

## Hunan Nonferrous Metals buys into North American Tungsten

*As the tungsten global market is forecast to maintain strong growth over the next five years, Chinese companies are shopping for tungsten projects, including North American Tungsten's Mactung project in the Yukon.*

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Posted: Thursday, 06 Mar 2008

RENO, NV -

China's largest nonferrous metals producer, Hunan Nonferrous Metals Corporation, has decided to invest \$19.4 million to buy 9.9% of the shares in Vancouver-based North American Tungsten Corporation (TSX-V: NTC).

North American Tungsten operates the only tungsten mine in North America, the Cantung Mine in the Northwest Territories, one of a handful of tungsten operations outside of China and Russia. No new major tungsten production is expected to occur until 2009 at the earliest, according to the GBRM Tungsten Market Review published in January of this year.

Tungsten is used in incandescent lights, drill bits, saw blades, high temperature alloys, armor-piercing bullets and other military uses. The metal is considered an important strategic metal for defense purposes, including the industry base. Over the next five years, global tungsten consumption is expected to increase from 81,200 tonnes annually to 109,328 tonnes, according to the GBRM review.

China has the largest resource base in the world for tungsten and has been the dominant supplier for years. However, China is now absorbing most of its tungsten production, and has become a significant importer of tungsten concentrates and scrap. The Chinese government has introduced production and export quotas and is increasing export tariffs.

GBRM suggests that global prices for tungsten concentrate could exceed US\$300 metric tonne units.

NTC's Cantung mine produced 21,323 metric tonnes of tungsten concentrate for fiscal year 2007 as of September 2007.

In a news release Wednesday, North American Tungsten said Hunan was attracted to the Mactung tungsten project near the Yukon Territory/Northwest Territories border. The project was previously known as MacMillan Pass Tungsten when it was owned by Amax Northwest Mining. By 1997, the Cantung mine and the MacTung deposit were sold to North American Tungsten.

NTC CEO Stephen Leahy said, "We are pleased that the strategic nature and value of the company's world class Mactung development project has been validated by an investment of this scale by Hunan Nonferrous, which is a world leader in tungsten mining and processing and has a market capitalization of approximately \$1.8 billion. This investment will help advance the development of Mactung which is due to have a feasibility study completed in calendar Q3/08."

The agreement between the two companies gives Hunan Nonferrous a seat on NTC's board, and the right to match on Mactung should a third party make an offer for the property.

Hunan will acquire 13.4 million units of NTC at a price of Cdn\$1.45 per unit, representing a 36.7% premium to NTC's 10-day volume weighted average trading price and will raise \$19.4 million for the development of the Mactung project.