

# Talking Tungsten (Isn't it About Time?)



**Nicole Adshead-Bell**  
Investment Banking

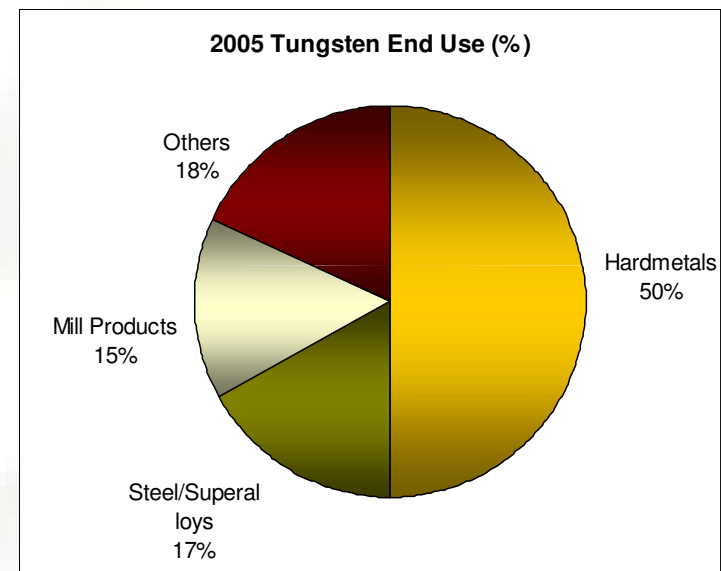
**Kevin Campbell**  
Investment Banking

# Today's Speakers

- David Coffin, Hard Rock Analyst
- Chris Thompson, Haywood Securities
- North American Tungsten
  - ❖ Cantung (NWT), Mactung (Yukon)
    - Britt Reid, COO
- Geodex Minerals
  - ❖ Sisson Brook (NB), Mount Pleasant (NB)
    - Jack Marr, VP Exploration
- Oriental Minerals
  - ❖ Sangdong (Sth Korea)
    - Rob Barton, Corporate Development Manager (Longview Capital Partners)

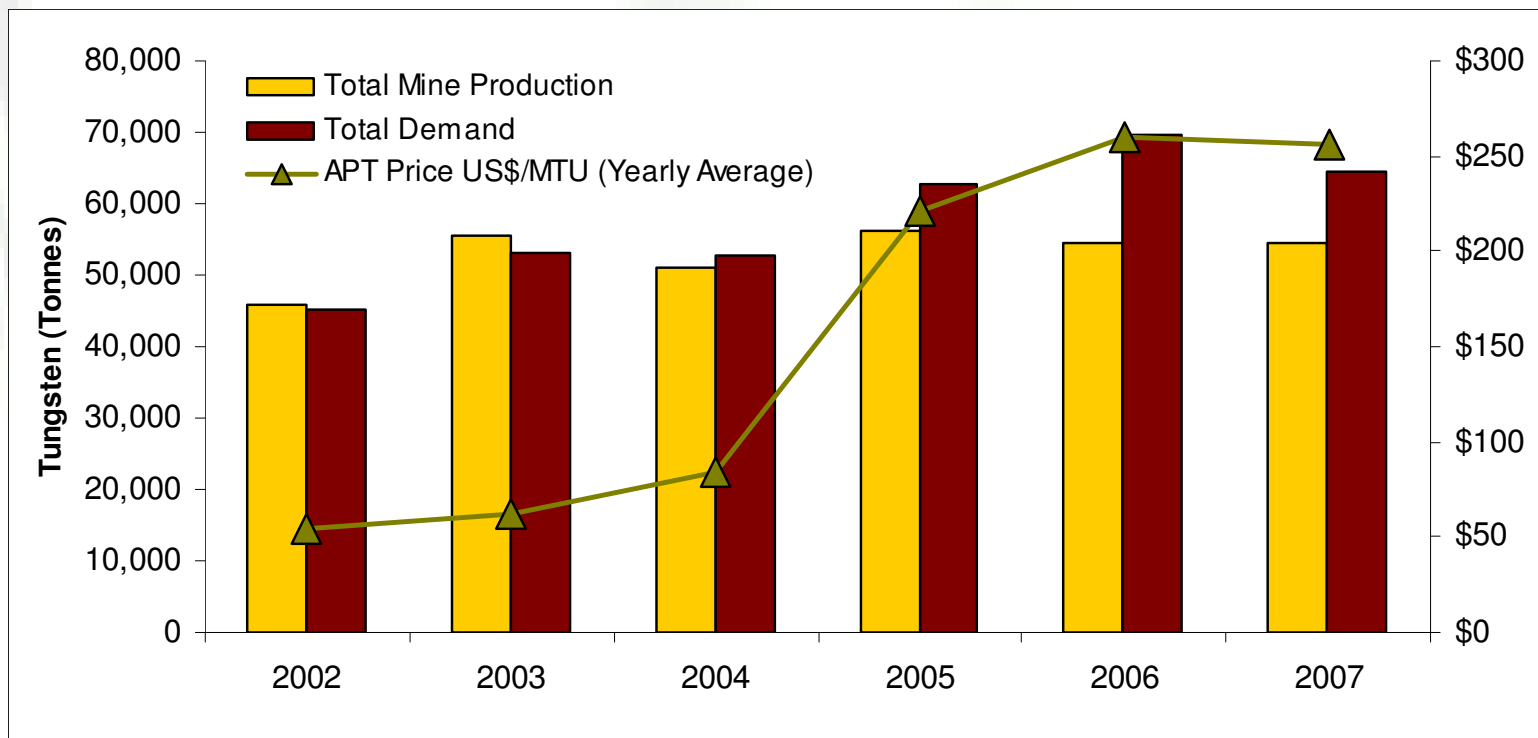
# Tungsten – Key Characteristics

Key Characteristics	Tungsten
Melting Point	3,422°C
Boiling Point	5,555°C
Mohs Hardness	7.5
Density	19.25 g.cm <sup>-3</sup>
Thermal Conductivity	Good
Thermal Expansion	Low
Main Uses	Hard Metals, Steel/Superalloys
Environmentally benign.	
Small market.	
Does not trade on a terminal market e.g., LME.	
China has the largest resource base (largest tungsten producer).	



# Strong Metal Price Appreciation

- Price up by 376% since 2002 yet production only up 19%.



Source: ITIA, Metals Bulletin

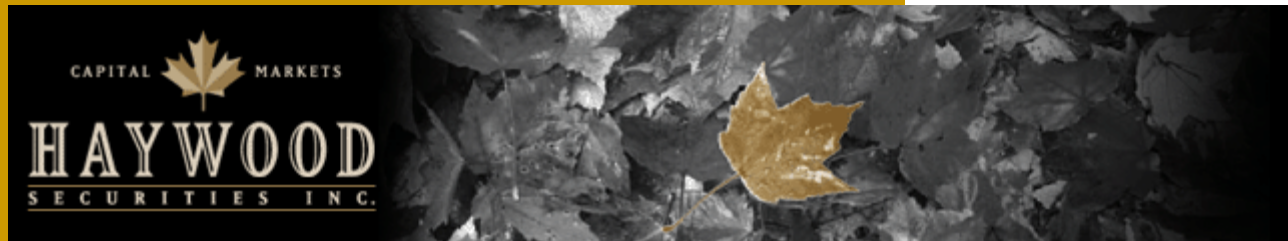
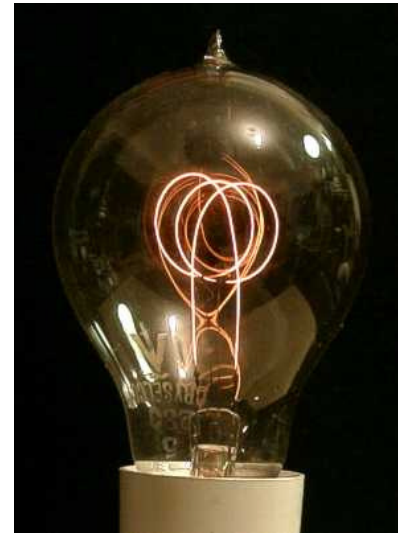
# Tungsten – Key Events

- January 2007 – China implemented 5 to 15% export tax on primary tungsten products.
- January 2007 – China cancelled export tax rebates on tungsten products.
- June 2007 – China implemented uniform 15% export tax on all primary tungsten products.
- October 2007 – China decreased tungsten export quota from 15,400t/yr to 14,900t/yr.
- November 2007 – China forbids foreigners from investing in tungsten.

# Tungsten – The Unknown Consolidation Spree

- December 2006 – Dragon Capital buys Tiberon Minerals.
- May 2007 – Osram Sylvania agrees to purchase 100% of Heemskirk's tungsten concentrate from the Los Santos development project.
- July 2007 – Hunan Nonferrous Metals announces US\$155MM financing for “development of nonferrous metals projects and acquisition of mining rights in the PRC and overseas”.
- August 2007 – Sojitz Corporation announces takeover of Primary Metals (58% premium to VWAP<sub>30</sub>).
- March 2007 – Hunan Nonferrous Metals signs LOI with King Island Scheelite to redevelop the company's tungsten project.
- November 2007 – Hunan Nonferrous Metals “may spend up to five billion yuan to buy mining assets in Australia and Canada in the next two years” (South China Morning Post).
- March 2008 – Hunan Nonferrous Metals signs LOI with North American Tungsten for private placement (at 36.7% premium) and strategic agreement.
- August 2008 – JOGMEC signs agreement with Yankee Hat Minerals to explore for tungsten in the NWT and Yukon.

# Tungsten – A Bright Future



Chris Thompson  
Mining Analyst  
Haywood Securities Inc

# Tungsten – Investment Highlights

## Five Key Points

1. **Tungsten** – Unique physical properties
2. **Tungsten** - Supply and demand
3. **Tungsten** - Price and Haywood's long-term price forecast
4. **Tungsten** – Financial challenges facing Western world developers
5. **Tungsten** - Four development-stage near-term tungsten opportunities





# **Tungsten – Investment Highlights**

**Physical Properties – What makes Tungsten Special?**



# Physical Properties: A Unique Metal!

- Highest melting point of all elements except carbon
  - Lowest expansion coefficient of all metals
  - Hardest of all metals
  - Superior heaviness among metals
  - High thermal and electrical conductivity
- 
- ✓ The manufacture of Hardmetals - the most important use of tungsten (40 -60% of world consumption) - tungsten carbide
  - ✓ The manufacture of Steels/Alloys - the second important use of tungsten (20 - 40% of world consumption) - high-speed steels

**NB: Tungsten's unique physical properties reinforces its importance in many industrial applications**

# Tungsten – Investment Highlights

## Tungsten Supply & Demand – Robust Fundamentals

- Strong market fundamentals driven by increasing consumer demand and limited primary Western world supply

# Tungsten Supply / Demand:

## Dominated by China!

	Mine Production 2007c		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

- ✓ China Responsible for 86% of World Tungsten Supply
- ✓ China – A Net Importer of Tungsten

# Tungsten Supply / Demand:

## Near Term Western world supply – a trickle!

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 <sup>A</sup>	Tung	Before 2010
ASX: KIS	King Island Screening	50%	King Island	Australia	OP	Permitting <sup>B</sup>	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 <sup>C</sup>	Tung/Bi/Flu	After 2010
TSXV: NTC	North American Tung	100%	Mactung <sup>1</sup>	Canada	UG	Feasibility <sup>D</sup>	Tung	After 2010
TSXV: OTL	Oriental Minerals	100%	Sangdong <sup>2</sup>	S Korea	OP	Scoping Study <sup>E</sup>	Tung/Moly	After 2010
TSXV: LGO	Largo Resources	100%	Northern Dancer <sup>3</sup>	Canada	OP	Feasibility <sup>F</sup>	Tung/Moly	After 2010
TSXV: GXM	Geodex Minerals	100%	Sisson Brook <sup>4</sup>	Canada	OP	Pre-Feasibility <sup>G</sup>	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 Mine:	100%	Springer	USA	OP	Permitting	Tung/Moly/Au	?
ASX: III	Icon Resources	100%	Mt Carbine	Australia	-	-	Tung	?

**Near Term  
Producers**

**Medium Term  
Producers**

**Wildcards**

Notes\* Historical Resources

<sup>1</sup> Haywood estimates for Mactung - Feasibility Study expected in Q408

<sup>2</sup> Scoping Study for Sangdong expected in Q408

<sup>3</sup> Scoping Study for Northern Dancer expected in Q408

<sup>4</sup> Scoping Study for Sisson Brook expected in Q408

<sup>A</sup> Final Feasibility for Watershed expected in Q4/08

<sup>B</sup> Waiting for mining lease - awaiting payment of rehabilitation bond monies - Construction expected in Q308

<sup>C</sup> Renegotiating engineering, procurement and construction management contracts - development strategy, schedule and capital cost estimate expected shortly

<sup>D</sup> Feasibility for Mactung is expected in Q4/08

<sup>E</sup> Scoping Study for Sangdong is expected by Q4/08

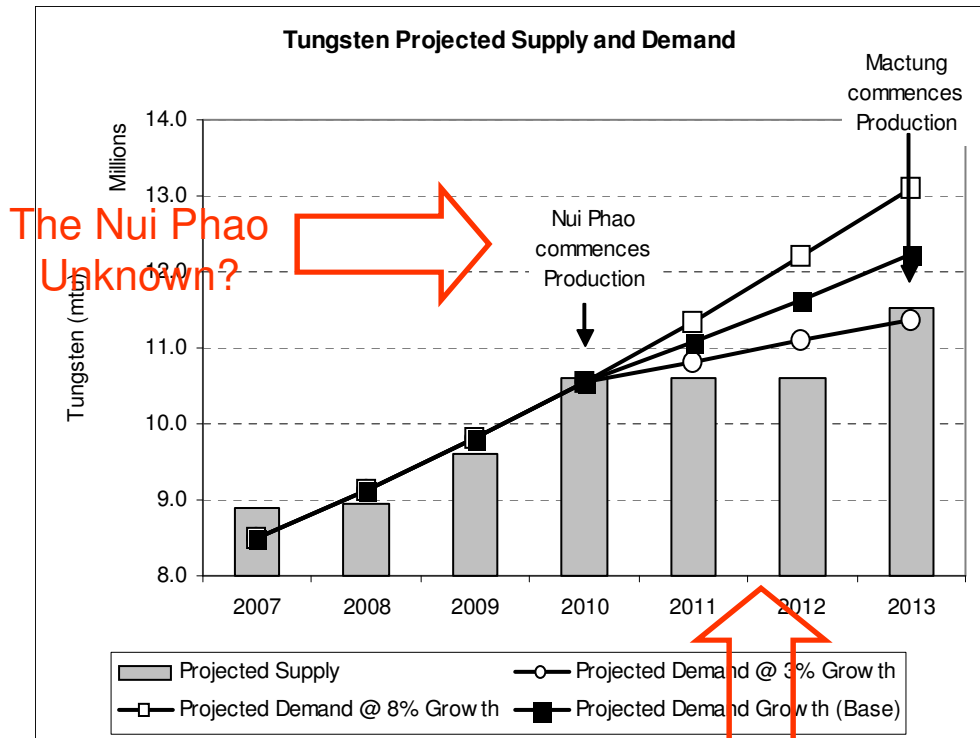
<sup>F</sup> Feasibility for Northern Dancer is expected in Q4/08

<sup>G</sup> Pre-Feasibility for Sisson Brook is expected in Q4/08

# Tungsten Supply and Demand: 2009–2013 Fundamentals remain tight!

## Assumptions

- Annual world consumption of tungsten – Approx 8.5 M /mtu
- Chinese supply remains stable at approx 7.7 M / annum (86%)
- Western World supply growing by 1.7 M to 2010 (Australia, Spain, USA, Vietnam)
- 8% Growth in consumption till 2010
- 5% Growth in consumption thereafter
- NTC's Mactung commencing production in 2013



Demand Exceeds Supply



# **Tungsten – Investment Highlights**

**Tungsten Prices and Price Forecast**



# Tungsten Price – The Basics:

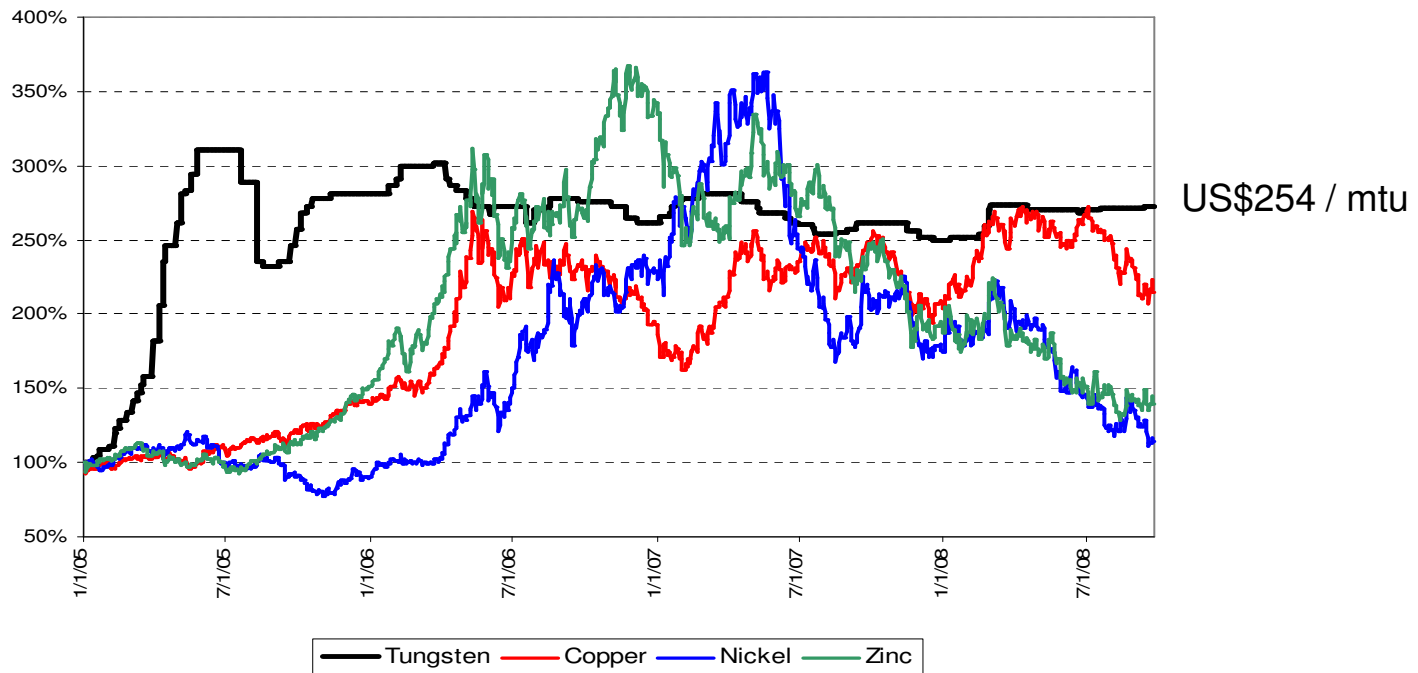
## What's an mtu?

- 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 and concentrate prices are based mainly on quotations published twice a week by London's Metal Bulletin
- 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
- The recent run up in APT prices began in 2004, driven by rapidly increasing demand from China
- The current price level for APT is US\$250 to US\$260 per mtu (European free market)



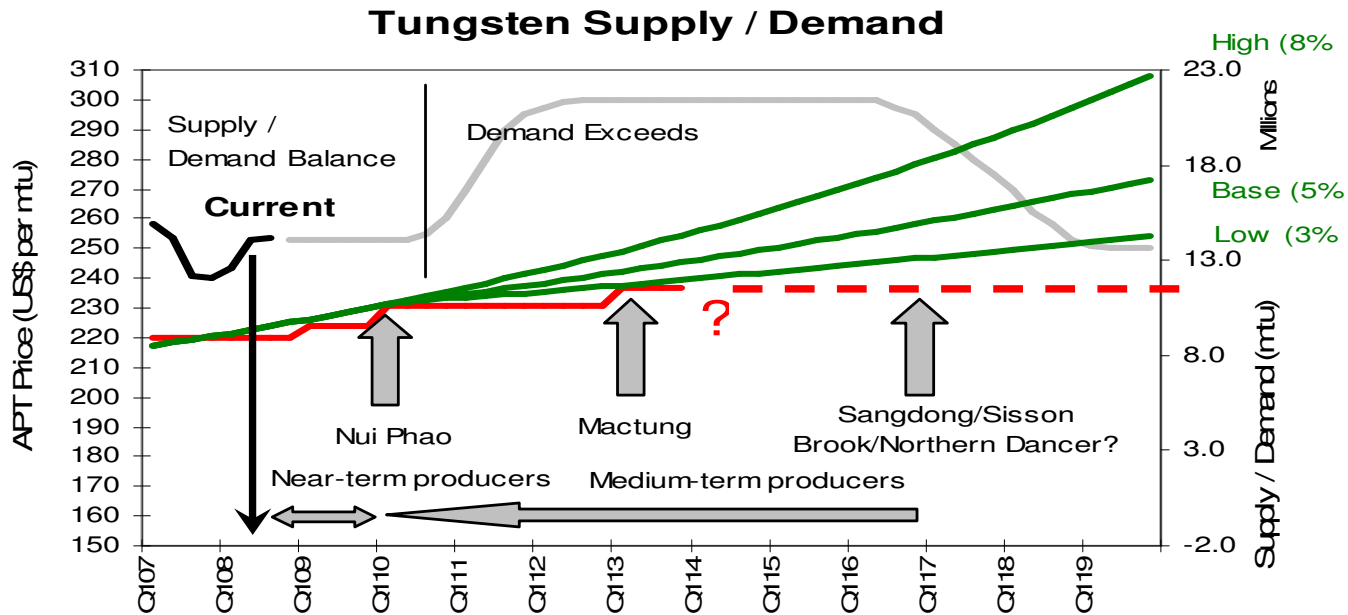
# Tungsten Price - Stability: US\$250 / mtu plus for 7 months!

Historical Base Metal Price Comparison



Source: Haywood Securities Inc

# Tungsten Price - Forecast (APT): US\$250 / mtu LT rising to US\$300 /mtu!



— APT Historical (US\$)    — APT Forecast (US\$)    — W03 Supply  
 — W03 Demand (High)    — W03 Demand (Base)    — W03 Demand (Low)

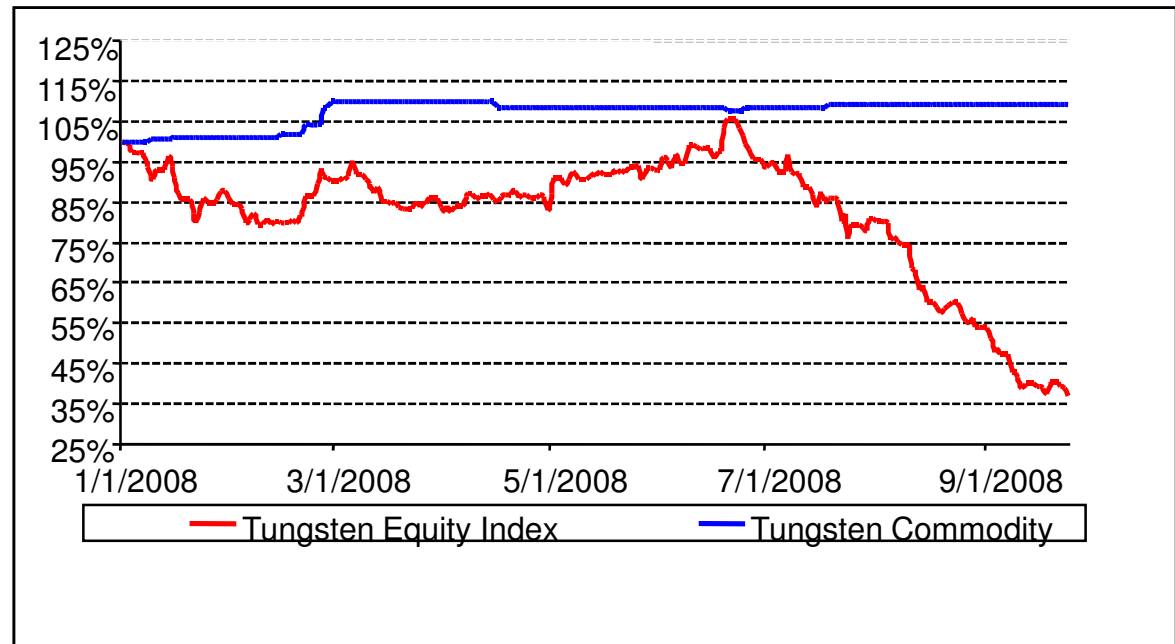
# Tungsten – Investment Highlights

## Challenging Times for Developers

- Recent economic uncertainty and a credit crisis (difficulty in raising project financing) facing potential **significant** near-term tungsten primary producers underpins a sustainable tungsten price at current or higher levels
- ✓ Potentially good for the tungsten price
- ✓ Tough for mine builders

# Project Funding Crisis: JV involvement – Now a necessity!

- Large Capex Projects (US\$300 M plus)
- Credit Crisis
- ✓ Involvement of JV partners to help finance projects now a necessity



\* Tungsten equity index is value-weighted using the following companies: North American Tungsten (NTC-V); Oriental Minerals (OTL-V); Largo Minerals (LGO-V); Geodex Minerals (GXM-V); King Island Scheelite (KIS-AU); and Vital Metals (VIT-AU).

# Tungsten – Investment Highlights

The Western world tungsten pipe-line

- Preliminary economic assessments / feasibility studies for four development-stage tungsten-focused companies.

# Tungsten Project Pipeline for the West: Eyes on 4 projects at feasibility level!

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 <sup>1</sup>	Canada	UG	Feasibility <sup>D</sup>	Tung	21.9	1.08%	23.65
TSXV: OTL	Oriental Minerals	100%	Sangdong <sup>2</sup>	S Korea	OP	Scoping Study <sup>E</sup>	Tung/Moly	80.4	0.29%	23.32
TSXV: LGO	Largo Resources	100%	Northern Dancer <sup>3</sup>	Canada	OP	Feasibility <sup>F</sup>	Tung/Moly	162.0	0.13%	21.06
TSXV: GXM	Geodex Minerals	100%	Sisson Brook <sup>4</sup>	Canada	OP	Pre-Feasibility <sup>G</sup>	Tung/Moly/Cu	158.2	0.08%	13.13

<sup>1</sup> Haywood estimates for Mactung - Feasibility Study expected in Q4/08

<sup>2</sup> Scoping Study for Sangdong expected in Q4/08

<sup>3</sup> Scoping Study for Northern Dancer expected in Q4/08

<sup>4</sup> Scoping Study for Sisson Brook expected in Q4/08

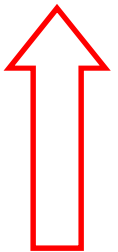
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<sup>G</sup> Pre-Feasibility for Sisson Brook is expected in Q4/08

Source: Haywood Securities Inc



80 million mtu or 10 years of  
today's World supply

# Conclusions

## **The Opportunity - Robust Fundamentals:**

- Tungsten's supply / demand fundamentals are robust and supportive of a high long term APT price (US\$250 / mtu) for the metal

## **The Opportunity - Limited Western World Supply:**

- Western world future supply looks desperately thin and is limited to a limited number of significant projects

## **The Catalyst - Challenging Credit Markets Requires Funding Alternatives:**

- Alternative funding facilities need to be pursued to finance new Western world supply in the face of the current credit crisis



A WORLD CLASS TUNGSTEN COMPANY

# the tungsten mining company

## FORWARD-LOOKING STATEMENTS

*In this presentation North American Tungsten Corporation Ltd. ("NTC" or the "Corporation") makes forward-looking statements that include, without limitation, statements regarding its future financial position, operating results and business strategies. These forward-looking statements are based upon assumptions, and are subject to risks and uncertainties including, without limitation, prevailing commodity prices, energy costs, general economic factors, government policies and the development of new technologies. Although NTC believes that the assumptions represented in such forward-looking statements are reasonable, there can be no assurance that these expectations will prove to be correct.*

## CURRENCY and EXCHANGE RATES

*All figures contained herein are expressed in Canadian dollars unless expressly stated otherwise.*

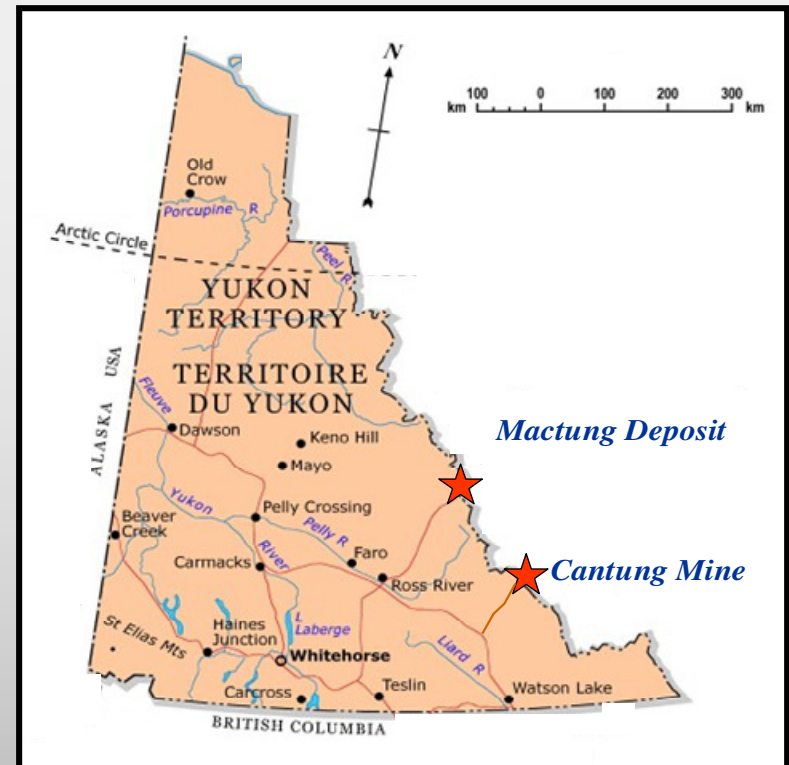


## Tungsten – A Strategic Metal With a Low Profile

- North American Tungsten (NTC) has 100% ownership of two Canadian tungsten deposits:
  - Cantung – Producing Mine
  - Mactung – World Class Development Project
- M&A activity by tungsten industry participants has highlighted the strategic nature of the metal but tungsten companies have yet to capture the interest of investors despite being an essential industrial metal for economic activity.
- Scarcity Effect – NTC now the only North American publicly trading significant tungsten producer following the successful Sojitz takeover of Primary Metals.



# Property Locations



## Cantung/Mactung



## Mactung, A World Class Asset – The Solution?

- There are very few sizable tungsten deposits in the development pipeline.
- Discovery of new large deposits will not increase near term supply due to long lead times to production.
- Mactung – A Supply Solution?
  - A strategic asset due to its size, grade, and location.
  - Located in Canada, a politically stable country with transparent mining and ownership laws.
  - Has the potential to be a significant source of future tungsten supply.



## Mactung Project

- Largest known high grade undeveloped tungsten skarn deposit in the world.
  - NI 43-101 compliant: 33 M tonnes grading @ 0.88% WO<sub>3</sub> (indicated resources) & of 11.3 M tonnes grading @ 0.78% (inferred resources)
- Previous owners spent C\$25MM on the Mactung Project.
- NTC has spent ~ C\$9MM since 2005 on the Mactung Project.
- Completed updated economic study with Wardrop Engineering based on historic Feasibility Studies.
- Wardrop commenced Feasibility Study Q4/07 with projected mine start up in 4 years.



## Cantung Mine

- Excellent infrastructure with a long production history (1962-1986).
- Restarted production in 2001.
- Largest tungsten producer in the Western World.
- Continuing developmental and exploration drilling uncovering high grade intersects proximal to existing mine workings.
- Total feet drilled U/G since Oct'07: 47,622 ft
  - Infill Diamond Drilling 11,900 ft
  - Exploration Diamond Drilling 35,722 ft

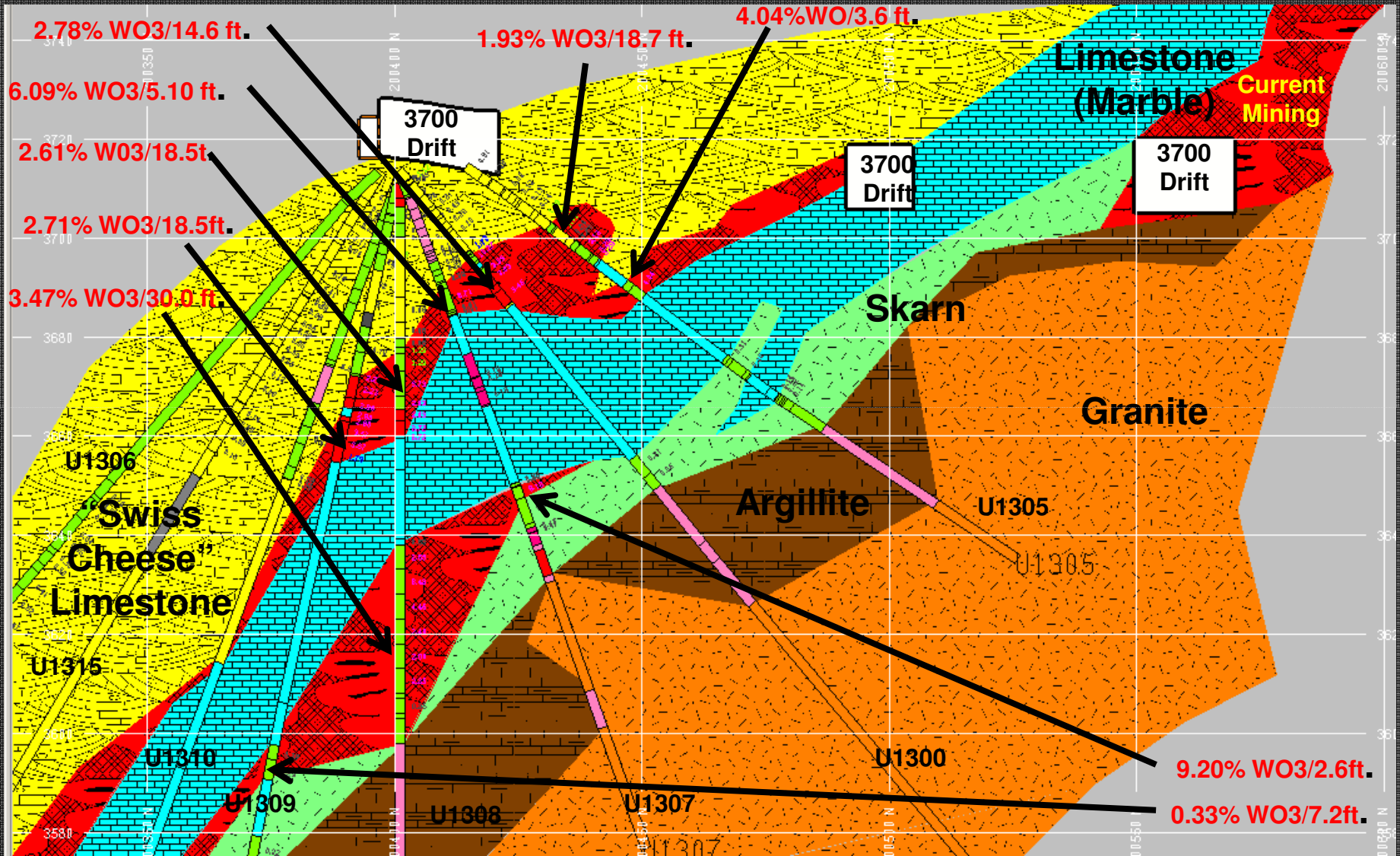


## Cantung Mine – new high grade intercepts

- High Grade Drill Highlights include:
  - 16.9ft @ 4.16% WO<sub>3</sub> (U-1233)
  - 33ft @ 3.24% WO<sub>3</sub>, including 16.5ft @ 5.72% WO<sub>3</sub> (U-1244)
  - 33.3ft @ 1.81% WO<sub>3</sub>, including 12.8ft @ 3.14% WO<sub>3</sub> (U-1245)(Dec'07)
  - 88.8ft @ 3.26% WO<sub>3</sub> (U-1250)
  - 140ft @ 1.46% WO<sub>3</sub>, including 16.2ft @ 1.17% WO<sub>3</sub> (U-1281)
  - 22ft @ 1.62% WO<sub>3</sub>, and 57.7ft @ 2.59% (Jan'08)
  - 2.6ft At 9.18% WO<sub>3</sub> And 30ft At 3.47% WO<sub>3</sub> (June'08)
- Additional definition and exploration drilling is ongoing.



Cross Section 190,570 East (236+00 Geological)



200 ft

TSX VENTURE EXCHANGE: NTC



## Strategic Partner Tundra Composites LLC

- Sold first APT in April 2007
- MOU moving towards a Joint-Venture agreement
- Unique refinement technology focus for producing APT from low grade concentrates
  - New processing technology for refining WO<sub>3</sub> concentrates into APT, W blue oxide, W power and W composites
- Developing new W composite products, replacing lead consumer products ie: fishing weights, wheel balancing weights, ballistics, x-ray shielding etc



## The Pilot Plant

- Business Model being revised to :
  - Process intermediate W products (APT and W Blue Oxide) to powder and composite utilizing existing pilot plant
  - Incorporate 2 new value added parameters to the Joint Venture Model
  - Potential increase cash flow from downstream product sales
- Government derived tax incentives for building businesses and creating employment in northern Minnesota



## 2008-2007 Company Milestones

- June, 2008: Ranked number 8 in the mining sector of the ‘2008 TSX Venture 50’
- June, January, 2008/December, 2007: High Grade Drill Results at Cantung
- January, 2008: Agnico-Eagle Mines Ltd. exercise option in Jennings Project via exploration budget of \$4M
- November, 2007: Feasibility Study of Mactung Project commenced
- October, 2007: ranked No. 1 in Business BC’s Top 50 Fastest-Growing companies



# Capital Structure



TSX-V	NTC
I/O	126,826,725
Options	9,171,700
Warrants	250,200 @ \$1.20
Fully Diluted	139,149,625





**Exploration and Development of Tungsten,  
Molybdenum, Indium and Tin Deposits  
in New Brunswick, Canada**

# SHARE INFORMATION



- ❑ Fully Diluted: 73.5 million shares
- ❑ 52 Week High-Low: \$0.12 - \$1.37
- ❑ Cash Position September 2008 - \$1.1 million
- ❑ Convertible Note - \$1,000,000.00
- ❑ (Teck Cominco, for Mount Pleasant West JV)



## Management & Directors

Jack M. Maris President, Director

Jack M. Marr V.P. Exploration, Director

Jack Patterson Director

Neil D. Humphreys Chief Geologist, Director

Clem Pelletier Director

David M. Buckle Director

Neil S. Seldon Director

Blaine Bailey Chief Financial Officer

David Martin Regional Manager New Brunswick

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David Sinclair Ph.D

William Gardiner M.Sc.

Raymond Dujardin, P.Eng.

# POSITIONED FOR DISCOVERY IN NEW BRUNSWICK



## 2 Main Project Areas

- ❑ **Sisson Brook**  
Bulk tonnage (W, Mo, Cu) to pre-feasibility by April-2009
- ❑ **Mount Pleasant West**  
Drilling Stage exploration around old Mount Pleasant mine  
5 quality targets drilled in 2007

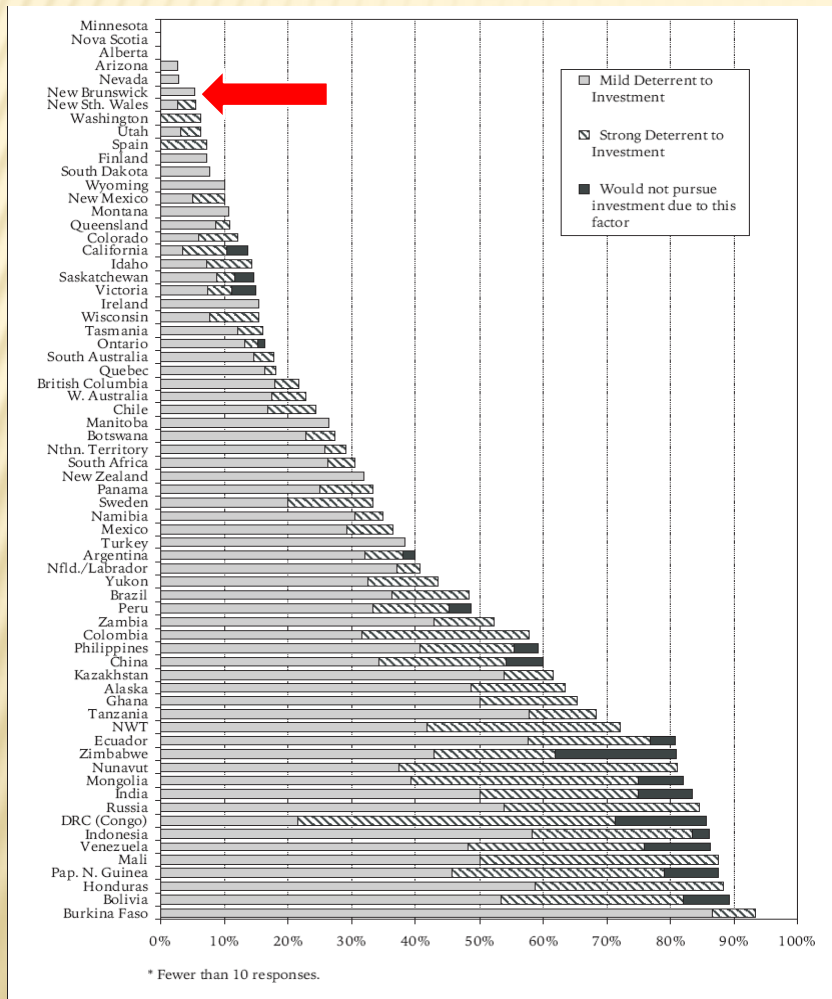


# FRASER INSTITUTE

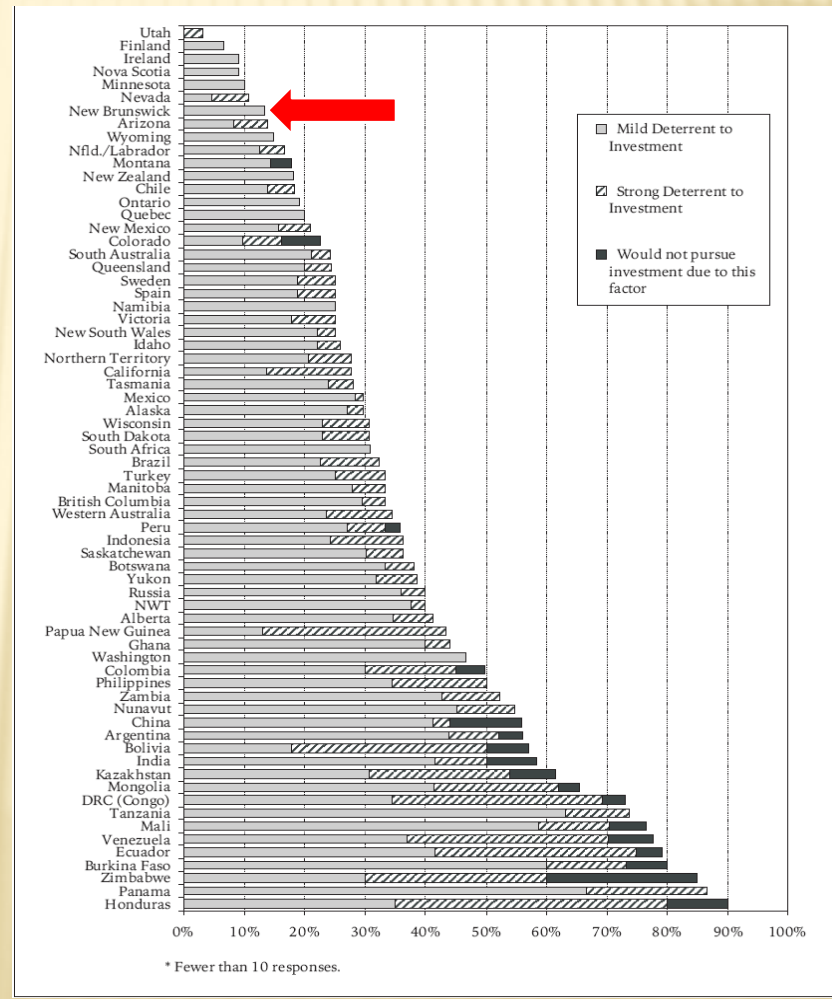
## ANNUAL SURVEY OF MINING COMPANIES 07/08



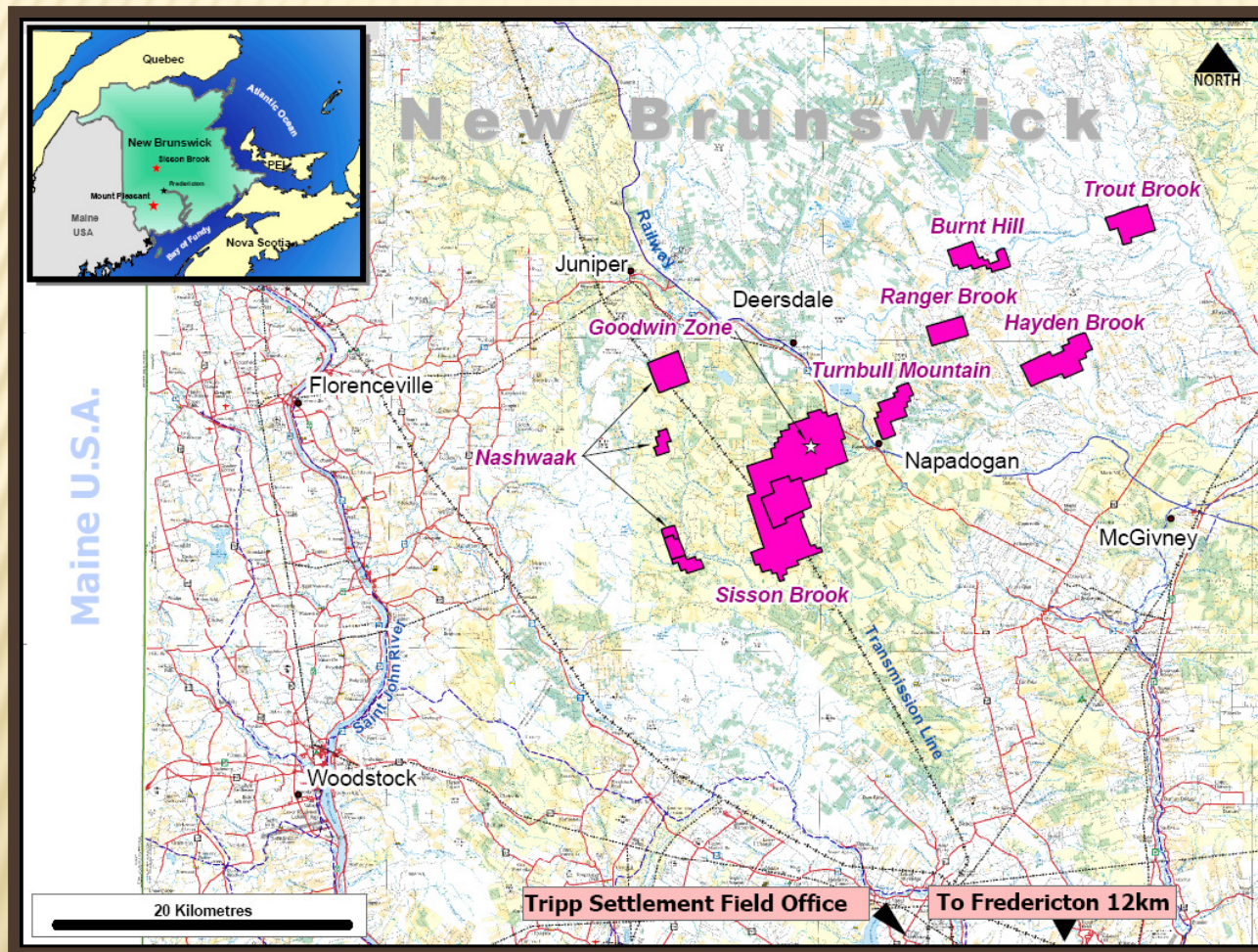
### Infrastructure



### Supply of Labour



# SISSON BROOK W-MO DEPOSIT

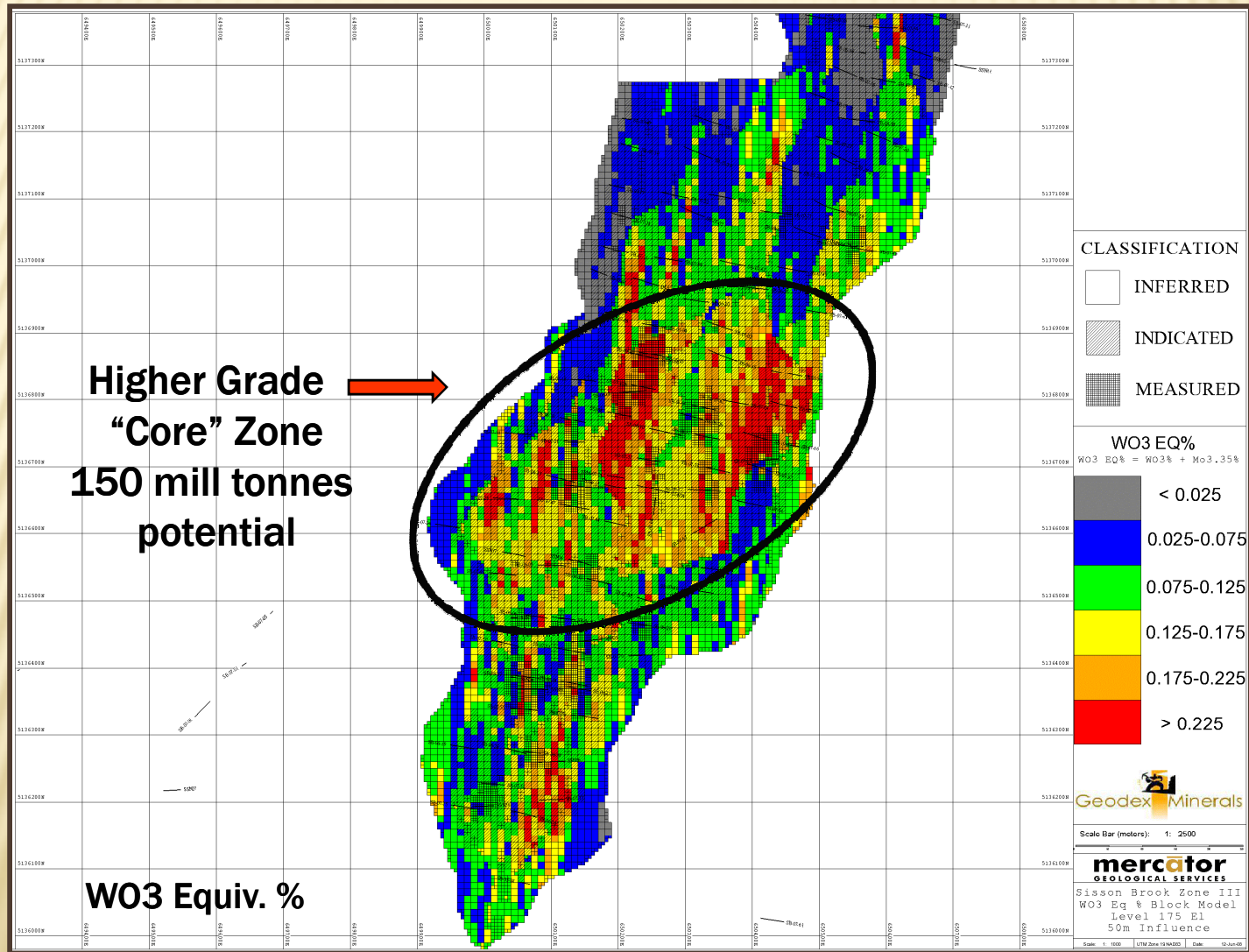


- 497 Claims (orig. 141)
- Located within one hour drive of City of Fredericton, provincial capital of New Brunswick
- Hydro line crosses the property
- Provincial highway and rail line immediately north of the property
- Area previously logged with excellent road network

One of the most accessible tungsten deposits in North America

# SISSON BROOK LEVEL PLAN ZONE III

## 175 m ELEVATION



# ZONE III 2008 RESOURCE MODEL



W03 Equiv Threshold	M&I (millions)	% W03	%Mo	Inferred (millions)	Total (millions)
0.075%	175.2	0.073	0.025	103.4	268.6
0.125%	102.8	0.088	0.033	55.4	158.2

## Contained Metal (Pounds)

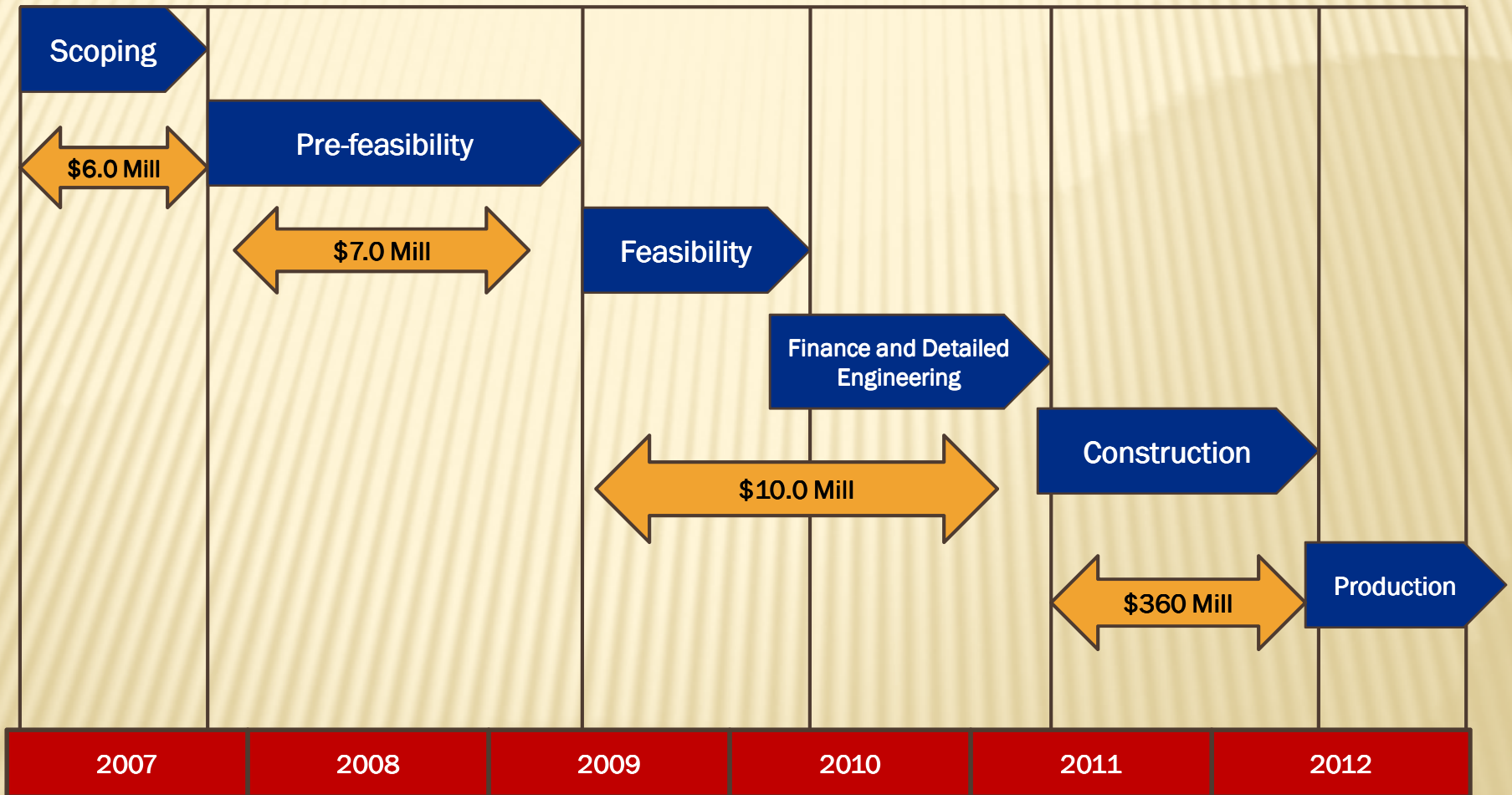
W03 Equiv Threshold	W03 (millions)	Mo (millions)
0.075%	416	159
0.125%	287	119

## In Situ Value per Tonne (M&I)

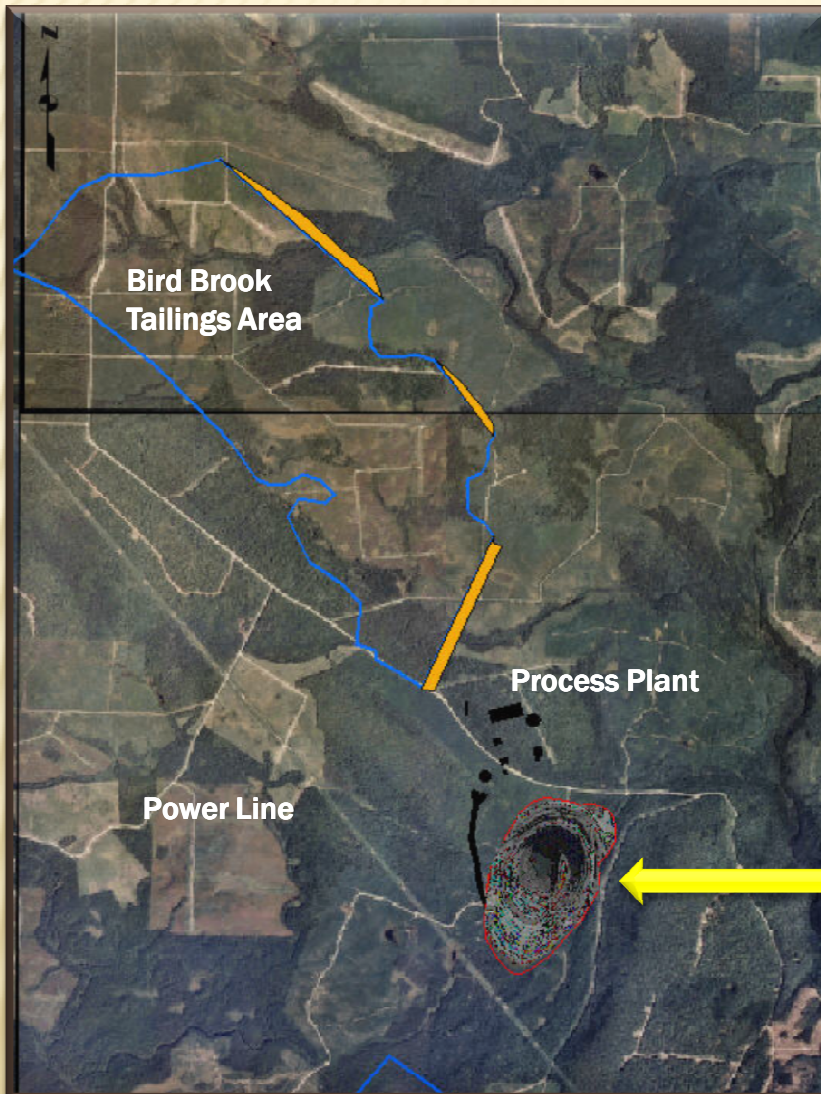
W03 Equiv Threshold	Threshold Value	Resource Value
0.075%	\$ 14.85	\$ 31.00
0.125%	\$ 24.75	\$ 39.30

**@ \$ 9.00/lb W03  
 (Recent Northern Miner )**

# SISSON BROOK OPEN PIT MINE DEVELOPMENT



# SISSON BROOK MINE DEVELOPMENT



## Contractors

Wardrop Engineering (Vancouver, BC)

Rescan Environmental (Vancouver, BC)

TerrAtlantic Engineering (Fredericton, NB)

SGS Metallurgical Laboratories (Vancouver, BC)

**Open Pit Mine 20,000  
tonnes per day**

# COMPETITIVE DIFFERENTIAL



- ❑ **Highest call on in situ value of tungsten per share**
- ❑ **The most accessible tungsten deposit in North America**
- ❑ **Estimated lowest cost recovery per pound of tungsten in North America**



# Revitalizing the South Korean Exploration Industry

September  
2008



# SANGDONG - STRATEGIC LOCATION



- South Korea – situated in industrial growth arena of the world
- Increasing world demand – dwindling Western and Chinese supply of tungsten and molybdenum
- Strong domestic demand in close proximity:
  - TaeguTec (IMC Group) – large consumer of tungsten and former owner of Sangdong
  - Hyundai Heavy Industries - world's largest shipyard
  - POSCO - third largest global steel producer
- Good access to infrastructure – utilities/transportation



**TaeguTec (IMC Group), Daegu**



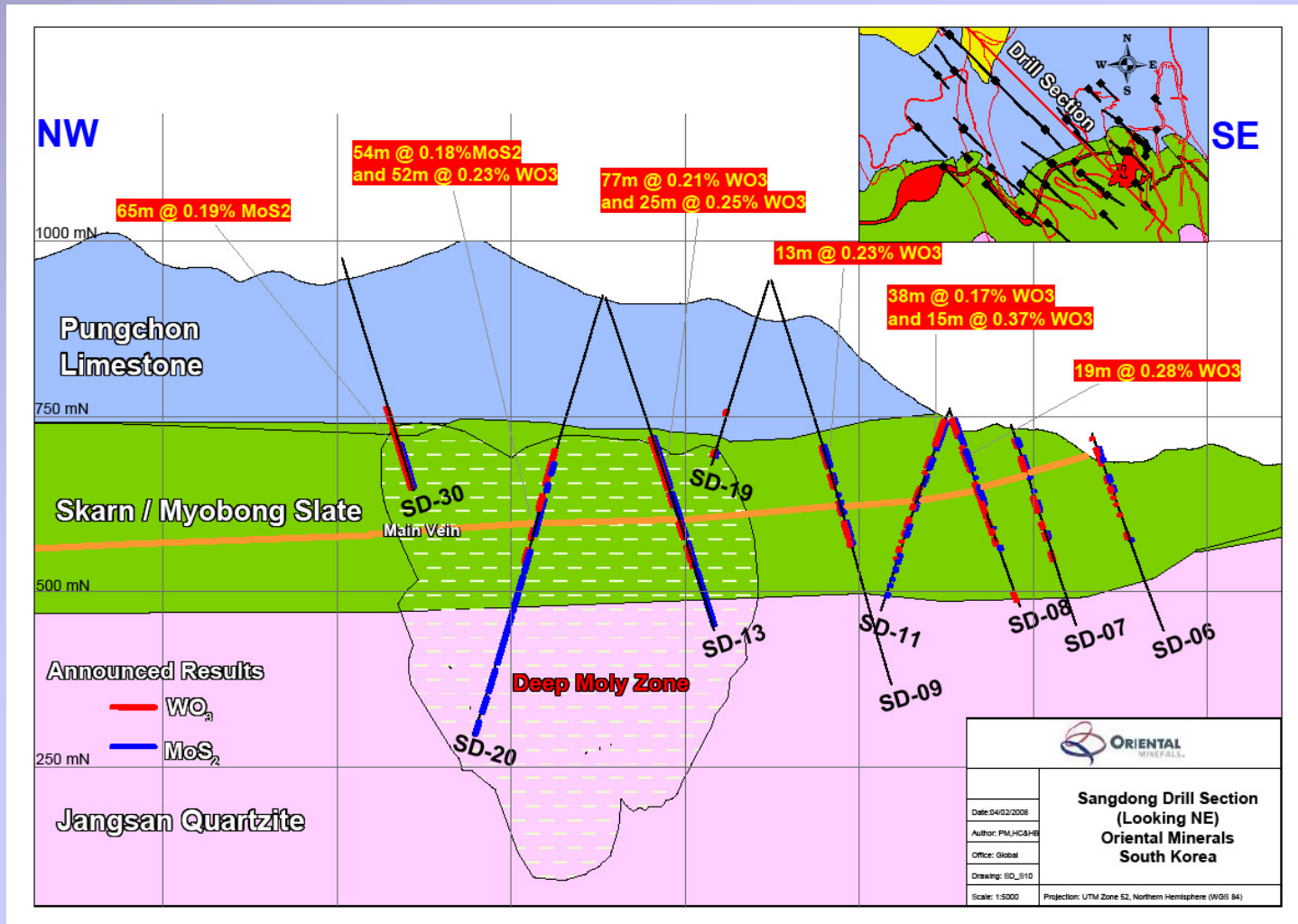
**POSCO, Pohang**

# SANGDONG MILESTONES



- 1900s Operated by Korea Tungsten as major global producer from 1945 to 1992
  - Late 2006 Initial due diligence on the historic Sangdong mine completed
  - Early 2007 Acquisition of the Sangdong mining titles finalised
  - Early 2007 Extensive diamond drilling program commenced
  - Early 2008 NI 43-101 Resource Estimate totaling 80 million tonnes announced
  - April 2008 Pit slope stability analysis completed
  - To July 2008 20,000 metres (86 holes) of mostly diamond core drilled  
Pit optimisation studies underway  
Metallurgical testwork on 600 kg sample sent to SGS Cornwall in progress  
Environmental studies in progress – first year complete
- 
- Late 2008 Preliminary Economic Assessment (20,000 tonne per day open pit mine) to be completed by Wardrop
  - Late 2008 Bankable Feasibility Study to commence

# SANGDONG CROSS SECTION



# SANGDONG DEVELOPMENT TIMELINE



	2008	2009	2010	2011	2012	2013
PEA	██████████					
Infill Drilling		██████████				
EIS	██████████	██████████				
Feasibility Study		██████████				
Detailed Engineering			██████████			
Order Long Lead Items			██████████			
Construction			██████████	██████████	██████████	
Commissioning					██████████	
Production						██████████

# SANGDONG RESOURCE ESTIMATE



## NI 43-101 Compliant Resource Estimate – March 2008

**INDICATED** (Kriged > 0.10% WO<sub>3</sub> Equivalent)

Rockgroup	Tonnes	WO <sub>3</sub> %	MoS <sub>2</sub> %	WO <sub>3</sub> eq% (recoverable)
Limestone				
Skarn	12,658,000	0.32%	0.06%	0.33%
Quartzite				
<b>Total Indicated</b>	<b>12,658,000</b>	<b>0.32%</b>	<b>0.06%</b>	<b>0.33%</b>

**INFERRED** (Kriged > 0.10% WO<sub>3</sub> Equivalent)

Rockgroup	Tonnes	WO <sub>3</sub> %	MoS <sub>2</sub> %	WO <sub>3</sub> eq% (recoverable)
Limestone	857,000	0.32%	0.04%	0.29%
Skarn	65,505,000	0.29%	0.05%	0.29%
Quartzite	1,383,000	0.02%	0.11%	0.20%
<b>Total Inferred</b>	<b>67,745,000</b>	<b>0.29%</b>	<b>0.05%</b>	<b>0.29%</b>

Source Wardrop Engineering Inc. Technical Report on the Sangdong Property Skarn Deposit, March 10, 2008

# SANGDONG DCF VALUATION



## Key Assumptions - as determined by Management

➤ Tungsten Price	\$240	US\$/Mtu WO <sub>3</sub>
➤ Molybdenum Price	\$29	US\$/lb MoO <sub>3</sub>
➤ Resource (tonnes)	12.6 million Indicated	43-101 Compliant
	67.7 million Inferred	43-101 Compliant
➤ Average Resource Grade	0.29% WO <sub>3</sub>	43-101 Compliant
	0.05% MoS <sub>2</sub>	43-101 Compliant
➤ Payable Metal	80% for both metals	Assumes no APT plant
➤ Plant Recoveries	70% WO <sub>3</sub> , 80% MoS <sub>2</sub>	Industry-based
➤ Project Initial Capital Cost	\$500-600 million	
➤ Average Unit Operating Cost	\$27.50 per tonne	
➤ Production Commencement	2013	

## DCF Valuation

➤ Real Discount Rate	7.5%-10%
➤ Pre-Tax Net Present Value	<b>\$400 - \$600 million</b> (Equivalent to US\$4.90-7.40 per fully diluted share)

# CAPITAL STRUCTURE



**Stock symbol :** OTL – TSX-V  
KBW:0Z4  
(Frankfurt Exchange)

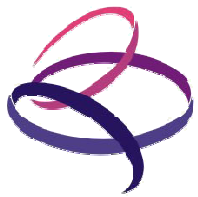
**Issued & Outstanding :** 69.9 million

**Warrants :** 6.2 million

**Options :** 5.3 million

**Fully Diluted :** 81.4 million





**ORIENTAL**  
MINERALS



**Thank you**



# Conclusions

- Many parallels to the uranium sector:
  - ❖ Relatively low profile.
  - ❖ Little exploration for >20 years.
  - ❖ Strategic metal with no substitutes.
  - ❖ Supply has proved to be relatively inelastic to commodity price movement so prices likely to remain strong.
  - ❖ Paucity of “pure play” publicly listed companies.