March 31, 2026

Kathy Racher
Executive Director
Mackenzie Valley Land and Water Board
7th Floor – 4922 48th Street
P.O. BOX 2130
YELLOWKNIFE, NT X1A 2P6

Re: NATC Financial Capacity

Dear Ms. Racher,

As a supplement to the Cantung Water License Application, please accept this letter regarding the financial capacity of the applicant North American Tungsten (NATC). The following letter provides the relevant information demonstrating both the financial capacity of NATC and the financial arrangement between NATC and The Government of Canada.

The *Mackenzie Valley Resource Management Act* prohibits the licensing of a new undertaking unless the applicant can demonstrate the financial capacity to complete the undertaking, including the carrying out of mitigative measures, care and maintenance and closure requirements (section 72.03(5)(d)).

Having considered the mandate of the Board, in our view, the Board can and should exercise its discretion to consider this application, based on both its technical merits and the demonstrated financial capacity of the applicant (NATC). We do not think that denial of this application on financial grounds would be in the interests of the residents of the Mackenzie Valley or Canadians generally. NATC can demonstrate the financial capacity to complete the undertaking, including the carrying out of mitigative measures, care and maintenance and closure requirements, as noted below.

On June 28, 2015 NATC filed for creditor protection under the Companies' Creditors Arrangement Act (CCAA) and Alvarez & Marsal Canada Inc. (A&M or the Monitor) was appointed by the Court as the Monitor. The Order of the Supreme Court of British Columbia entered on November 17, 2015 gives the Court appointed Monitor exclusive powers to manage the business and property of NATC. This court order also requires the Government of Canada, through Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), to fund NATC's care and maintenance activities at Cantung. At this time, the Government of Canada is the senior priority ranking creditor of NATC's property and assets.

The Government of Canada funds the activities at Cantung Mine through the Northern Abandoned Mines Reclamation Program (NAMRP). This program invested $2.2 billion over 15 years in the 2019 Federal budget, with an additional $6.9 billion over 11 years announced in Budget 2023, starting in 2024-25. This funding supports ongoing work to address the eight largest and highest-risk abandoned mines in Yukon and the Northwest Territories, including Cantung Mine. The existence of the Northern Abandoned Mines Reclamation Program ensures that the funding for NATC's operations is both stable and long-term.

Having considered the issue carefully, it is our view that it is a sound resource management decision and best serves the interests of the residents of the Mackenzie Valley and Canadians generally, for the Board to consider this application on its technical merits, given the demonstrated financial capacity of the applicant as noted above.

Yours sincerely,

Mackey, Jeffrey
Digitally signed by Mackey, Jeffrey
Date: 2026.03.31 20:32:22 -04'00'

Jeff Mackey
Director General
Northern Contaminated Sites Branch, CIRNAC

c.c.: Todd Martin, Alvarez & Marsal Canada Inc, North American Tungsten Corporation Ltd.
Kimberley Murray, Regulatory Specialist, MVLWB
Michael Roesch, Resources and Land Management, CIRNAC