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North American Tungsten To Reopen CanTung Mine; MacTung may follow.

Fair enough, Minews has written about Tiberon Minerals and its tungsten exploration successes in Viet Nam, and mentioned Avocet Mining's Panasquiera tungsten mine in passing, but has not yet taken a look at North American Tungsten Corporation. And this in an exciting period for tungsten aficionados as the price of the metal has trebled in the past twelve months after being in the doghouse for a very long time. Ever since Avocet listed in London back in 1996, to be precise.

With a restrained degree of indignation a spokesman for North American Tungsten pointed out that the company has a developed mine and proven assets at pre-feasibility which has been on care and maintenance.. It also has an array of customers ready to take product and will be resuming production by the end of the year at its CanTung mine in the NorthWest Territories. Once it does so it will be the largest producer of tungsten in the Western World and the only operating tungsten mine in North America.

There is no end market for a rare and strategic metal like tungsten. Producers have to find customers and the price is what they are willing to pay which is reflected in the price given each week in Metal Bulletin. Sandvik of Sweden and Osram Sylvania, which is a subsidiary of Siemens, are the two biggest users of tungsten ore in the world. Both these major companies have supply contract agreements and strategic alliances with North American Tungsten and are chipping in C\$2 million towards the C\$6.5 million required to bring the mine back into production.

The vital property of tungsten is its hardness, which, in the case of tungsten monocarbide, is close to that of diamonds. It makes an important contribution, through its use in cemented carbide and high speed steel tools, to the achievement of high productivity levels in metal and wood working, construction, drilling and wear protection. In the household, tungsten is used in light bulbs, television sets, magnetrons for microwave ovens and other electrical consumer products. It is also used in armour piercing shells and demand from this quarter is rising as the dangers of depleted uranium to its users are being exposed.

The mineable reserve at CanTung at present is 630,000 tonnes grading 1.82% WO₃ which gives it a three year life. However as demand increases and the price of tungsten continues to rise the resource base and mine life of CanTung should increase. In addition to this it has potential for an open pit operation and exploration is expected to boost underground reserves.

Looking further ahead North American Tungsten also owns the MacTung project, to the north west of CanTung, and this is reckoned to host the largest high-grade tungsten deposit in the western world with measured, indicated and inferred resources of approximately 30 million tonnes at a grade of 0.93% WO₃. The strategic arrangement with Sandvik and Osram Sylvania also includes an option for them to participate in the development of MacTung so this may get under way sooner rather than later.

The wild card in the tungsten market, however, is China which supplies approximately 85 per cent of

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world consumption. It was the Chinese, aided by the Russians, who forced the price down in the first place by dribbling tungsten from their stockpiles at uneconomic prices, onto the market. Now, according to the President & C.E.O of North American Tungsten., Udo von Doehren, the Chinese Government has stopped issuing new permits for tungsten mines, curbed the export of concentrates and announced other measures to rationalize its production amidst ore depletion warnings. If this is all true it bodes well for the tungsten price, as does the prediction that the Russian and Chinese stockpiles are virtually depleted.

The bet on North American Tungsten is a bet on the tungsten price. If it rises further the company will probably accelerate its plans for MacTung, but the Chinese will also be finding that uneconomic deposits have become worth mining. It was ever thus. For the time being, however, the company is bound to attract investor attention.

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