10% WO_3.

Largo is currently carrying out a 20,000-metre 55-hole diamond-drill program to further define the extent of the higher grade tungsten and molybdenum zones intersected in the 2006 and 2007 programs.

Investment highlights include the following:

- Northern Dancer – one of the world's largest undeveloped tungsten resources: National Instrument 43-101 compliant indicated resource inventory of 140.8 million tonnes grading 0.10% WO3 and 0.026% Mo, and an inferred resource of 253.2 million tonnes grading 0.10% WO3 and 0.022% Mo. Included is a higher grade tungsten zone of 17.1 million tonnes grading 0.17% WO3 and 0.030% Mo (indicated)

- Maracas – one of the world's highest grade valadium resources: National Instrument 43-101 compliant measured and indicated resource inventory of 17.26 million tonnes at a grade of 1.44% V2O5. Included is a reserve of 13.1 million tonnes grading 1.35% V2O5

- A base-case pre-tax NPV at 10% of $489 million using a ferrovanadium price of US$45.86 per kilogram from the 2008 prefeasibility study

- Strong PGM exploration upside potential from Maracas

- Offtake agreement finalized for all vanadium products produced at Maracas for the first six years of commercial production, with a renewable option for a further six years.

Largo Resources Ltd.

TSXV:LGO | **Price $0.30** | **September 25, 2008**

Shares O/S (M) 142.4 | **MCap (C$) (M) $42.7**

Comment: One of the first Canadian exploration companies to enter South Korea, acquiring many prospective licenses encompassing the country's largest past-producing tungsten-molybdenum and gold mines.

Investment Highlights

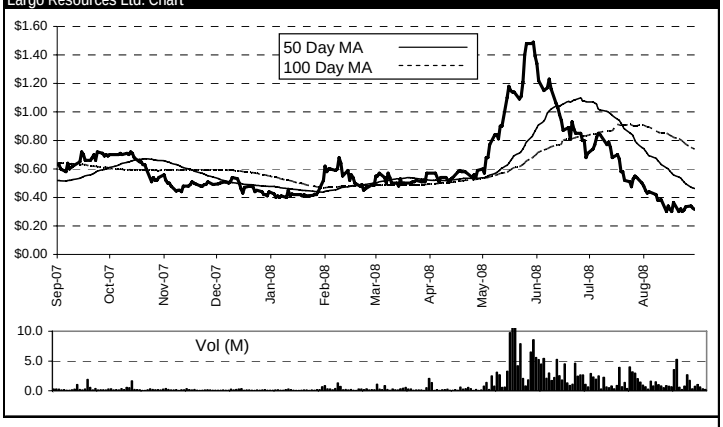
Highlights

- Experienced management and board from former Desert Sun Mining
- Northern Dancer – one of the world's largest undeveloped tungsten resources: 43-101 compliant indicated resource inventory of 140.8 million tonnes grading 0.10% WO3 and 0.026% Mo and an inferred resource of 253.2 million tonnes grading 0.10% WO3 and 0.022% Mo. Included is a higher-grade tungsten zone of 17.1 million tonnes grading 0.17% WO3 and 0.030 % Mo (Indicated).
- Maracas – one of the world's highest grade valadium resources: 43-101 compliant measured and indicated resource inventory of 17.26 million tonnes at a grade of 1.44% V2O5. Included is a reserve of 13.1 million tonnes grading 1.35% V2O5.
- A base case pre-tax NPV at 10% of $489 million using a ferrovanadium price of US$45.86/ kg from the 2008 prefeasibility study.
- Strong PGM exploration upside potential from Maracas.
- Off-take agreement finalized for all vanadium products produced at Maracas for the first 6 years of commercial production with a renewable option for a further 6 years.

Catalysts

- Appreciation in the price on Tungsten
- Further drill results expected for northern dancer property in Q4/08
- Northern Dancer: Pre-feasibility study expected in Q4/08
- Financing to take property through exploration/development

Largo Resources Ltd. Chart



Peer Group Companies

		Price (C$)	MC (C$) (M)
TSXV:NTC	North American Tungsten Corp. Ltd.	$0.50	$52.00
TSX:GP	Golden Predator Mines Inc.	$1.09	$48.35
TSXV:LGO	Largo Resources Ltd.	$0.30	$42.71
ASX:VML	Vital Metals Limited	$0.19	$21.75
TSXV:GXM	Geodex Minerals Ltd.	$0.39	$17.78
ASX:WLF	Wolf Minerals Limited	$0.61	$15.66
TSXV:OTL	Oriental Minerals Inc.	$0.17	$14.69
ASX:KIS	King Island Scheelite Ltd .	$0.33	$13.39

Corporate Contact

President/CEO: Mark Brennan
Website: www.largoresources.com
Telephone: 416-861-5895

Capital Structure (C$) (M)

Shares O/S - Basic, F.D.		142.37	179.73	
(C$) (M)	Av Strike	Basic	ITM	Proceeds
Cash & Equiv				$4.00
Options	$0.63	13.64	0.00	$1.31
Warrants	$0.72	23.72	0.00	$0.00
Total Cash & ITM		37.35	0.00	$5.31
Market Cap				$42.71

Estimated Burn Rate (C$) (M)* provided by Co

September 2008 cash & equiv	$4.0
Maracas milestone payment	($25.0)
Monthly burn rate (@ 150k/month)	($0.45)
Financing	??
ITM Options / Warrants	$0.0
December 2008 cash & equiv	-$21.5

Exploration Timetable

Trading Statistics (C$)

52 Week High / Low	$1.58 / $0.34
Average Daily Vol (M)	0.93

Last Financing

7-Feb-08	$3 million	Non-Brokered P.P.	5.45 million units @ $0.55 per Unit plus half wt

Ownership (M)

	Management	Institutional
Shares	5.59	23.03
% O/S	3.93%	16.17%

Analyst Coverage

Analysts
1

Chris Thompson, P.Geo. - Research Analyst
cthompson@haywood.com 604-697-7433

Calum Morrison - Research Associate
cmorrison@haywood.com 604-697-6149

Key Properties

Northern Dancer — 100%

Location: Yukon/BC

Exploration Stage: Advanced Exploration

Description: 1,500 ha property, permitted for exploration, with extensive exploration by AMAX Minerals in 70's - 51 diamond holes and 496m of underground workings.

Current: Mineralization is hosted in fractures and veins associated with a northeast-trending sheeted vein system in calc-silicate (skarn) rocks and spatially related to a felsic intrusion (quartz-feldspar porphyry). The deposit, which has been tested by drilling for 750 metres along strike, 500 metres vertically and 600 metres in width, remains open along strike to both the northeast and southwest as well as at depth. Within the deposit's core a higher-grade molybdenum zone occurs within and adjacent to the felsic intrusion. A tungsten zone surrounds and partially overlaps the molybdenum zone.

Largo is currently carrying out a 20,000 m 55 hole diamond drill program to further define the extent of the higher-grade tungsten and molybdenum zones intersected in the 2006 and 2007 program, leading to a updated resource and scoping study expected in Q4/08. Significant potential for expansion of mineralized zone as indicated by large soil anomaly and deposit remains open to extension both laterally and at depth. Company has target production for 2013.

Results are expected through Q4/08, with an updated resource estimate in December.

Reserve/Resource: 43-101 compliant indicated resource inventory of 140.8 million tonnes grading 0.10% WO3 and 0.026% Mo and an inferred resource of 253.2 million tonnes grading 0.10% WO3 and 0.022% Mo.

Maracas — 100%

Location: Brazil

Exploration Stage: Advanced exploration

Description: World's highest grade known vanadium deposit. 4,000ha property is located 813 km NE of Brazil and 250 km SW of Salvador

Current: Vanadium deposit is hosted within the Jacare River mafic-ultramafic intrusion. This sheet like linear intrusion extends for 70 kilometres along a north-south strike averaging about 1.2 kilometres in width. There are a number of striking similarities to the Great Dyke including age, rock types, platinum and palladium ratio and style of intrusion as well as the host rock that it intrudes. The PGMs are associated with fine disseminated sulphides hosted within vanadium-rich titaniferous magnetite massive layers. This massive, titaniferous magnetite mineralization at Maracas ranges from 2.0 to 100 metres in thickness with an average true width of 40 metres.

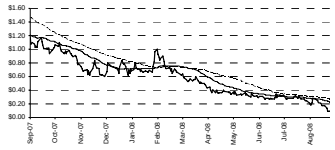
Advanced discussions with off-take partners, with targeted production in early 2010.

Reserve/Resource: NI 43-101 measured & indicated resource of 17.3Mt @ 1.44% V205 (Vanadium Pentoxide)

Source: Haywood Securities

Oriental Minerals Inc. (OTL–V; $0.12)

Price Performance:



Source: Capital IQ

69.9 million shares, basic
81.5 million shares, fully diluted
MCap: $8.4 million
$1 million cash and equivalent

Rating: Not Rated
Target Price: Not Rated

Company Overview

Oriental Minerals has a diverse portfolio of precious and base metals projects in South Korea. Projects are at various stages of development, with the Company's flagship project, Sangdong tungsten, currently the focus of a preliminary economic assessment expected imminently.

Capital Structure

The Company has $1 million in cash, 69.9 million shares outstanding, and 81.5 million shares fully diluted, implying a market capitalization of $8.4 million at a share price of $0.12. The Company's estimated burn rate is currently $300,000 per month based. Management and insider ownership currently stands at 1%, with institutional investors accounting for 16%. The Company does not have any in-the-money warrants or options.

Sangdong Project – A Near-Term Tungsten Opportunity Close to Eastern Markets

Located southeast of Seoul, the Sangdong tungsten-molybdenum mine was one of the world's largest producing tungsten mines between 1947 and 1992. The mine closed prematurely in 1992 owing to low metal prices. The Sangdong mine had historical production rates of 600,000 tonnes of ore per year, mainly from the 6-metre-thick Main Vein. Drilling by KORES from 1980 to 1987 discovered a deep molybdenum deposit below the remaining tungsten skarn resources.

Oriental has completed 2 phases of due diligence and exploration drilling at Sangdong and recently secured a $3 million interim loan financing. An extensive database of technical information has been compiled by Oriental. Independent geological consultant Watts, Griffis and McOuat has completed a technical report on Sangdong, with a National Instrument 43-101 compliant indicated resource of 12.66 million tonnes grading 0.32% WO_3 and 0.06% MOS_2, plus an inferred resource of 67.74 million tonnes grading 0.29% WO_3 and 0.05% MOS_2. Oriental has a multi-pronged evaluation strategy at Sangdong, which includes evaluating the potential for large, bulk-tonnage open-pit mining in the existing tungsten-molybdenum skarn resource, evaluating the deeper and higher grade molybdenum deposit as a block-caving underground mining operation, determining the potential for early cash flow from the former operating mine's ore stockpile, and investigating exploration potential along strike in favourable stratigraphic horizons.

Investment highlights include the following:

- First-mover advantage in South Korea, the world's second largest tungsten customer, and a location close to Asian markets.
- Sangdong – a historical producer and one of the largest tungsten mines in the world: a National Instrument 43-101 compliant indicated resource inventory of 12.7 million tonnes grading 0.32% WO3, and an inferred resource of 67.7 million tonnes grading 0.29% WO3.
- The deposit will have the benefits of being an open-pit mine developed from a previous underground operation in an easily accessible area and a willing labour force.
- Potential benefit from exploiting historical dumps of tungsten, molybdenum, gold, bismuth, tin, and fluorine, plus a deep molybdenum deposit.

Oriental Minerals Inc.

TSXV:OTL | **Price $0.12** | **September 25, 2008**

Shares O/S (M) 70.0 | **MCap (C$) (M) $8.4**

Comment: Acquiring 100% of historical producer - Sangdong tungsten mine. First mover advantage in South Korea - near-term development agenda. Preliminary Economic Assessment expected in Q4/08.

Investment Highlights

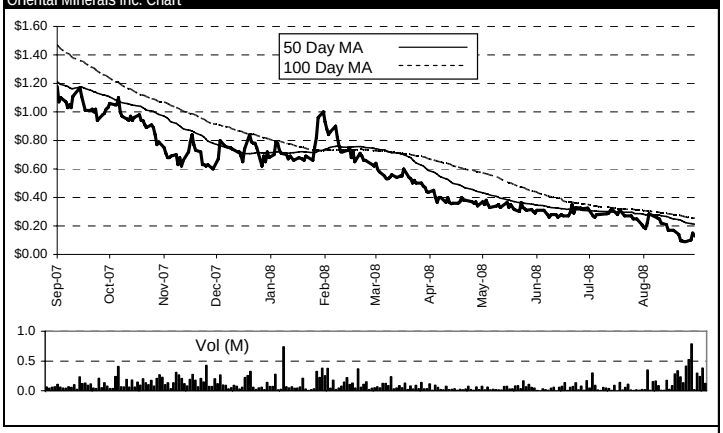
Highlights

- First mover advantage in South Korea, the world's second largest tungsten customer and a location close to Asian markets.
- Diversified South Korean commodity focus including hard metals, uranium, base metals, and gold
- Hard Metals includes tungsten/moly deposits - Sangdong (tung/moly), Chongyang (moly)
- Sangdong – A historical producer - one of the largest tungsten mines in the world: 43-101 compliant indicated resource inventory of 12.7 million tonnes grading 0.32% WO3 and an inferred resource of 67.7 million tonnes grading 0.29% WO3.
- The deposit will have the benefit of being an open-pit mine developed from a previous underground operation in an easily accessible area and a willing labour force.
- Potential benefit from exploiting historical dumps of tungsten, molybdenum, gold, bismuth, tin, fluorine plus a deep molybdenum deposit.
- Base Metals includes approx 200 km of claims along base metal skarn belt on both sides of the Sangdong deposit - historic mines & deposits

Catalysts

- Preliminary Economic Assessment expected in Q3/08
- Appreciation in the price of tungsten
- Signing of an offtake agreement

Oriental Minerals Inc. Chart



Peer Group Companies		Price (C$)	MC (C$) (M)
TSXV:NTC	North American Tungsten Corp. Ltd.	$0.50	$52.00
TSX:GP	Golden Predator Mines Inc.	$1.09	$48.35
TSXV:LGO	Largo Resources Ltd.	$0.34	$42.60
ASX:VML	Vital Metals Limited	$0.19	$21.75
TSXV:GXM	Geodex Minerals Ltd.	$0.39	$17.78
ASX:WLF	Wolf Minerals Limited	$0.61	$15.66
ASX:KIS	King Island Scheelite Ltd .	$0.33	$13.39
TSXV:OTL	Oriental Minerals Inc.	$0.12	$8.40

Estimated Burn Rate (C$) (M)* provided by Co		Exploration Timetable
September 2008 cash & equiv	$1.0	
Monthly burn rate (@ 300k/month)	($1.5)	
Costs to Produce final PEA	($0.3)	Q308
Loan repayment	($1.2)	
ITM Options / Warrants	$0.0	
December 2008 cash & equiv	-$2.0	

Last Financing			
10-Aug-07	$9.6 million	Private Placement	6.2M FT shares @ $1.55

Analyst Coverage	# Analysts
	n/a

Key Tungsten Property

Sangdong 100%

Location: South Korea

Exploration Stage: Advanced Exploration

Description: 170km SE of Seoul, Korea and was in production intermittently between 1916 - 1992.

Current: Property is comprised of 23 Mining Rights, totaling an aggregate 5,924 hectares, and contains a skarn-type tungsten-molybdenum-bismuth deposit with trace gold and silver associated with bismuth. Mineralization has been traced to a strike length of ~ 10km with majority of tungsten / molybdenum mineralization occurring in skarn altered Myobong Slate and Jangsan Quartzite. Deposit was historically mined by underground methods from 1947 to 1992, with production of 600,000 tpa, ceasing due to low metals prices. Drilling by previous operator KORES, Korean Engineering Co, during the 1980's led to the discovery of a moly deposit below the tungsten skarn resource - the Jangsan Quartzite. Recent 2007 work program included Phase I (4,100m) and Phase II (16,800m) drilling. Assay results from Phase II program continues to encounter high-grade intervals of WO3/MOS2 than in the existing resource estimate and extend the mineralization to the NW, W, and SW.

Drilling with 4 DC and 1 RC rigs was performed through Q2/08. Results are to be released thoughtout the fall, with a preliminary economic assessment expected in Q4/08.

Reserve/Resource: 43-101 compliant indicated resource of 12.66Mt @ 0.32% WO3 & 0.06% MOS2, inferred resource of 67.74Mt @ 0.29% WO3 & 0.05% MOS2

Corporate Contact

President/CEO: Ian Fodie

Website: www.orientalminerals.com Telephone: 604-681-5755

Capital Structure (C$) (M)				
Shares O/S - Basic, F.D.		69.98	81.53	
(C$) (M)	Av Strike	Basic	ITM	Proceeds
Cash & Equiv				$1.80
Options	$1.06	5.35	0.00	$0.00
Warrants	$2.00	6.21	0.00	$0.00
Total Cash & ITM		11.56	0.00	$1.80
Market Cap				$8.40

Trading Statistics (C$)	
52 Week High / Low	$1.34 / $0.07
Average Daily Vol (M)	0.10

Ownership (M)	Management	Institutional
Shares	0.29	11.31
% O/S	0.41%	16.16%

Chris Thompson, P.Geo. - Research Analyst
cthompson@haywood.com 604-697-7433

Calum Morrison - Research Associate
cmorrison@haywood.com 604-697-6149

Other Properties

Property	Ownership	Commodity	Location	Development Stage
Chongyang	100%	Hard metals	South Korea	Prior producing mine
Dongjeum	100%	Uranium	South Korea	Early exploration
Gasado	100%	Gold	South Korea	Early exploration
Majuk	100%	Gold	South Korea	Prior producing mine
Ogchong	100%	Uranium	South Korea	Early exploration

Source: Haywood Securities

Tungsten Exploration Opportunities

The robust fundamentals of tungsten and high tungsten APT prices of late have prompted renewed exploration for the metal worldwide, but focused primarily in Canada, the United States, and Australia. Exploration for tungsten often takes place in tandem with exploration for molybdenum and tin, two co-products that commonly occur with the metal. Exploration-focused companies that are currently exploring for tungsten include the following:

Table 7. Tungsten Western World Producers, Developers, and Explorers

Company	Stock Symbol	Share Price (US$)	Market Cap (M US$)	Projects	Development Stage	Country
Production						
Hemskirk Consolidated	-			Los Santos	Producer	Spain
Malaga	TSX:MLG	$ 0.15	$ 24.40	Pasto Bueno	Producer	Peru
North American Tungsten	TSXV:NTC	$ 0.47	$ 59.40	Cantung, Mactung	Producer	Canada
Primary Metals	-			Pansaqueira	Producer	Portugal
Development						
Queensland Ores	ASX:QOL	$ 0.06	$ 12.81	Wolfram Camp	Construction	Australia
Golden Predator Mines	TSX:GP	$ 1.02	$ 70.71	Springer	Permitting	USA
Adex Mining	TSXV:ADE	$ 0.18	$ 19.40	Mount Pleasant	Feasibility	Canada
Dragon Capital Group	OTCPK:DRGV	$ 0.01	$ 2.02	Nui Phao	Feasibility	Vietnam
Galway Resources	TSXV:GWY	$ 0.25	$ 15.39	Indian Springs, Victorio	Feasibility	USA
Geodex Minerals	TSXV:GXM	$ 0.28	$ 20.98	Sisson Brook	Feasibility	Canada
Icon Resources	ASX:III	$ 0.14	$ 7.21	Mt Carbine	-	Australia
King Island Scheelite	ASX:KIS	$ 0.31	$ 12.30	King Island	Feasibility	Australia
Largo Resources	TSXV:LGO	$ 0.32	$ 39.90	Northern Dancer	Feasibility	Canada
Oriental Minerals	TSXV:OTL	$ 0.16	$ 13.76	Sangdong	Feasibility	South Korea
Ormonde Mining	ISE:ORQ	$ 0.15	$ 30.76	Barruecopardo	Feasibility	Spain
Paradigm Metals	ASX: PDM	$ 0.04	$ 2.92	White Rock	-	Australia
Playfair Mining	TSXV:PLY	$ 0.13	$ 7.48	Grey River #10 Vein	Feasibility	Canada
Thor Mining	ASX:THR	$ 0.05	$ 6.65	Molyhil	Feasibility	Australia
Vital Metals	ASX:VML	$ 0.18	$ 20.38	Watershed, Mt Alexander, Mt Mulgine	Feasibility	Australia
Wolf Minerals	ASX:WLF	$ 0.57	$ 12.86	Hemerdon Mine	Feasibility	UK
Exploration						
Crusader Resources	ASX:CAS	$ 0.48	$ 21.26	Tarantula	Advanced Exploration	Brazil
Ely Gold & Minerals	TSXV:ELY	$ 0.17	$ 8.96	Mt. Hamilton, Shell	Advanced Exploration	USA
Paradigm Metals Limited	ASX:PDM	$ 0.04	$ 2.92	White Rock	Advanced Exploration	Australia
StrataGold	TSX:SGV	$ 0.05	$ 8.16	Mar-Tungsten	Advanced Exploration	Canada
Tamaya Resources	ASX:TMR	$ 0.02	$ 24.28	Regua	Advanced Exploration	Portugal
Amanta Resources	TSXV:RMR	$ 0.23	$ 2.81	Lanna	Exploration	Thailand
Cadillac Ventures	IQ3221947	$ 0.06	$ -	Burnt Hill	Exploration	Canada
Catalyst Metals	ASX:CYL	$ 0.07	$ 2.23	Minnie Creek	Exploration	Australia
Colt Resources	IQ3103787	$ 0.05	$ -	Armamar-Meda	Exploration	Portugal.
Cullen Resources	ASX:CUL	$ 0.10	$ 53.85	Minter	Exploration	Australia
Emgold Mining	TSXV:EMR	$ 0.07	$ 11.80	Stewart/Jazz	Exploration	Canada
First Narrows Resources	TSXV:UNO	$ 0.05	$ 3.71	Falls Creek	Exploration	Canada
Happy Creek Minerals	TSXV:HPY	$ 0.25	$ 7.08	Fox	Exploration	Canada
Hastings Resources	TSXV:HAS	$ 0.10	$ 3.50	Swan	Exploration	Canada
Hazelwood Resources	ASX:HAZ	$ 0.12	$ 9.68	Cookes Creek	Exploration	Australia
Jasper Mining	TSXV:JSP	$ 0.34	$ 19.64	McFarlane	Exploration	Canada
Kangaroo Metals	ASX:KML	$ 0.06	$ 3.16	Silver Valley-Brownville	Exploration	Australia
Malachite Resources	ASX:MAR	$ 0.13	$ 18.34	Elsmore	Exploration	Australia
Max Resource	TSXV:MXR	$ 0.28	$ 5.26	Ravin	Exploration	USA
Mexivada Mining	TSXV:MNV	$ 0.20	$ 8.26	Moly Dome	Exploration	USA
Minemakers Limited	ASX:MAK	$ 1.18	$ 87.56	Aberfoyle, Storey's Creek, Lutwyche	Exploration	Australia
Newmac Resources	TSXV:NER	$ 0.19	$ 8.62	Crazy Fox	Exploration	Canada
Pacific Bay Minerals	TSXV:PBM	$ 0.09	$ 4.11	Haskins-Reed	Exploration	Canada
Peel Exploration	ASX:PEX	$ 0.16	$ 4.86	Attunga	Exploration	Australia
Prospector Consolidated Resou	TSXV:PRR	$ 0.06	$ 1.95	Kalzas	Exploration	Canada
Roca Mines	TSXV:ROK	$ 1.23	$ 119.01	MAX, Lardeau	Exploration	Canada
Rome Resources	TSXV:RMR	$ 0.23	$ 2.81	Don Luis	Exploration	Mexico
Sultan Minerals	TSXV:SUL	$ 0.07	$ 7.16	Jersey-Emerald	Exploration	Canada
Yankee Hat Minerals	TSXV:KHT	$ 0.11	$ 5.87	Boot, Hidden, Track, Meloy, Obvious	Exploration	Canada

Source: North American Tungsten

APPENDIX A: Tungsten – Overview, Applications, and Market Dynamics

History

After the discovery of a heavy mineral termed "tung-sten" (Swedish for heavy stone), there followed the isolation of tungsten trioxide and the reduction of the mineral wolframite to tungsten metal in the 1700s. The first attempts to produce tungsten steel were made in 1855. However, the high price of tungsten metal was prohibitive for industrial application. The launch of high-speed steels by Bethlehem Steel in 1900 at the Paris World Exhibition led to the first industrial application of tungsten in alloying and hardening steels. This application was followed early in the 20th century by the manufacture of ductile tungsten wire, influential in the development of the lamp industry, and the invention of hardmetal (cemented carbide), which has grown to be tungsten's main application.

Physical properties

Tungsten's molecular structure, which provides for a high binding energy of the tungsten metal lattice, makes the metal and its alloys and some tungsten compounds unique and difficult to substitute for in many industrial applications in different fields of modern technology.

Some of the important physical characteristics of tungsten include the following:

- The highest melting point of all elements except carbon
- The lowest expansion coefficient of all metals
- The greatest hardness of all metals
- Superior heaviness among metals
- The lowest vapour pressure of all metals
- High moduli of compression and elasticity
- A high thermal creep resistance
- A high thermal and electrical conductivity
- A high coefficient of electron emission.

Certain materials can be substituted for tungsten, in applications such as cemented carbides (molybdenum, titanium, ceramics, depleted uranium alloys), tools (diamond), and mill products (molybdenum); in steels (molybdenum); and in alloys (depleted uranium), weights and counterweights (depleted uranium), and armour-piercing projectiles (depleted uranium alloys). However, in some applications, substitution results in increased cost and/or a loss in product performance.

Tungsten Minerals

Tungsten occurs in the natural state only in the form of chemical compounds with other elements. Although more than 20 tungsten-bearing minerals are known, only 2 of them are important for industrial use, namely wolframite ($(Fe, Mn)WO_4$) and scheelite ($CaWO_4$).]

Table 1. Tungsten Minerals

Mineral	Formula	$\%WO_3$
Wolframite	$(FeMn)WO_4$	76.5
Scheelite	$CaWO_4$	80.5

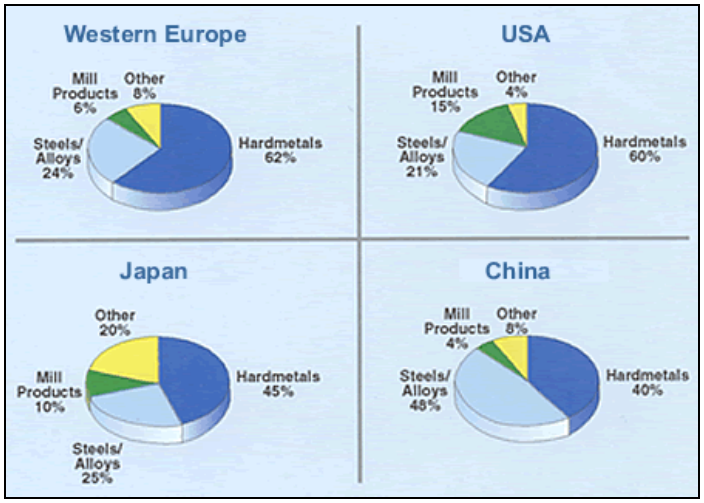
Source: Haywood Securities

Applications

Tungsten is often brittle and hard to handle in its raw state. However, if pure, it is much easier to work with in forging, drawing, extruding, or sintering. Alloying with small quantities of tungsten greatly increases the toughness of steel.

Tungsten's melting point, the second highest of any known element, allows for its use in high-temperature applications. Owing to its conductive properties and relative chemical inertia, it is also employed in the manufacture of electrodes and electric shields and in electronics. The metal serves as a filler in plastics and as a nontoxic substitute for lead in weights, ballast, inorganic pigments, and high-temperature lubricants. Of particular significance are the metal's hardness and density that make it an important alloy in the manufacture of tungsten carbide, high-speed steels, superalloys, and heavy alloys. Tungsten's chemical compounds are used in catalysts. Based on its unique properties, the metal's alloys and some tungsten compounds cannot be substituted for in many important applications in different fields of modern technology. Hardmetal is the most important use of tungsten. Its main constituent is tungsten monocarbide, which has a hardness close to that of diamond. About 60% of the tungsten production worldwide is consumed by hardmetals.

Figure 1. Tungsten Applications by Region



Source: U.S. Geological Survey, 2007

Pricing and Market Dynamics

Tungsten is typically priced according to metric ton units (mtu) of intermediate product ammonium paratungstate (APT). An mtu equals 10 kilograms or 22.04 pounds. APT is the metal's primary intermediate and main tungsten-derived market-priced raw material, although tungsten concentrate is also priced. APT and concentrate prices are based mainly on quotations published twice a week by London's Metal Bulletin, although other trade journals also publish quotations or indicative prices. As a general guideline and under current market circumstances, it is reasonable to assume that the market price for APT is approximately US$30 to US$50 per mtu higher that the corresponding price for concentrates.

The average annual price of APT since 1950 has fluctuated between US$10 per mtu in 1963 and a peak of more than US$300 per mtu in 2004. While currently robust, the market fundamentals for tungsten have in the past fallen victim to excess supply from the metal's primary supplier and consumer, China. China's significant reserves of tungsten and low cost of production during the 1980s and 1990s drove most of the Western world's mine supply of tungsten concentrate in

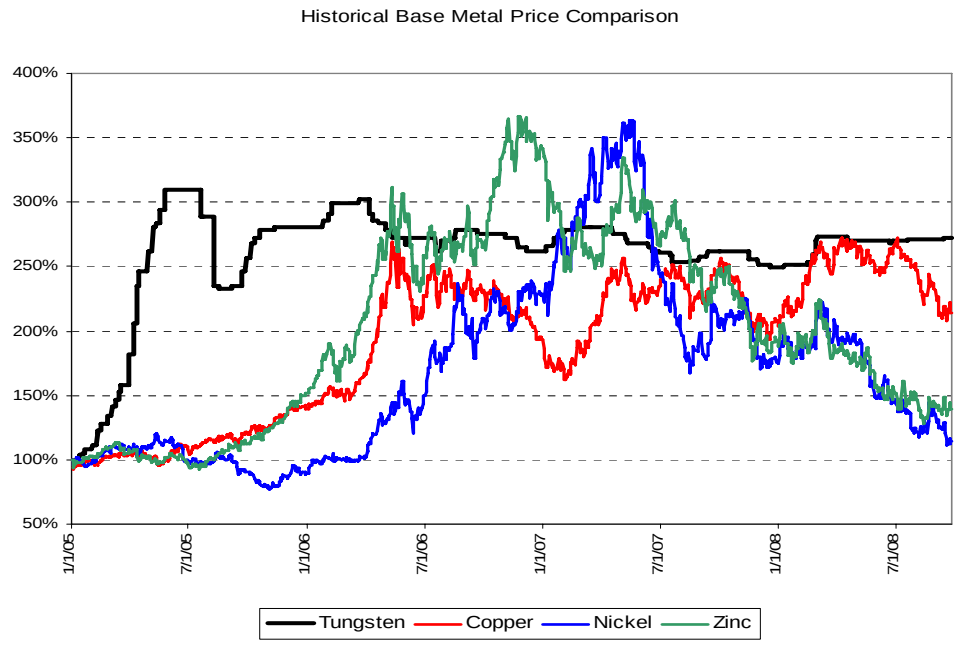
Australia, Brazil, Canada, France, Japan, South Korea, Sweden, Thailand, and the United States and APT from the market.

China's mining of high-grade ore and its fiscal incentives sustained the country's dominance over the tungsten market throughout much of the 1990s and caused a virtual hiatus in Western world tungsten exploration and development activity. Prices fell to low levels, of US$45 per mtu for concentrates and only marginally higher for APT.

In recent years, rapidly increasing domestic demand in China for tungsten concentrates has caused the tables to turn. This upswing has prompted China to impose quotas and escalating tariffs in order to restrict exports to protect domestic consumption. This urgent need for alternative supplies of concentrates and APT outside China has caused the country to become a significant importer, after being a net exporter of tungsten concentrates and tungsten scrap for many years.

The recent run up in APT prices began in 2004, driven by rapidly increasing demand from China. During 2003, APT prices averaged approximately US$60 per mtu, and minimum potential existed for a price increase, as supply and demand were in balance. However, in mid-2004, APT prices adopted a new structure well in excess of US$200 per mtu, and for a short period, reached US$300 per mtu on the back of tightening market fundamentals for tungsten. Prices have since stabilized and have remained relatively steady during the past 2 years at a sustainable level above US$230 per mtu. The current price level for APT is US$250 to US$260 per mtu FOB China. In comparison with base and minor metals, tungsten's APT price has consistently registered a 250% gain since January 2005 and is currently the best performing metal of the group.

Figure 2. Historical Base Metal Price Comparison



Source: Haywood Securities

China's dominance in the tungsten market is expected to continue. The fuel will be its current focus on encouraging an even higher level of downstream processing, supported by expected increases in export tariffs for semi-processed products and continued domestic growth in demand for tungsten products.

APPENDIX B: Country Production Profiles

China

China accounts for approximately 86% of the world supply of tungsten (7.7 million mtu estimated from USGS in 2007). Chinese production can be classified as coming from three types of sources:

- Large producers, namely China Minmetals, Xiamen Tungsten Group, Zhuzhou Hard Alloy Group, Hunan Nonferrous Metals Corporation, and Jiangxi Rare Metals, which collectively account for 30% to 40% of China's annual production capacity of tungsten concentrates, APT, and tungsten powder
- Intermediate producers of APT, tungsten powder, and ferro-tungsten
- Small privately owned producers that have focused on mining, smelting, fabricating, and trading the metal in recent years.

The USGS estimates China's reserve to be 1.8 million tonnes (180 million mtu) and world reserves to total 2.9 million tonnes (290 million mtu) or 34 years. The USGS estimates China's reserve base to be 4.2 million tonnes (420 million mtu) and a world total to be 6.3 million tonnes (630 million mtu) or 74 years.

The introduction and subsequent reduction in its export quotas has been the primary mechanism employed by the Chinese state to manage output and to improve industry structure and the environment. The introduction and regulation of mining licences issued to Chinese mines have also restricted domestic production capacity.

Table 1. Chinese Primary Export Quotas

	Chinese Primary Export Quotas						
	2002	2003	2004	2005	2006	2007	2008e
Primary tungsten-quota (M mtu)	1.81	1.74	1.63	1.63	1.58	1.54	1.38
Decrease year-on-year		3.9%	6.3%	0.0%	3.1%	2.5%	10.4%

Source: GBRM Tungsten Market Review, June 2008

Increased Chinese domestic consumption of tungsten concentrate and a reduction in domestic production capacity have resulted in a recent significant increase in the importation of tungsten concentrates.

Table 2. Chinese Concentrate Importation

	Chinese Importation of 65% Tungsten Concentrate						
	2001	2002	2003	2004	2005	2006	2007
Import of concentrate 65% WO3 (M mtu)	0.08	0.19	0.13	0.29	0.61	1.23	0.74
Increase year-on-year		134%	-30%	121%	112%	102%	-40%

Source: GBRM Tungsten Market Review, June 2008

China's ability to maintain current production levels of tungsten concentrate is compromised by the tightening of government regulations for mine safety, the mining of lower grades, increased mining costs, and the exclusion of foreign investment in the Chinese tungsten industry.

Russia

Russia accounts for approximately 5% of the world supply of tungsten (0.4 million mtu estimated from USGS in 2007). A large proportion of Russia's tungsten is currently mined and processed in Primorskiy Krai, close to the eastern coast and the port of Vladivostok. Operations include, Primorskiy Gok, Lermontovskaya Mining which is believed to be in bankruptcy (GBRM Tungsten Market Review), and Novo-Orlovsky Gok. Additional material is believed to be sourced by Russia from the Kazakhstan and Uzbekistan regions for domestic consumption. Stockpiled material, built up during the 1990s, is believed to have been consumed. In the early 1990s, Russia produced about 0.8 million to 1 million mtu of tungsten content from some 10 mining operations located in the North Caucasus and in the Far East and eastern Siberia. High levels of investment are thought to be the major deterrent for reactivating significant new production out of Russia.

Canada

Canada accounts for approximately 3% of the world supply of tungsten (0.28 million mtu estimated from USGS in 2007). Canada's only tungsten production comes from the Cantung Mine in the Northwest Territories, owned by North American Tungsten Corporation Ltd. (NTC–V). Operations and tungsten production from Cantung were restarted in September 2005. After initially recommissioning in 2002, the mine had been forced to shut down in 2003 owing to low market prices and the termination of offtake agreements with customers and creditors. Cantung ranks as the Western world's largest producer of tungsten concentrate.

Austria

Austria accounts for approximately 1% of the world supply of tungsten (0.13 million mtu estimated from USGS in 2007). Austria's only production concentrate comes from Wolfram Bergbau and Hutten GmbH's Mittersill mine in the Province of Salzburg that produces tungsten concentrate from scheelite ore. Concentrates are converted to primary tungsten products through WBH's processing plant at St. Martin (Styria, Austria).

Portugal

Portugal accounts for approximately 1% of the world supply of tungsten (0.08 million mtu estimated from USGS in 2007). Portugal's only production comes from the recently acquired Panasqueira mine in east-central Portugal. Japanese trading company Sojitz Tungsten Resources acquired the mine from Primary Metals early in October 2007.

Other Countries

Other countries, namely Bolivia, Peru (Malaga Inc. from its Pasto Bueno tungsten mine), Brazil, and countries in Africa (Congo, Kenya, Rwanda, Democratic Republic of Congo, Nigeria, and Uganda) account for most of the remaining world production of tungsten concentrates.

Appendix C: Tungsten Deposits

All tungsten deposits are of magmatic or hydrothermal origin. During cooling of the magma, differential crystallization occurs, and scheelite and wolframite are often found in veins where the magma has penetrated cracks in the Earth's crust. Most of the tungsten deposits are in younger mountain belts; i.e., the Alps, the Himalayas, and the circum-Pacific belt.

Major tungsten deposits occur in the fold belts of Asia, in Southern China, Thailand, Burma, South Korea, and Japan, and in the Asiatic part of Russia. The economic ore grades usually vary between 0.3% and 1.5% WO_3. Higher grade ore deposits are located in the Chinese provinces of Jiangxi, Guangdong, and Hunan, including the world's largest scheelite mine Shizhuyuan. Tungsten is also found in the eastern coastal fold of Australia and in the Alps from France to Turkey. The Rockies and Andes host a number of deposits in Canada, the United States, Bolivia, and Peru, while other deposits occur in Africa (Rwanda, Uganda, Congo, and Rhodesia) and Brazil (Rio Grande del Norte).

Table 1. Tungsten Deposit Types

Deposits	Total %	Tungsten Mineral	%WO3	Key Deposits
Skarn	49%	Scheelite	0.3 – 1.5	China, South Korea, CIS, Brazil, Canada, USA, Australia, Turkey
Vein/Stockwork	34%	Wolframite	Variable 0.1 upwards	Panasqueira (Portugal); Minera, Malaga (Peru); Central Africa
Porphyry	15%	Scheelite or Wolframite	0.1 – 0.4	USA, Bolivia, Canada, China
Disseminated	5%	Mainly Scheelite	0.1 – 0.4	Austria,Cornwall (UK)

Source: GBRM Tungsten Market Review, June 2008

The world's 10 largest deposits are located in China, CIS, and Canada.

Table 2. The World's 10 Largest Tungsten Deposits

Deposit Name	Location (Country/Province)	Type of Deposit	Contained W (million mtu)
Verkhne-Kayrakty	CIS (Dzhezkazgan Oblast)	Vein/stockwork	87.2
Shizhuyuan	China (Hunan)	Porphyry	50.2
Tyrnyauz	CIS (Kubardino-Balkaria)	Skarn	24.4
Mactung	Canada (Yukon & N.W.Territories)	Skarn	23.8*
Northern Dancer	Canada (Yukon)	Porphyry	16.8
Yangchuling	China (Jiangxi)	Porphyry	16.0
Xingluokeng	China (Fujian)	Porphyry	14.4
Damingshan	China (Guangxi)	Stratabound	11.6
Vostok 2	CIS (Primorskiy)	Skarn	10.2
Ta'ergou	China (Gansu)	Vein/stockwork	10.0

*Mactung hosts 22 million tonnes at a grade of 1.14% WO3

Source: GBRM Tungsten Market Review, June 2008

Appendix D: Mining and Processing

Tungsten is usually mined underground. Open-pit mines exist but are rare. Scheelite and/or wolframite are frequently located in rather narrow veins grading between 0.2% and 1.5% WO_3. Most ore grades less than 1.5% WO_3, and ore dressing plants are located close to mines. The ore is first crushed and milled to liberate the tungsten mineral crystals. Scheelite ore can be concentrated by gravimetric methods, often combined with froth flotation, while wolframite ore can be concentrated by gravity, sometimes in combination with magnetic separation.

Most tungsten concentrates are processed chemically into APT. Secondary raw materials such as (oxidized) scrap and residues are another important feed for chemical tungsten processing. Wolframite concentrates can also be smelted directly with charcoal or coke in an electric arc furnace to produce ferrotungsten (FeW), which is used as alloying material in steel production. Pure scheelite concentrate may also be added directly to molten steel. APT is usually calcined to yellow or blue oxide. Other intermediate products include Tungsten Metal Powder, manufactured from yellow or blue oxide, and tungsten carbide, manufactured using carbon black or pure carbon powder. Tungsten carbide is, quantitatively, the most important tungsten compound. Because of its hardness, it is the main constituent in cemented carbide.

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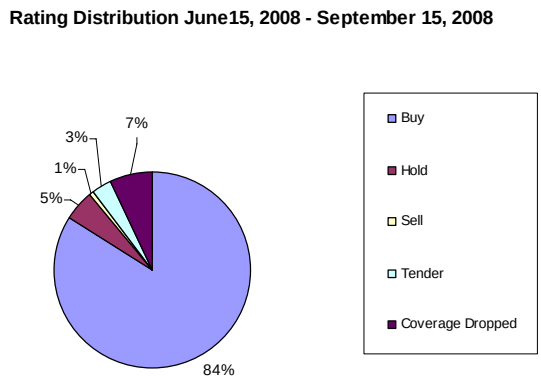

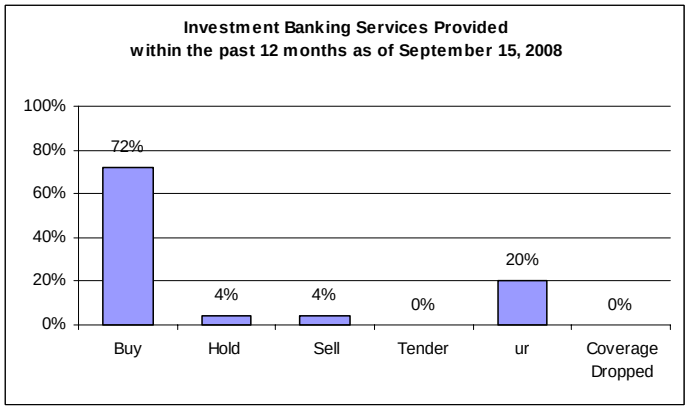

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