

NI 43-101 Technical Report
of
THE LENTUNG TUNGSTEN & GARNET DEPOSIT
Beaverhead County, Montana

Prepared For:

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1.0 Executive Summary

Tungsten International's Lentung project is at an advanced stage of exploration and early stage of development. This project is the buried extension of the Ivanhoe Mine that was mined in the 1950's. Drilling delineated resources of this tungsten garnet skarn deposit along the contact of the Torrey Batholith and the Mississippian Lombard Limestone. The drilling was suspended in 1989 as China's domination of the world tungsten supply suppressed prices. With the recent rebound in tungsten prices and the new emergence of the waterjet garnet market, this deposit now has both metallic and nonmetallic value, making the economic viability of the Lentung project very attractive.

Tungsten mineralization occurs on the Lentung tungsten project in massive garnet skarn. The skarn zone is flat-lying 20 to 90 feet thick and about 500 feet across. The drill-defined resource measures 2500 feet in length and is open to the south for another 5000 feet along trend. There is considerable potential to increase the reserves with additional drilling. The flat mineralized body is amenable to low-cost room-and-pillar mining utilizing large high-production equipment.

Geologic resources of this study are categorized into measured, indicated and inferred. Resources listed at 0.10% WO₃ cutoff grade represent essentially the entire massive garnet skarn zone contrasted against the surrounding light marble beds. (See Table 1.1.) Resources listed at 0.30% WO₃ cutoff grade shows the sensitivity of a higher cutoff on tonnage and grade. (See Table 1.2.)

Table 1.1 Resources at 0.10% WO₃ Cutoff

Classification	Rock (Tons) (Tonne)*	WO ₃ (%)	WO ₃ (STU) (MTU)
Measured	2,298,880 2,085,510	0.305	701,760 636,630
Indicated	2,579,890 2,340,440	0.314	809,210 734,100
Inferred	2,654,176 2,407,830	0.325	862,750 782,670
Total	7,532,950 6,833,780	0.315	2,373,722 2,153,410

*Garnet content approximately 80%

Table 1.2 Resources at 0.30% WO₃ Cutoff

Classification	Rock (Tons) (Tonne)*	WO ₃ (%)	WO ₃ (STU) (MTU)
Measured	839,836 761,890	0.481	404,369 366,840
Indicated	1,027,648 932,270	0.481	494,454 448,560
Inferred	1,293,418 1,173,370	0.439	567,921 515,210
Total	3,160,902 2,867,520	0.464	1,466,744 1,330,610

*Garnet content approximately 80%

2.0 Introduction

The authors were commissioned by Tungsten International Inc to prepare a Canadian National Instrument 43-101 compliant technical report on mineral resources for the Lentung project (Jul and Star lode claims) in Beaverhead County, Montana. This technical report is prepared using the industry accepted Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) "Best Practices and Reporting Guidelines" for disclosing mineral exploration information, the Canadian Securities Administrators revised regulations in NI 43-101 (Standards of Disclosure for Mineral Projects and Companion Policy 43-101 CP, and CIM Definition Standards for Mineral Resources and Mineral Reserves.

Tungsten International Inc obtained all of the drill logs, assays, and core from past drilling. The authors mapped the surface geology in greater detail and digitally interpreted the drill data. This technical report provides a comprehensive review of the historical exploration activities on the project, a current resource estimate, and recommendations for further work. Resource estimates for the Lentung Tungsten Project rely on historical drill data which was completed prior to the enactment of the guidelines of NI 43-101. The United States system for weights and measures is used in this report, such as dry short tons (tons = 2000 pounds), short ton units (STU = 20 pounds), miles, feet, etc. Where metric units are used, such is noted.

3.0 Reliance on Other Experts

The Qualified Persons have examined the historical data provided by Tungsten International and have recognized much of the original data they observed being generated by Union Carbide geologists during their employment with Union Carbide Corporation. They have relied upon this original data to support the statements and opinions presented in this Technical Report.

In the opinion of the independent Qualified Person both the historical and new data is in sufficient detail, is credible and verifiable in the field, and is an accurate representation of the project. It is his opinion there are not any material gaps in the information for the project and there is sufficient information available to prepare this report. The independent Qualified Person is not an insider or associate of Tungsten International Inc.

The results of this Technical Report are not dependent upon any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings. All of the Qualified Persons of this report are listed as follows.

Eugene A. Yates, B.A. Economics, M.S. Geology, RPG Idaho #1394

Mr. Yates was employed by Union Carbide as an Exploration Geologist for tungsten from 1979-1984. He had personal knowledge of Union Carbide's Lentung project. He has up-dated his familiarity with the project and the adjacent Ivanhoe Mine data, by a site visit across the entire length of the project in October 2011. Eugene Yates has been an exploration, development and mine geologist for 32 years and is an independent, qualified person as defined by NI 43-101.

Ernest E. Nelson, B.S. Geological Engineer, RPG Idaho #215

Mr. Nelson was employed by Union Carbide Corp. as an Exploration Geologist, District Geologist, and Manager of North American Tungsten Exploration during the period from 1967-1983. He has been an exploration, development and mine geologist for 55 years and directed the Union Carbide discovery of the Lentung mineralization. He was earlier employed by Minerals Engineering Co. as a junior engineer at the Ivanhoe Tungsten Mine in 1956-1957. Ernest Nelson is a qualified person as defined by NI 43-101.

Dirk E. Nelson, B.S. Geological Engineer, M.S. Mining Engineer, PE Utah #186335-2202

Mr. Dirk Nelson was employed at Union Carbide Corp as a drillers helper on the Lentung project in 1978. He was employed at Union Carbide's Pine Creek Tungsten Mine as a Mining Engineer from 1988-1989. He was employed at Pegasus' Diamond Hill Mine which is another skarn deposit from 1997-1998. He was employed at Revett Minerals' Troy Mine from 2004-2007 which is a large room and pillar mine with similar mining method envisioned for Lentung. He has been a geologist or mine engineer involved in exploration, development and mining for 26 years. Dirk Nelson is a qualified person as defined by NI 43-101.

4.0 Property Description Location and Ownership

The Lentung Tungsten and Garnet Property is located in the Pioneer Mountains of southwestern Montana approximately 40 miles southwest of Butte, Montana, and 22 miles north of Dillon, Montana. The property is located in Sections 3, 10, and 11, Township 4 South; Range 10 West, Montana Principle Meridian, Beaverhead County, Montana.

Tungsten International leases the claims from the owners, J.A. Fagenstrom, R.J. Nelson, and E.A. Nelson. This lease which is dated November 11, 2004 requires a net royalty of ½ percent. The only holding costs are annual assessment requirements and annual rental fees payable to the US Bureau of Land Management. All maintenance and filing fees are current for the 2012 assessment year.

The Lentung property consists of a contiguous block of 24 un-patented lode claims (Jul and Star), totaling approximately 480 acres. These claims are located in the Lost Creek Mining District, Beaverhead County, Montana. (See Table 4.1 and Figure 4.1.) The claims cover the drilled and projected buried mineralization as well as all mineralization

exposed on the surface. The claims also cover potential waste dump areas and facility locations. The claims are located in accordance with United States and Montana State law and are recorded in Beaverhead County and the US Bureau of Land Management in Billings, Montana. The claim blocks are three claims wide extending from the Ivanhoe Mine in the Rock Creek drainage southeast toward Lost Creek. These claims cover all historic areas of tungsten mineralization between the Ivanhoe Mine and Lost Creek Mine. Claim boundaries were located by GPS and marked in accordance with Montana State law with 4x4 wood corners or trees blazed on four sides.

Table 4.1 Lentung Claims

Claim	Book	Page	BLM MMC #
Jul 3	310	1550	209881
Jul 4	308	667	209774
Jul 5	308	669	209775
Jul 6	308	671	209776
Jul 7	308	673	209777
Jul 8	308	675	209778
Jul 9	308	677	209779
Jul 10	310	1552	209882
Jul 11	310	1554	209883
Star 1	326	1120	212167
Star 2	326	1122	212168
Star 3	326	1124	212169
Star 4	326	1126	212170
Star 5	346	1013	219318
Star 6	346	1015	219319
Star 7	346	1017	219320
Star 8	366	699	223464
Star 9	366	700	223465
Star 10	366	701	223466
Star 11	366	702	223467
Star 12	366	703	223468
Star 13	366	704	223469
Star 14	366	705	223470
Star 15	366	705	223471

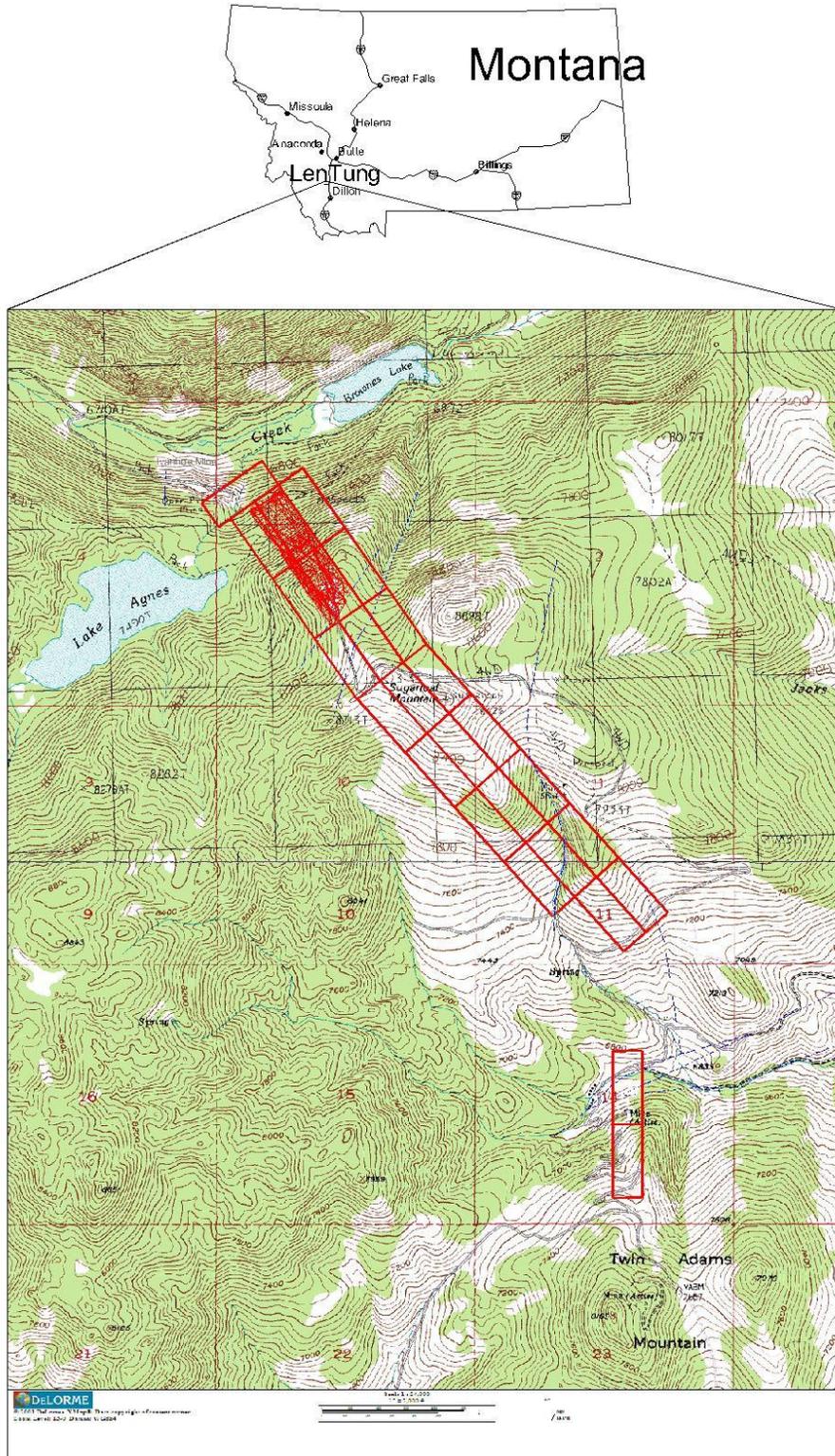


Figure 4.1 Lentung Claims and Drilled Mineralized Body

5.0 Access, Climate, Local Resources, Infrastructure & Physiography

Access to the northern end of the Lentung is approximately 7 miles along USFS road #8210 west from I-15 at exit 85 to the Ivanhoe Mine. The Lentung property extends south over Sugarloaf Mountain. Access to the southern end of the project area is from the same exit 85 along USFS road #7472 to the valley of Lost Creek. An alternate southern access route is from I-15 at exit 74 along USFS road #7480 to #7474 following Willow Creek located to the southwest.

The Climate of the project area is semi-arid characterized by mild summers and cold winters. The adjacent Ivanhoe Mine operated as an open-pit mine year-round with snow removal on the haulage road to the mill. Annual rainfall is in the range of 14-18 inches. The area is usually snow-free from late April to early November.

The largest nearby city, Butte Montana, is 40 miles north. The next largest city, Dillon Montana, is 22 miles south. The small town of Melrose is eight miles north and Glen is two miles south. There is a railroad siding at Glen on the main line of the Union Pacific Railroad.

Topography is mountainous with elevations of the project area ranging from 7000 to 8800 feet above sea level. Elevation of the mineralization from the Ivanhoe Mine through the drilled mineral intersects is 7050 to 7100 feet in elevation. The canyon walls of the Rock Creek drainage are steep with small cliffs, talus and fir tree cover. Relief of the Lost Creek drainage is moderate to steep with moderate soil cover, grass, sagebrush, and scattered fir trees.

6.0 History

6.1 Mining

The earliest mining activity in the area was immediately north of the Lentung claim block. The Ivanhoe mine was patented in 1903 and by 1929 produced 12,629 pounds of copper and 647 ounces of silver (Geach, 1972)². It remained idle until World War II when R.C. McLaughlin lapped some of the stockpiled ore and discovered scheelite in massive garnet tactite. He organized Fluorescent Mines Inc, staked additional claims and built a small tabling mill which produced tungsten concentrates averaging 26% WO₃ grade from about 30 tons of ore. The area was idle from 1944 until 1951 when the Korean Conflict initiated the US Government's Strategic Stockpile Purchase Program. American Alloys Metals acquired the property in 1952 and obtained a Defense Minerals Exploration Administration (DMEA) loan to develop the property. They in turn sold the company to Minerals Engineering Company who mined and milled 625,107 tons of ore that produced 2,188 tons of concentrate averaging 35% WO₃ grade for sale to the US strategic stockpile. Minerals Engineering also processed 21,150 tons of ore from the

Lost Creek Mine. The mines were idled at the end of the US stockpile program until 1970 when Minerals Engineering sold their interests to General Electric. General Electric rebuilt the mill and added an APT (ammonium para-tungstate) circuit that operated until 1975. This district ultimately produced about 750,000 tons of ore.

In the meantime, geologist Leonard Garrand staked the unclaimed area southward from the Ivanhoe Mine identifying it as Lentung. General Electric was not interested in his claims, so he leased them to Union Carbide Corp who was interested in the entire mineral trend. Union Carbide led by Ernest Nelson then postulated a separated continuation of the Ivanhoe mineralization by projecting the Ivanhoe Mine mineralization across the moraine filled paleo-valley. They discovered the hidden tungsten mineralization in this buried target by drilling 40 core and down-hole hammer holes from 1974 through 1982. Union Carbide terminated mineral exploration in 1983 amid corporate financial distress. Garrand then leased the claims to US Borax Corp who drilled one deep hole prior to returning them to Garrand amid falling tungsten prices. Garrand held the claims until his death in 1994. When the claims lapsed, the current claimholders staked the area and bought the residual interests from Garrand's estate. This major tungsten mineralization is now leased to Tungsten International Inc. Tungsten International has subsequently reviewed all previous work, completed a detailed mapping of the area, ran magnetic surveys, and interpreted drill results.

The principal source of information used by the authors was historical information provided by Tungsten International. The authors were able to identify it as original Union Carbide Corp data. This data was given by Union Carbide Corp to the past property owner, Leonard Garrand. Tungsten International obtained the data from Garrand's estate following his death. Data includes, but is not limited to, all drill logs and assays, surface survey control, down hole surveys, survey controlled topographic maps with drill hole collar locations, petrographic reports, and resource estimates by Garrand as well as Union Carbide. All drill core and coarse rejects are in Tungsten International's possession. This data also included the drill log and assays of the U.S. Borax core hole. All data is judged very good and it provides an excellent record of results.

There has been no mine production from the drilled area of Lentung. There was mine production on the present Jul 3 claim from the southeastern end of the Ivanhoe Mine pit on what was then the unpatented Lost Copper claim.

6.2 Historic Mineral Resource Estimates

Union Carbide geologists (Nelson and Broili, 1982)⁵ updated the resource reported to the company inventory of 2.25 million tons with an average grade of 0.57% WO₃. Their model was based on their exploration experience interpreting tactite deposits and categorized into company-defined geologic resources. This estimate was completed using the polygonal block method. Density measurements were calculated by Union Carbide as 9.57 cubic feet per ton using paraffin-coated sections of drill core. The

cutoff grade was 0.40% WO₃, and a minimum mining thickness used was 8.5 feet.

The last resource was estimated by Garrand Corporation (Garrand, 1988)¹ using hand-drawn polygons and a computer polygonal program. His hand drawn estimate was 3.12 million tons with an average grade of 0.48% WO₃, and his computer estimate was 3.26 million tons with an average grade of 0.48% WO₃. He used a tonnage factor of 9.57 ft³/s.ton and 0.30% WO₃ cut-off grade.

The Union Carbide and Garrand estimates employed different classification vocabulary than current described in CIM Definition Standards. Historic resource estimates that best fit CIM standards of total measured, indicated and inferred resources are tabulated in Table 6.1.

Table 6.1 Historic Resource Estimates

Total Resource Estimate	Cutoff Grade (%WO ₃)	Rock (Tons)	Grade (%WO ₃)	Product (STU WO ₃)
Union Carbide	0.40	2,250,000	0.57	1,282,500
L.J. Garrand	0.30	3,257,000	0.48	1,584,000

7.0 Geology

7.1 Regional Geology

Karlstrom published the first detailed petrographic study of the eastern part of the Torrey Batholith. (Karlstrom, 1948)³. He mapped quartz monzonite, diorite, aplite, pegmatite, and basalt. Meyers published a reconnaissance study in 1952 of the southeastern portion of the batholith. (Meyers, 1952)⁴. His intrusive rocks were undifferentiated and identified as quartz monzonite except around the Rock Creek valley where he also identified granite. Zen mapped the northeastern portion of the batholith during quadrangle mapping. (Zen, 1975)¹². Snee completed a thesis on the principal part of the batholith that he identified as typically granodiorite. (Snee, 1978)⁹. His study was specific to the petrography of igneous rocks and he identified the vast majority of the batholith by major mineral compositions of about 50% plagioclase, 20% orthoclase, and 30% quartz. Biotite and smaller amounts of hornblende are accessory minerals. Given these percentages, the classification of rocks index (Travis, 1955)¹⁰ also identifies this rock as granodiorite. But all authors agree this is a composite batholith, whose composition can sometimes vary locally from granite to gabbro.

Massive garnet skarns (referred to as tactite in older terminology) formed within the contact halo of the eastern margin of the Torrey Batholith from receptive sedimentary host beds. The Torrey Batholith forms the core of the Pioneer Mountains and is estimated to be 68 to 72 million year old^{8,11}. Granodiorite is the most common phase

and is the apparent mineralizer of tungsten; whereas, the granite in Rock Creek Canyon sourced little alteration and negligible tungsten mineralization. Regionally, the Torrey Batholith has intruded a series of late pre-Cambrian through Paleozoic sediments that have been folded and thrust eastward. Prominent anticlines and synclines outcrop east of the Lentung area; along the eastern margins of the Pioneer Mountains. These folded sediments are in contact with the batholith. Tungsten mineralization occurs sporadically along the entire eastern contact of the Torrey Batholith where it is in contact with mid-Paleozoic carbonate sediments, but significant tungsten occurs only where lower units of Mississippian Lombard Formation contact the granodiorite of the Torrey Batholith.

The regional sedimentary formations are the Mississippian Tendoy Group (Paine Limestone, Middle Canyon Limestone, Mission Canyon Limestone, and McKenzie Canyon Limestone), the Mississippian Snowcrest Range Group (Kibbey Sandstone, Lombard Limestone, Conover Ranch Formation), the Pennsylvanian Quadrant Quartzite, the Permian Phosphoria/Park City Formations, the Triassic Dinwoody Formation and upward into more recent sediments. (Sando, 1985)⁸. Many maps of sedimentary units in this region are in older terminology that consists of Amsden Formation, Quadrant, Phosphoria Formation, and Dinwoody Formation. Correlations between these stratigraphic names are shown in Figure 7.1.

SCHOLTEN, KEENMON, AND KUPSCH, 1955; SCHOLTEN, 1957		SANDO, SANDBERG, AND PERRY, 1985		Age
Dinwoody Formation		Dinwoody Formation		Triassic
Phosphoria & Park City Formations		Phosphoria & Park City Formations		Permian
Quadrant Formation		Quadrant Formation		Pennsylvanian
Amsden Formation		Snowcrest Range Group	Conover Ranch Formation	Mississippian
Big Snowy Group			Lombard Limestone	
			Kibbey Sandstone	
Madison Group	Mission Canyon Limestone	Tendoy Group	McKenzie Canyon Limestone	
	Lodgepole Limestone		Mission Canyon Limestone	
			Middle Canyon Formation	
			Paine Limestone	

Figure 7.1 Regional Stratigraphic Column

7.2 Glacial Geology

The East Pioneer Mountains (including the Lentung Deposit) were covered by a large ice field during the Pleistocene. The core of the mountain range displays classic glacial erosion features of valleys, horns, cirques, and tarns. This ice field consequently fed glaciers that extended down many of the drainages, resulting in classical U-shaped valleys with related lateral and terminal moraines. (The Rock Creek drainage that contains the northern end of the Lentung project and Ivanhoe Mine is one of these glaciated drainages.) Glacial moraines are common in the valleys and formed many lakes. Browns Lake formed behind a terminal moraine and Agnes Lake formed in a glaciated hanging valley against a lateral moraine. This lateral moraine filled the tributary drainage that crosses the Lentung mineral body and covered any exposure of the mineral body beyond the eastern end of the Ivanhoe Mine.

7.3 Property Geology

Tungsten mineralization has been found within massive garnet skarn occurring from the Ivanhoe Mine through the Lentung area and southward to the Lost Creek Mine. This total trend distance is over 12,600 feet. This skarn occurs where lower units of the Lombard formation contact the granodiorite of the Torrey Batholith. Sedimentary units found on the Lentung property consist of the Mississippian Snowcrest Range Group (Lombard Limestone, Conover Ranch Formation), the Pennsylvanian Quadrant Quartzite, the Permian Phosphoria Formation, and the Triassic Dinwoody Formation. Drilling typically bored the massive Quadrant Quartzite into the Conover Ranch formation consisting of inter-bedded siltites and hornfels, and the Lombard Limestone consisting of inter-bedded marble, hornfels and skarn, before terminating in the Torrey Batholith. A detailed stratigraphic column was measured from the high-wall of the Ivanhoe mine as shown in Figure 7.2. This stratigraphic column measures the open-pit high wall which exposes the Lombard Marble down through the mine's ore zones and into the intrusive.

In cross section, the skarn is seen to concentrate on the crest of a gentle anticline where the limbs dip gently into the intrusive granodiorite. The skarn is nearly flat along the crest of the anticline. Elevation of the southern end of the Ivanhoe pit is 7050 feet above sea level. Elevation of the bottom of the skarn in the most distant Lentung drill hole is still 7050 feet. True thickness of the skarn varies up to 90 feet. Width of the skarn from the intrusive, as currently defined, is about 500 feet. Sills and dikes also spread into the sediments beyond to the main intrusive and several thin skarn beds (2 to 10 feet) irregularly developed above the main skarn beds.

Mapping has shown the Lentung deposit is within a large structural block with a trend extending from the adjacent Ivanhoe Mine southward about 8500 feet paralleling the granodiorite contact. (See Figure 7.3.) As seen from drilling, this structural block places the lower Lombard units over a shoulder of the granodiorite. The Lentung structural block is rotated toward the southern end of the Lentung claims by two faults

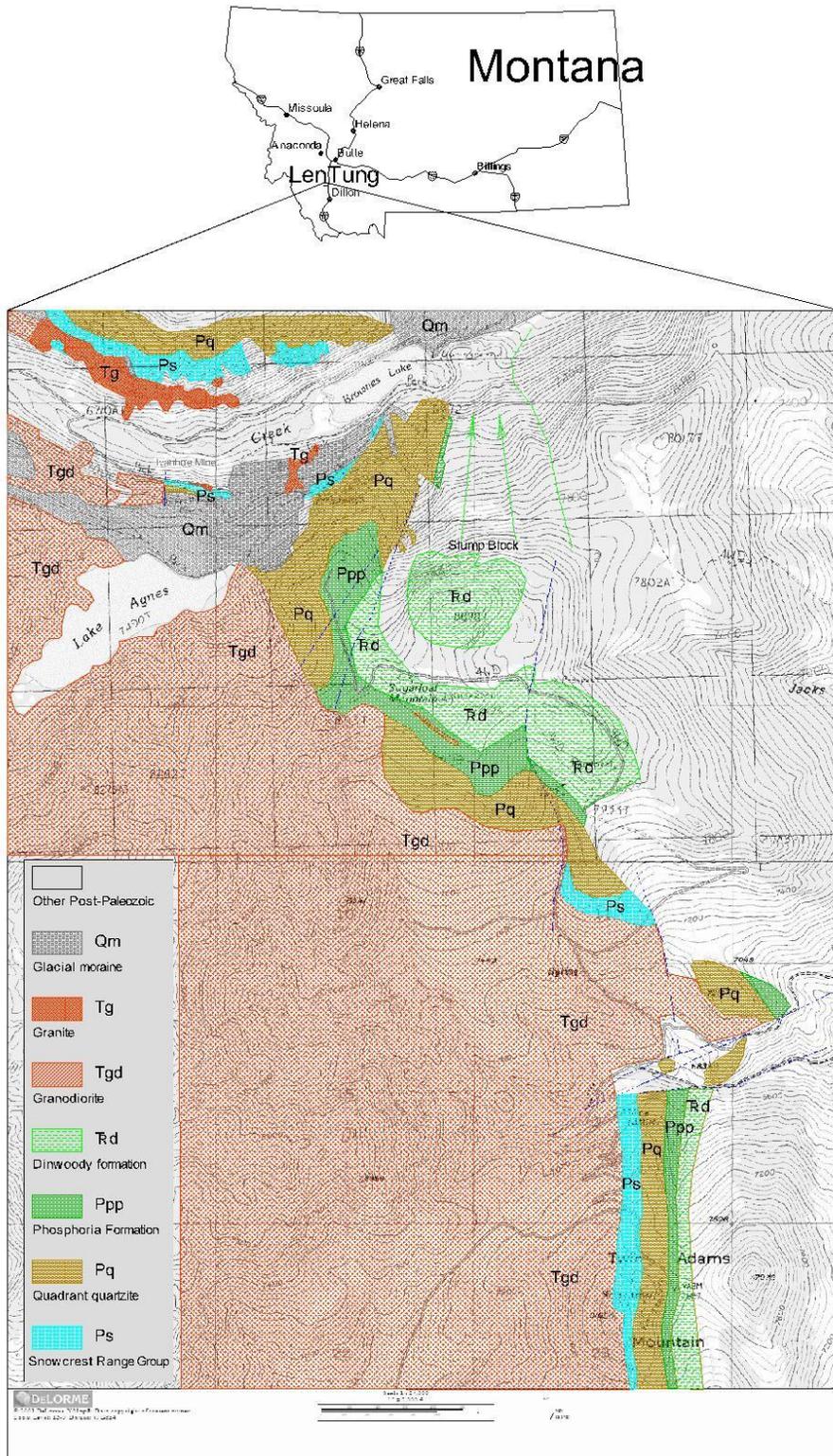


Figure 7.3 Property Geology Map

7.4 Deposit Type and Mineralization

The deposit type is a massive, contact metasomatic garnet skarn/tactite bearing significant tungsten with minor amounts of copper and zinc.

Mineralization at both the Lentung and Ivanhoe Mine consists of massive garnet skarn that selectively replaced specific beds of the lower Lombard Formation in contact with granodiorite of the Torrey Batholith. The Lentung property is the continuation of the Ivanhoe orebody that was separated with a paleo-valley and covered with glacial moraine. The Ivanhoe Mine provides an exceptional exposure of mineralization and geologic setting that is directly projected to the separated Lentung mineralization. Continuity of mineralization and stratigraphic control is outstanding in the 1200 feet of pit face in the Ivanhoe Mine. Here, individual relic beds and tactite can be traced the entire length of the mine pit. Stratigraphic beds mapped from the Ivanhoe Mine correlate very well with the beds logged from drill core at the Lentung.

The primary skarn minerals are andradite and calderite garnets. Minor amounts of grossularite garnet are also present. Garnet texture usually follows relic bedding forming aphanitic to coarsely crystalline bands. Less than five percent of minerals present are epidote, diopside, hornblende, feldspars, interstitial calcite, chlorite, biotite, magnetite, thin, late stage quartz veinlets, and very occasional thin veinlets of sphalerite, chalcopyrite, bornite, molybdenite and copper oxides. Incipient alteration of feldspars to sericite is present. Tungsten grade is also controlled by specific beds. Scheelite (CaWO_4) is the primary mineral of value for tungsten. Scheelite typically occurs as disseminated bands within the garnet skarn. Scheelite crystals are commonly fine grained, but crystals up to 6 mm have been found. The scheelite contains minor molybdenum at a ratio of about 35 to 1.

8.0 Exploration

This deposit is the separated extension of the Ivanhoe Mine orebody that was mined intermittently from 1950 through 1975. It is completely buried and it remained undiscovered for three decades until E.E. Nelson focused the trend with detailed regional geologic mapping. The deposit was drill-defined with six fences of drillholes that were spaced roughly 150 feet apart. Each drill fence cuts perpendicular across the strike of the mineralization every 400 feet along strike. These drill fences create cross-sectional views that outline the mineralized skarn zone. This skarn zone is bedding controlled forming a gentle anticline extending nearly flat into the hillside. The thickness ranges up to 90 feet.

To date, drilling has delineated scheelite mineralization over a trend distance of about 2500 feet within massive garnet skarn formed along the contact with the critical lower Lombard Limestone and granodiorite intrusive. This first block of mineralization is drill

delineated. There are more blocks of mineralization open to the south along trend that have not been drilled. The second of these blocks is a continuation of the first block along the same flat bedding as the first block. This second block covers another 5000 feet of trend. The third block is offset by faults into steeper dipping beds. This third block covers another 4000 feet of trend. After the third block, the trend is consumed in the intrusive until emerging into the Lost Creek mine on the other side of the valley. The fourth block of the Lost Creek mine is faulted into nearly vertical beds. This fourth block covers another 4000 feet of trend.

The Lost Creek Mine exposed (and tested with shallow drill holes) thin garnet skarn beds with lower tungsten values in the less favorable upper Lombard Formation. Although not as strongly mineralized, the tungsten grades within these less favorable upper Lombard units demonstrate the mineralizing strength of the granodiorite along all these blocks (a total trend distance of 3 miles).

The bulk of exploration on the property was completed by Union Carbide Corp shortly before they terminated all mineral exploration. Since obtaining the property in 2002, Tungsten International has obtained all of the Union Carbide, US Borax, and Garrard data including drill core and cuttings, drill logs, assays, metallurgy and survey control. Tungsten International also remapped the surface geology detail and ran magnetometer surveys of a limited area to locate a buried intrusive contact. Additionally, Tungsten has also completed detailed interpretations, evaluations and resource estimates.

9.0 Drilling

Union Carbide drilled 40 vertical holes on the Lentung resulting in over 1750 assays. Reputable contractors using industry standard techniques and procedures conducted the drilling. The typical drilling program was to drill about 500 feet through the overlying quartzite and hornfels with a down-the-hole rotary hammer and later deepen the hole to the target depth with core drilling. The quartzite was very abrasive and difficult to core, yet drilled relatively easily with a 6-inch diameter hammer. Sample recovery from the hammer was usually better than 90%. The core drilling size was NX, and core recovery was close to 100%. The drilling pattern was a series of five "fences" of vertical drill holes about 400 feet apart with 150 to 200 foot spacing of drill holes in the fence. (See Figure 11.2) Drilling progressed from the north (closest to the Ivanhoe mine) to the south, up the steep slope of Rock Creek canyon. Drillhole sites were located from known control points on the ground by geologist using compass and tape. Completed collar locations were later surveyed more accurately with theodolite and tape/stadia on closed loops that were in turn tied into an EDM master control survey grid that was established by a professional land surveyor. The project area was flown for photo control and preparation of the detailed topographic maps used to develop accurate surface geologic maps. Twelve drillholes were surveyed down-hole with an Eastman single-shot camera for magnetic strike and gravity dip. Three pre-drilled hammer holes were not deepened with core drilling to the target due to Union Carbide's termination of

exploration. Drill holes were named in order of completion. Holes prefixed with LEN were drilled by Union Carbide Corp. The USB hole prefix was drilled by U.S. Borax.

Additionally four hammer holes (A-1 to A-4) were pre-drilled nearly 500 feet deep about 2200 feet south of the last fence of holes. These holes are short of the target depth but they do provide good bedding attitude. The four southern hammer holes (MT-28, MT-29, MT-30, and MT-40) are within the southern structural block. They were pre-drilled in anticipation of deeper coring and never reached target depths in the lower Lombard Formation. One hole did reach the Conover Ranch hornfels intersecting several thin intervals (less than 5 feet) of weakly mineralized garnet tactite which is considered favorable for greater mineralization in the targeted lower Lombard.

The model was built using 32 drillholes with total drill footage of 22,687 feet. Holes were typically pilot drilled with a 6"-diameter rotary down-hole hammer. Select holes were later extended through the main skarn zone with NX core. (See Table 9.1) Fifteen drillholes intersected the main skarn zone and ten holes bracket the main skarn. Six holes were not completed.

Table 9.1 Drilling

Drillhole	Rotary Hammer	Core	Total
LEN1	500	0	500
LEN2	500	202	702
LEN3	500	200	700
LEN4	200	0	200
LEN5	287	0	287
LEN6	334	366	700
LEN7	506	0	506
LEN8	506	0	506
LEN9	200	0	200
LEN10	470	0	470
LEN11	518	0	518
LEN12	180	0	180
LEN13	365	0	365
LEN14	512	0	512
LEN15	421	579	1000
LEN16	488	502	990
LEN17	512	349	861
LEN18	550	271	821
LEN19	402	398	800
LEN20	413	0	413
LEN21	381	0	381
LEN22	502	0	502
LEN23	425	0	425
LEN24	363	695	1058
LEN25	514	536	1050
LEN26	542	775	1317
LEN27	533	805	1338
LEN28	530	775	1305
LEN29	552	0	552
LEN30	0	601	601
LEN31	940	260	1200
USB1	0	1785	1785

*All drillholes are vertical

10.0 Sample Method, Preparation, Analysis, and Security

Union Carbide geologists were known to have been on-site to sample and log all of the down-hole hammer drilling. Sample intervals were usually five feet. Garnet intervals were easily identified and assay sample splits were made using a riffle splitter. All hammer cuttings and drill core were examined by Union Carbide geologists with short-wave ultra-violet light and a visual estimate of grade recorded prior to shipment of mineralized sample splits to Union Carbide's Grand Junction Lab. Another sample split of each interval was retained and stored. Mineralized core was split into halves and sampled according to estimated grade interval (ie. 3.2 feet of 0.42 WO₃). One half was sent to Union Carbide's Grand Junction Lab for sample prep and assaying. The remaining half was retained in core boxes and stored. Tungsten International has recovered the core and hammer splits.

All sampling and sample preparation was done by Union Carbide personnel. Principals of Tungsten International that were former employees of Union Carbide had no contact with sample preparation. The split core was bagged and sent to Union Carbide's Grand Junction Laboratory for pulping and assaying. A riffle sample splitter was used to obtain samples from down-hole hammer holes.

It is the opinion of the authors of this report that the sample preparation, security and analytical procedures used, were done in a professional manner and are adequate in all respects to accurately define mineralization present.

11.0 Data and Verification

There were four checks on each assay. The first was the lamped grade estimate during logging, then three different lab assays. The lamp estimate was a check to assure there was not a bust of sample preparation. The labs checked each other's assays.

Laboratory quality assurance was controlled by pulping each sample, then splitting the pulp three ways for assaying. Three labs assayed each pulp: Union Carbide's Grand Junction Laboratory, Bondar Clegg of Vancouver, B.C. and Rocky Mountain Geochem in Salt Lake City, UT. The later were both certified laboratories.

Agreement between laboratories was very good. The average difference of assays between Bondar Clegg and Rocky Mountain was less than one percent. As can be seen in Figure 11.1, laboratory agreement between Bondar Clegg and Rocky Mountain Geochem was very good. Union Carbide results tend to show a slight bias to lower grades for higher grade tungsten assays. Overall, all laboratory results are deemed satisfactory, and the lab results were simply averaged for final grade estimation.

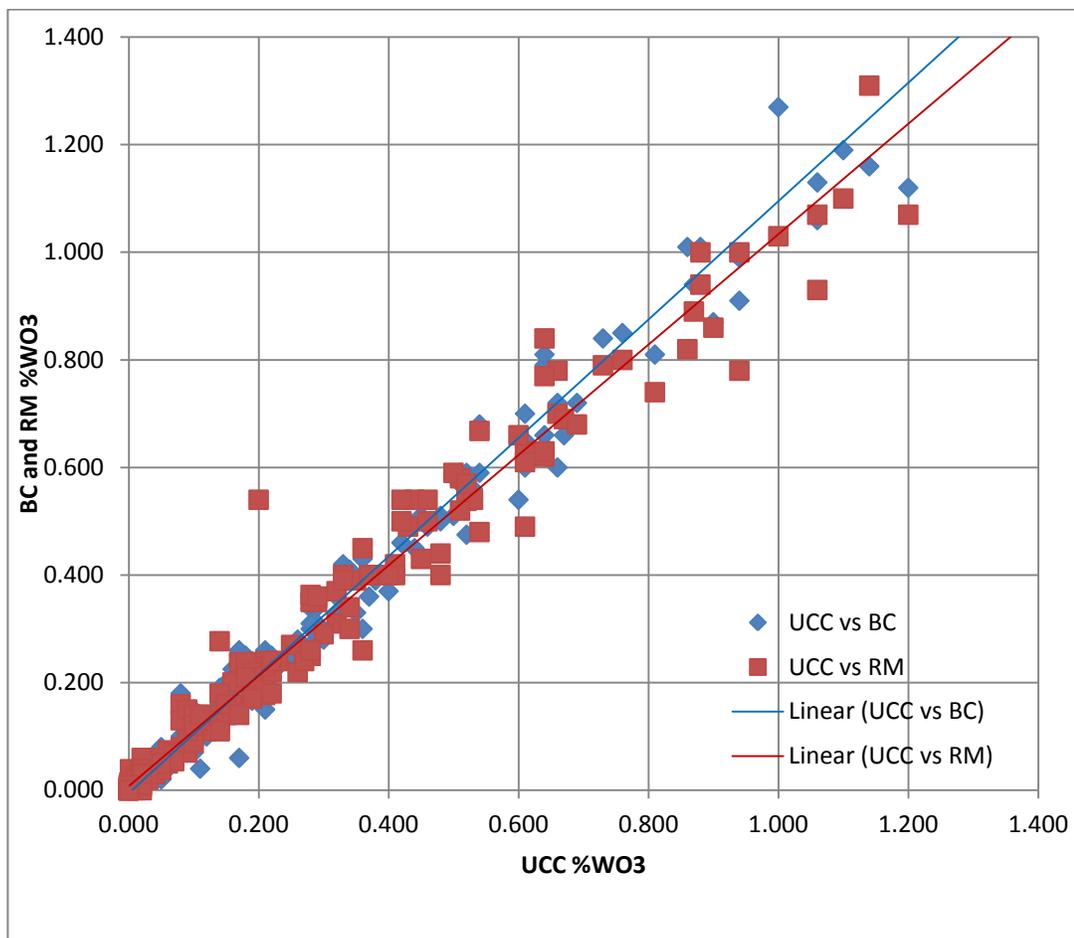


Figure 11.1 Lab Tungsten Assay Comparison

Assays and geologic drill logs were tabulated into an EXCEL data base and ultimately uploaded into Gemcom software for 3D volume modeling and geostatistical grade analysis. Computer data entry was verified by double entry of assays for direct automated comparison. Surveys were entered into the database, plotted, and manually checked against original hand-drawn maps. Lithology was cross correlated to adjacent cross sections to follow geologic contacts, trends, and identify structural faulting. (See Figures 11.2 and 11.3.)

The computer database is structured in four tables which are subdivided into fields. These tables include: Header, Survey, Assay, and Composite. The Header table consists of fields: Hole-id, Collar coordinates, and Length. The Survey table consists of fields: Hole-id, From, To, Azimuth, and Dip. The Assay table includes fields: Hole-id, From, To, WO₃, Cu, Mo, Zn, and Grade-type. Logged core intervals have irregular distances because they were logged for continuity of lithology and lamped scheelite grade. The raw assay data was composited to two-foot intervals to prevent bias in grade modeling. The Composite table includes fields: Hole-id, From, To, Cu, Mo, Zn,

Length, Comp-id, Grade-type. Grade-types were used to distinguish cutoff grades >0.30% WO₃ as “1” and >0.01% WO₃ as “2”. These grade-types were used to identify and code the mineralized zone for resource estimation.

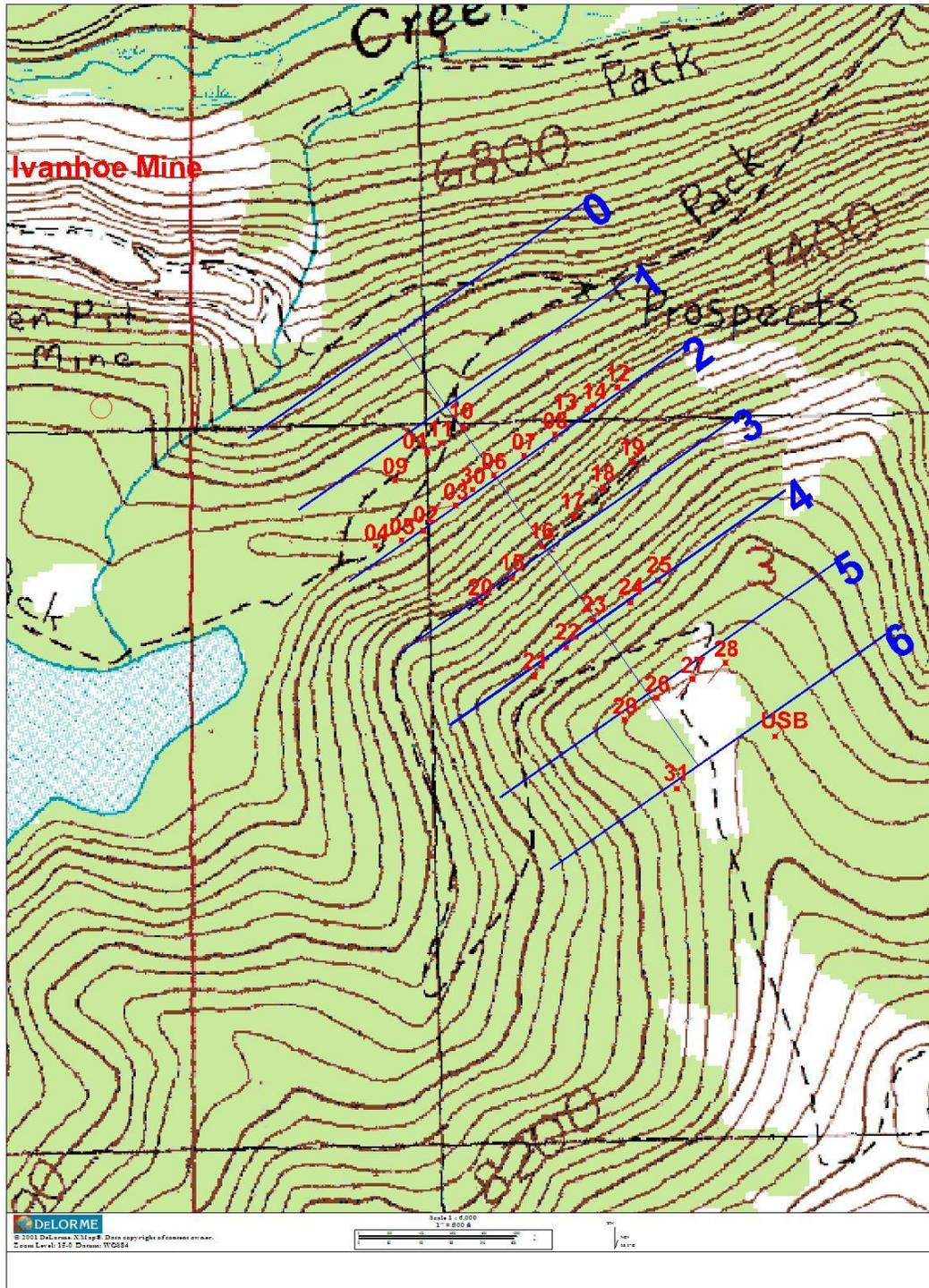


Figure 11.2 Drill Collars and Cross Sections

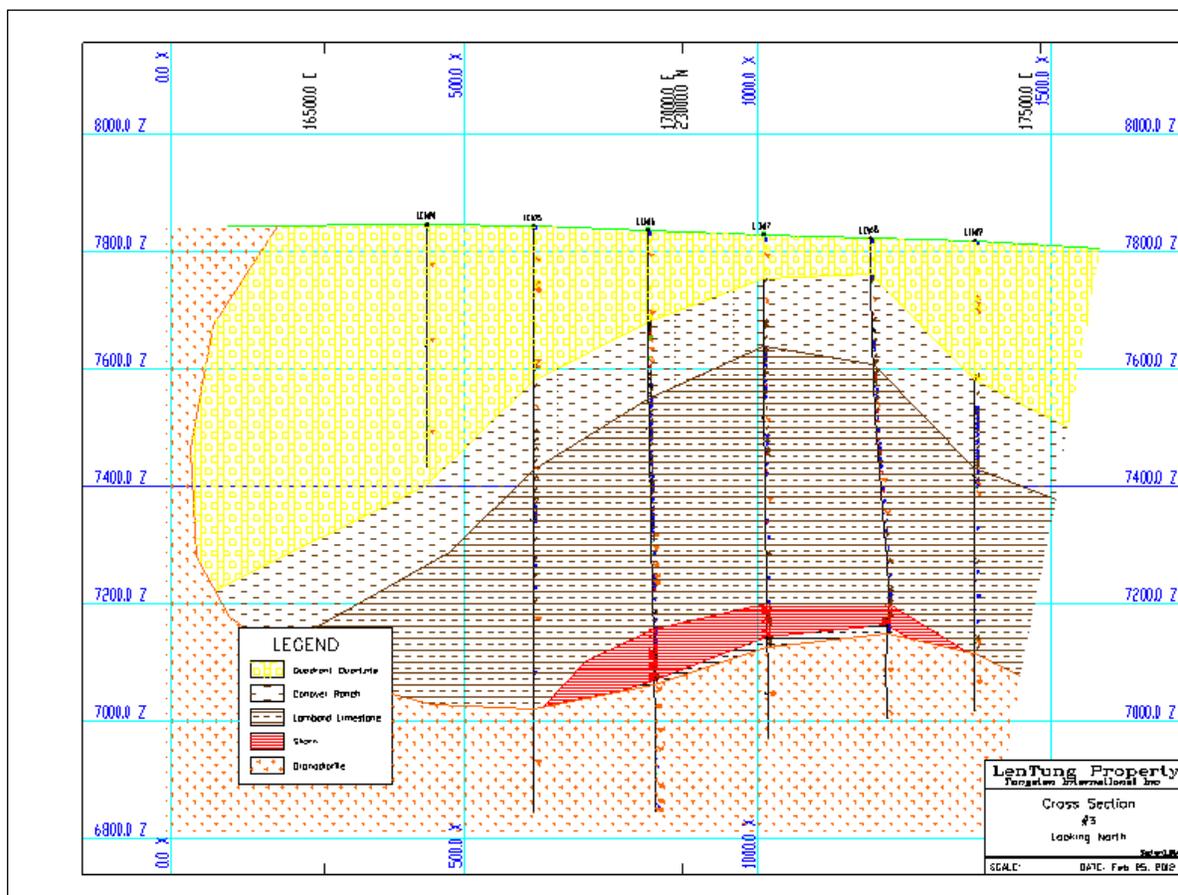


Figure 11.3 Cross Section #3

12.0 Mineral Processing and Metallurgical Testing

Testing has been proven with full-scale mine and mill production. Minerals and metals produced include scheelite, ammonia paratungstate, magnetite, waterjet garnets, and sandblast garnet.

Tungsten metallurgy of the Lentung reserves has been well established by the successful milling and recovery of the adjacent Ivanhoe and Lost Creek Mine ores. The Ivanhoe Mine ores are part of the same mineral body as the Lentung mineral body. The flowsheet of this floatation and table mill has been described in US Bureau of Mines Information Circular #7912 and Report of Investigations #5552⁶.

Garnet production has been proven at the Apex Abrasives mill since 2009 with gravity, magnetic, and screening. This mill is currently producing waterjet and sandblast garnets as well as recovering tungsten from historic mill tailing. (Nelson, 2011)⁶

13.0 Mineral Resources

All reserves presented in this report are geologic mineral resources restricted to the primary mineralized skarn zone that exceeds the cutoff grade. These resources are classified into measured, indicated, and inferred resources.

13.1 Classification Definitions

Proven reserves are mineable reserves within the mine plan and mine permit. Proven reserves are limited to measured resources that can be safely and economically mined.

Probable reserves are mineable reserves also within the mine plan and mine permit. Probable reserves are limited to indicated resources that can be safely and economically mined.

Measured resources are geologic resources of highest confidence restricted by distances that are less than half of the anisotropic variogram range measured from block centroids to the drillhole composite assays used for block grade estimates. Measured resources are also restricted to the geologic-interpreted mineralized skarn zone that exceeds the cutoff grade.

Indicated resources are geologic resources also restricted to the geologic-interpreted mineralized skarn zone that exceeds the cutoff grade. Furthermore, indicated resources are restricted by distances that are less than the anisotropic variogram range measured from block centroids to the drillhole composite assays used for block grade estimates.

Inferred resources are geologic resources also restricted to the geologic-interpreted mineralized skarn zone that exceeds the cutoff grade. Inferred resources are limited to the extent of expected mineralization interpreted directly from the drill data but with distances greater than the anisotropic variogram range.

Additional mineralization includes all other geologic mineralization that is within the block model that is not being considered to advance into resource. This mineralization is evident in drill logs and drawn on cross sections as narrower low-grade or barren skarns. This mineralization may become significant if these skarns are determined feasible for garnet alone, but since the tungsten assays were typically below cutoff grade, additional mineralization was not tabulated in this report.

Potential mineralization is geologic resources listed separately as a recognized potential that can be reasonably projected along geologic trend, but has not been drilled or sampled, and therefore cannot be confirmed. Since grade cannot be estimated without representative sampling, the potential tonnage is listed alone which is based simply on the trend distance ratio. This category was included in this report because the potential could be substantially significant.

13.2 Cutoff Grades

On the basis of tungsten value alone, the internal cutoff grade was calculated as 0.10 % WO_3 . Nearly all the primary skarn zone meets this cutoff grade over mineable widths. Therefore, the model was estimated with a very conservative cutoff grade of 0.10 % WO_3 . But it would be most practical to mine the primary skarn zone in its entirety to maximize profit with both tungsten and garnet profit.

This deposit has both metallic and nonmetallic value. The average tungsten grade holds about twice the value of recovered waterjet garnet, and nonmetallic minerals do require more marketing skill. To be very conservative in the cutoff grade calculation, the garnet value was not included in the cutoff grade calculation. However, given the value of the garnet alone, massive garnet would likely not need much if any tungsten credit to be profitable. In practical mining, garnet content alone could be an easy visual cutoff grade. The primary metallic metal of value is tungsten. Minor amounts of copper, molybdenum, and zinc also occur, but the copper and zinc were not recovered in past milling. The majority of the molybdenum occurs in the scheelite lattice that is recovered with the scheelite. Since the feasibility of recovering copper, molybdenum, and zinc have not been demonstrated in the past, these metals also have not been included in cutoff grade economics. These metals might offer additional upside.

13.3 Statistics

Assay statistics for each metal are summarized in Table 13.1. Assay intervals over 1% WO_3 occur. Copper and zinc are more variable than Tungsten and Molybdenum.

Table 13.1 Assay Statistics

Metal	Mean	Maximum	Stand. Dev.	Variance	COV
WO_3	0.314	2.413	0.336	0.113	1.07
Cu	0.019	0.950	0.108	0.012	5.69
Mo	0.020	0.160	0.023	0.001	1.13
Zn	0.011	0.330	0.033	0.001	2.99

* mineralized skarn with no minimum cutoff

The purpose of compositing is to give equal weight to assays for block model grade estimation. Assay intervals were composited to uniform 2-foot intervals and assigned a majority rock code. The composite statistics for each metal are summarized in Table 13.2. Composite statistics are similar to assay statistics. Similar statistical trends were also observed with the composite data versus blasthole data.

Table 13.2 Composite Statistics

Metal	Mean	Maximum	Stand. Dev.	Variance	COV
WO₃	0.271	1.738	0.268	0.072	0.99
Cu	0.019	0.950	0.105	0.011	5.30
Mo	0.018	0.110	0.018	0.001	1.00
Zn	0.011	0.330	0.033	0.001	2.82

* mineralized skarn with no minimum cutoff

13.4 Geologic Controls

Computerized block models typically over-estimate tonnage and under-estimate grade. Therefore, in order to accurately confine the volume/tonnage of the model, a computerized three-dimensional solid was built. The surface of this solid is composed of a triangular mesh that wraps around the irregular cross sectional shapes that are tied together. Cross sections of the solid outline the mineralized skarn zone that is drawn along the contacts with the surrounding country rock. This solid was built from seven cross sections plus a longitudinal section and trimmed with geologic boundaries projected from the surface. These geologic surface boundaries include the paleo-surface under the lateral glacial moraine at the northern end and the lateral fault located at the southern end. Due to lack of drilling, the solid is terminated at this southern fault; however, the potential for additional mineralization to the south is obviously very good. A barren marble bed toward the top of the solid was also trimmed out of the solid. The resulting solid is tabular forming a gentle anticline with a flat axis. The solid is shown in Figure 13.1 with the North axis pointing to the left.

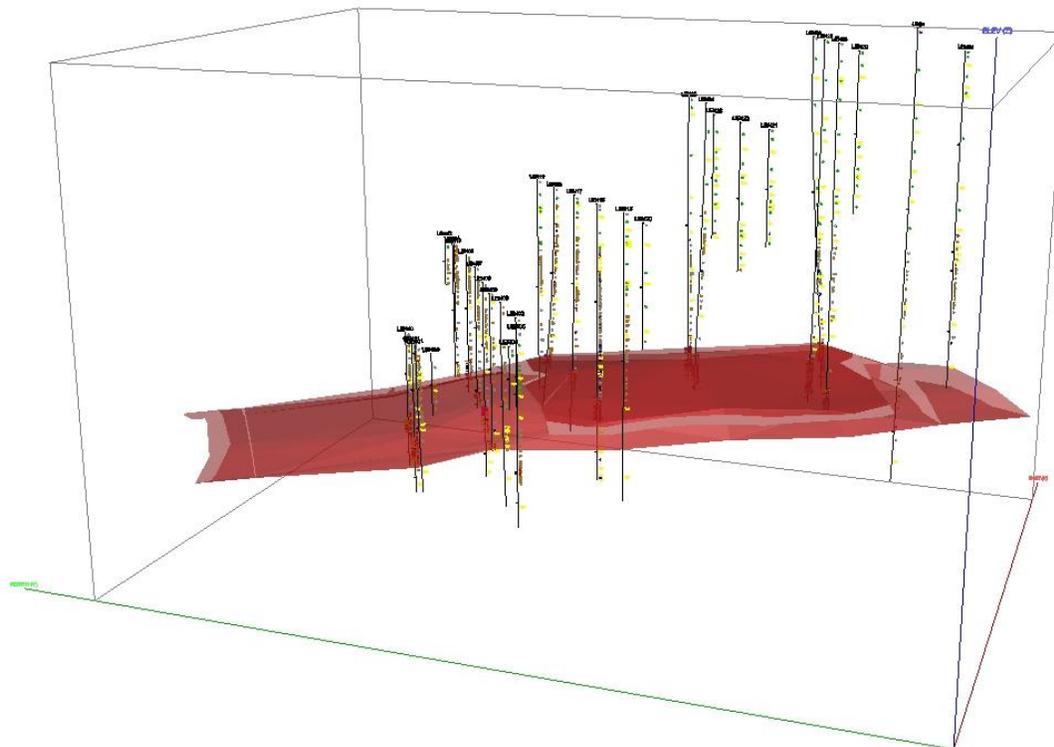


Figure 13.1 Model of 3-D Solid with Drillholes

13.5 Variography

The 3-D variograms were oriented parallel to the tabular solid with a flat rosette to search for the rake of mineralization. The vertical variogram gave the best definition of the nugget effect. All variograms were fit with spherical models. The horizontal variograms gave the longest (primary) range coincidental with the strike of the mineralized skarn zone. The secondary range is flat perpendicular to the primary. The shortest variogram range is vertical. Variogram total sill (nugget + variance) is set to one by dividing the variogram gamma by the variance. This makes the total sill equal to the variance and makes the variogram simpler to interpret. Table 13.3 summarizes the variogram parameters.

Table 13.3 WO₃ Variogram Parameters

Parameter	Primary Axis	Secondary Axis	Vertical Axis	Nugget	Sill
Azimuth (°):	325°	235°	0°	0.3	0.7
Dip (°)	0°	0°	-90°		
Range (ft)	400	200	13		

13.6 Tonnage Factor

Density measurements were calculated by Union Carbide as 9.57 cubic feet per ton using paraffin-coated sections of drill core. The author has experienced that similar skarn deposits mined use tonnage factors around 10 cubic feet per ton. To be conservative, a tonnage factor of 10 was selected for this model.

13.7 Modeling

In order to categorize the solid into levels of grade confidence, a block model was required. The block model was built with blocks 50 feet by 50 feet horizontal and 10 feet vertical dimensions. Individual block grades were estimated with ordinary kriging within an anisotropic search ellipsoid. This search ellipsoid was projected from the centroid of each block coded within the solid. The grade ellipsoid anisotropy was based on the variograms. Measured resources are coded as grades estimated within search ellipsoids measuring half the variogram ranges. Indicated resources are coded as further projected grades estimated within search ellipsoids equivalent to the variogram ranges. Yet further projected block grades estimated with search distances beyond the variogram ranges are coded as inferred resources. Grade modeling parameters for measured and indicated modeling is summarized in Table 13.4. Rock codes were assigned to blocks in the block model based first on location within the solid and updated with progressive kriging runs identifying measured, indicated, and inferred resource classification.

Table 13.4 Grade-Modeling Parameters

Parameter	X-Axis	Y-Axis	Z-Axis	Max/Min #Samples	Max per hole
Azimuth (°)	325°	235°	0°	18 / 2	5
Dip (°)	0°	0°	-90°		
Search Dist. (ft)	400	200	20		

13.8 Resource Tables

The resources were reported from the block model for grades and classification while constrained to the mineralized solid for tonnage. Measured resources are tabulated in Table 13.5. Measured resources have the highest degree of confidence in grade estimation since these blocks are within half of the variogram range. Indicated resources are tabulated in Table 13.6. Indicated resources still have a good degree of confidence in grade estimation since these resources are within the variogram range. Beyond the variogram range but still within the geologic interpretation of the mineralized solid are inferred resources.

Inferred resources are tabulated in Table 13.7. These resources are recommended for infill drilling to firm up the resource into a higher level of confidence to become measured or indicated. The total of these resources is tabulated in Table 13.8 and this totals all the resources of the geologic mineralized solid modeled from drillhole data.

Table 13.5 Measured Resources

Resource Classification	Cutoff Grade (%WO ₃)	Rock (Tons)	Grade (%WO ₃)	Product (STU WO ₃)
Mid-grade	0.10 -0.30	1,459,044	0.204	297,392
Hi-grade	>0.30	839,836	0.481	404,369
Total	>0.10	2,298,880	0.305	701,761

* Garnet content approximately 80%

Table 13.6 Indicated Resources

Resource Classification	Cutoff Grade (%WO ₃)	Rock (Tons)	Grade (%WO ₃)	Product (STU WO ₃)
Mid-grade	0.10 -0.30	1,552,247	0.203	314,757
Hi-grade	>0.30	1,027,648	0.481	494,454
Total	>0.10	2,579,894	0.314	809,211

* Garnet content approximately 80%

Table 13.7 Inferred Resources

Resource Classification	Cutoff Grade (%WO ₃)	Rock (Tons)	Grade (%WO ₃)	Product (STU WO ₃)
Mid-grade	0.10 -0.30	1,360,758	0.217	294,829
Hi-grade	>0.30	1,293,418	0.439	567,921
Total	>0.10	2,654,176	0.325	862,750

* Garnet content approximately 80%

Table 13.8 Total Resources

Resource Classification	Cutoff Grade (%WO ₃)	Rock (Tons)	Grade (%WO ₃)	Product (STU WO ₃)
Mid-grade	0.10 -0.30	4,372,048	0.207	906,978
Hi-grade	>0.30	3,160,902	0.464	1,466,744
Total	>0.10	7,532,950	0.315	2,373,722

* Garnet content approximately 80%

13.9 Exploration Potential

It is recognized the mineralization has a high degree of probability to extend through the mountain to the mineralized outcrops on the other side. This trend is shown within the claim block in Figure 4.1 which shows there is about twice as much potential in length along the strike trend. However, this is a target only that requires drilling to develop into a resource. Table 13.9 shows the potential mineralization of this trend assuming a similar cross sectional area. Note this table is given for insight into exploration potential only, and it is not classified as a resource.

Table 13.9 Trend Potential Mineralization

Other Classification *	Rock (Tons)	Grade (%WO ₃)	Product (STU WO ₃)
Total	15,000,000	n/a	n/a

*Note: Not a drilled resource.

14.0 Mineral Reserves

Note the resources in this report have not been further refined into mineable ore mineral reserves (i.e. proven and probable). A percentage of the mineralized and inferred resources could be used to determine proven and probable ore reserves. This percentage (aka extraction ratio) would require a geotechnical study and feasibility study to determine the amount of ore that could be safely and economically extracted.

14.1 Extraction Ratio

A geotechnical study is required to determine a mineable extraction ratio of this resource. Mining is suitable for low-cost room and pillar method. Pillar dimensions

need to be designed. Rock strength and rock mass strength tests have not been performed; however, other skarn deposits can be compared to give an idea of what to expect. Garnet skarns like Lentung have high compressive strength as further evidenced by the slow rate of drilling. Lentung core is fairly competent with joints following relic bedding which is favorable for pillar mass strength. Ground overburden stress increases as the depth into the mountain increases; therefore, the optimum extraction ratio would vary with depth.

14.2 Dilution

Drillhole internal waste assays occurring within the skarn were included in the model to account for internal dilution (and loss). Blocks below cutoff grade were subtracted from resource tonnage. External dilution was not included in the resource estimates of this report, but it should be considered for the next stage of reserve estimates. External dilution along the outside boundaries of the skarn mostly depends upon the mining equipment selected. The dark-brown garnet skarn is hosted within light-colored marbles and hornfels which is an advantage to minimize dilution. These well defined contacts would be easily recognizable which greatly helps minimize dilution.

14.3 Hydrology

The main skarn is located at an elevation of about 7050 feet along the Rock Creek valley's southern rim of the glaciated Pioneer Mountains. Yearly average precipitation is 14-18 inches and annual evaporation during non-freezing months is 31 inches. Although a precipitation deficit exists, surface streams in the near vicinity are perennial, charged by the snowpack in the high mountains nearby. Surface and groundwater generally flows from the west down the drainages to the east.

The main skarn is located at an elevation of about 7050 feet. Below this deposit, Browns lake water level is 6570 feet. Lake Agnes water level is 7490 feet. Only minor groundwater was intersected in the drillholes of this deposit. Groundwater should be expected during mining, but based on drilling the flows appear to be minor and could likely seep back into the ground if the natural fissures could be held open. Grouting could also diminish water flows into the mine.

The nearby Ivanhoe Mine was and still is dry. Runoff water into the pit drains into the ground. This mine is located below Lake Agnes but the lake water does not penetrate into the pit walls. The slope stability of this pit has remained remarkably stable due in large part to the low pore-water pressures in the pit walls. Similar conditions of this pit are expected for the underground mine.

15.0 Mining Methods

Room and pillar mining is the obvious method to select for open stope in competent rock due to low operating cost and high productivity. This method has the benefit of proven technology. The geometry of this deposit would be similar to the Troy Mine near Troy Montana. Although the Troy Mine is hosted in quartzite, the rock strength of the Lentung is also strong. Mining methods and costs from this mine could be used to estimate Lentung with comparable accuracy.

Open pit mining is not recommended because high stripping ratio would be too costly and environmental perception would be more difficult to permit. Caving would also not be advised. Cut and fill might have an application after the rooms were completed for pillar robbing with fill support.

16.0 Recovery Methods

Successful milling and tungsten recovery of the Ivanhoe and Lost Creek Mine ores has been proven with conventional gravity and flotation. The Ivanhoe Mine ores are part of the same mineral body as the Lentung mineral body. The flowsheet of this gravity and flotation mill has been fully described by the US Bureau of Mines. (Zadra, 1959)¹¹ and (Pattee, 1960)⁷. Tungsten recoveries as reported exceeded 90%.

Garnet production has been proven since 2009 with gravity, magnetic, and screening processing. The Apex Abrasives Inc mill is currently producing waterjet and sandblast garnets. (Nelson, 2011)⁶. Garnet content of the old mill tailing varies from 65% to 80%. Waterjet garnet recoveries average 20 to 25% of the feed due to the fine grind of the tungsten circuit. But recoveries could be significantly increased especially by optimizing a coarser comminution in a future grinding circuit.

17.0 Project Infrastructure

The principals of Tungsten International have obtained all water rights, as well as the mill site of the Minerals Engineering/General Electric tungsten mill. They have built a mill and are producing waterjet garnet and residual scheelite from the historic tailing. This site has gained favor from the regulatory agencies because the old tailings are being cleaned up and reclaimed. Three-phase power is available at this mill-site. There is no power at the project site.

The Lentung property is within a historic mining district and the area is designated for multiple use by the US Forest Service. Several small creeks are present on the property. Water rights for any significant amounts needed at the project site, will need to be obtained.

18.0 Market Studies and Contracts

Tungsten is readily saleable on the metals commodity market direct to refineries. Two forms have been produced at the mill site. Presently, scheelite concentrates are sold to produce tungsten carbide. In the past, a high-purity product of ammonia paratungstate was produced yielding a premium price.

Garnet sales are currently direct to end-users and distributors. Unlike tungsten sales, non-metallic markets require more attention to develop and maintain customers.

19.0 Environmental, Permitting, and Social Impact

There are no outstanding environmental liabilities on the Lentung property. All previous exploration work was reclaimed as required. Permitting and bonding will be required for any new road building, drilling or development work. Permits and bond will be issued co-operatively by the U.S. Forest Service and Montana State Department of Environmental Quality (DEQ) with the Montana DEQ being the lead agency. Tungsten International currently has an approved operating plan (2011) for limited surface disturbance.

The principals of Apex Abrasives have established a very good environmental record at the historic mill site. The mill site is fully permitted by Apex Abrasives and they have been actively re-processing the tailing ponds. The mill's 1954 water rights are still held and have been maintained by Apex Abrasives. This site has gained favor from the regulatory agencies because the old tailings are being cleaned up and reclaimed. Environmental activists have not raised controversy over the operation. These active operating permits would easily simplify permitting a larger mill for the Lentung likely under a minor revision to the operating plan.

20.0 Adjacent Properties

There are two adjacent tungsten properties on either end of the Lentung claim block. Both these properties were past mine producers.

The Ivanhoe Mine is located on the northern end along strike. The US Bureau of Mines (Pattee, 1960)⁷ describes this mine as the Brown's Lake Mine and tallied production through 1957 totaling 625,107 tons of ore averaging 0.35 % WO₃.

The Lost Creek Mine is located on the southern end along strike. Lower Lombard units are not present at this mine but the upper Lombard units present are mineralized. The US Bureau of Mines (Pattee, 1960)⁷ tallied the Lost Creek Mine production at 21,150 tons averaging 0.18 % WO₃.

21.0 Interpretation and Conclusion

The Lentung resource of garnet skarn is 7.5 million tons of 0.315% WO₃ using a cut-off grade of 0.10% WO₃. These resources are based on well documented drill data and exploration work. The resources were delineated on a southern striking contact trend 2500 feet long for which the geological control is well understood. The same contact trend continues southward along flat bedding for another 5000 feet.

At a higher cutoff grade of 0.30% WO₃, the Lentung project has a drilled resource of 3.6 million tons of 0.46% WO₃. It is believed these are the largest resource of this tungsten grade known in the United States.

Mining is suitable for low-cost room and pillar method. Mineral processing has been established historically by Minerals Engineering for tungsten at 90% recovery and recently by Apex Abrasives for garnet at 25% recovery and tungsten at 75% additional recovery. Tungsten price is currently over \$400 per MTU, and waterjet garnet has been proven marketable just under \$300 per ton.

22.0 Recommendations

Exploration drilling is recommended to continue beyond the drilled area which is open to the south. Drilling should continue to target the trend following the projection of the buried contact zone of the lower Lombard Formation with the granodiorite intrusive. Since tungsten mineralization occurs at the extreme southern end of this trend where units of the less favorable upper Lombard Formation outcrops, the favorable lower units represent a large promising target zone.

In-fill drilling is recommended to transfer more of the drilled resource from an inferred category to a measured/indicated category. Union Carbide did not drill the northern end of the resource due to a claim conflict that no longer exists. This area (cross sections 0 and 1) would be easiest to infill with its shallow depth to target. The southern end of the drilled area needs an infill hole between holes Len32 and Usb1. The southwest side of the model at Len 23 was pre-drilled but should have been cored to target depth.

A geotechnical study is recommended to develop the resource into a mineable reserve by determining the extraction ratio. Much of the needed information is available including the old drill core.

The mill site should be secured. The best site for a mill is the original mill site currently being reprocessed by Apex Abrasives. This site is already permitted, a mill is already built, the tailing facility is already built, and water rights are already secured.

A feasibility study is recommended to complete final ore reserves. This study should include application for mining permits.

23.0 References

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24.0 Signature Pages

Signature pages for the qualified persons that have compiled this report are as follows:

Ernest E. Nelson

3926 Bellecrest Dr.

Missoula, MT. 59801

Phone: 406-549-8856

Email : geolnelson@aol.com

I, Ernest E. Nelson, a Registered Professional Geologist, do hereby certify that:

1. I am currently practicing my profession as a geologist in the mineral industry.
2. I graduated with a Bachelors of Science Degree in Geological Engineering (mining) from the University of Idaho in 1959.
3. I am a Registered Professional Geologist in the State of Idaho, #215 I am also a member of the Society for Mining, Metallurgy, and Exploration (SME) of AIME
4. I have been employed continuously as a geologist or engineer in the mineral industry for over 50 years since my graduation.
5. I have read the definition of "Qualified Person" set out in National Instrument 43-101 and certify that by reason of my education, association with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements of a "Qualified Person" for the purpose of NI 43-101. This technical report is based on my personal knowledge and review of the data and information.
6. I am responsible for the compilation of data and knowledge of deposit geology that are contained in this report titled, NI 43-101 Report on the Lentung Tungsten and Garnet Property, Beaverhead County, MT. I have mapped the surface geology of the property, examined all drill results and completed geologic cross-section interpretations and projections.
7. I am a principal of the issuer, Tungsten International Inc.
8. I have read National Instrument 43-101 and form 43-101FI, and believe this Lentung technical report has been prepared in compliance with that instrument and form
9. I consent to the filing of this report with any stock exchange or other regulatory agency and to any publication by them for regulatory purposes, including electronic publication to the public.
10. As of the date of this report and certificate, to the best of my knowledge, this technical report contains all scientific and technical information that is required to be disclosed to prevent this report from being misleading.

Dated this 26th day of March, 2012



Dirk E. Nelson

116 Harwood Dr.

Helena, MT. 59601

Phone: 406-457-9180

Email : denelson88@msn.com

I, Dirk E. Nelson, a Professional Engineer, do hereby certify that:

1. I am currently practicing my profession as a mining engineer and geologist in the mineral industry.
2. I graduated with a Bachelor of Science Degree in Geological Engineering from Montana Tech Butte in 1984 and a Master of Science Degree in Mining Engineering from Montana Tech Butte in 1986.
3. I am a Professional Engineer in the State of Utah #186335-2202.
4. I have been employed continuously as a geologist or engineer in the mineral industry for over 26 years since my graduation.
5. I have read the definition of "Qualified Person" set out in National Instrument 43-101 and certify that by reason of my education, association with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements of a "Qualified Person" for the purpose of NI 43-101. This technical report is based on my personal knowledge and review of the data and information.
6. I am responsible for the compilation of data and knowledge of deposit geology that are contained in this report titled, NI 43-101 Report on the Lentung Tungsten and Garnet Property, Beaverhead County, MT. I have mapped the surface geology of the property, examined all drill results, completed geologic cross-section interpretations, built a three-dimensional solid of the mineralized body, built a block model of mineral grades, and estimated the resources.
7. I am a principal of the issuer, Tungsten International Inc.
8. I have read National Instrument 43-101 and form 43-101FI, and believe this Lentung technical report has been prepared in compliance with that instrument and form.
9. I consent to the filing of this report with any stock exchange or other regulatory agency and to any publication by them for regulatory purposes, including electronic publication to the public.
10. As of the date of this report and certificate, to the best of my knowledge, this technical report contains all scientific and technical information that is required to be disclosed to prevent this report from being misleading.

Dated this 24 day of March, 2012

Signed



Eugene A. Yates
237 Capdevilla
Lolo, MT 59847
Phone: 406-273-2711
Email : skipyates@gmail.com

I, Eugene A. Yates, a Registered Professional Geologist, do hereby certify that:

1. I am currently practicing my profession as a geologist in the mineral industry.
2. I graduated with a Bachelor of Arts Degree in Economics from Vanderbilt University in 1975 and a Masters of Science Degree in Economic Geology from Washington State University in 1980
3. I am a Registered Professional Geologist in the State of Idaho, #1394. I am also a member of The Geologic Society of America and a past member of the Society of Economic Geologists.
4. I have been employed continuously as a geologist or engineer in the mineral industry for over 32 years since my graduation.
5. I have read the definition of "Qualified Person" set out in National Instrument 43-101 and certify that by reason of my education, association with a professional association (as defined in NI43-101) and past relevant work experience, I fulfill the requirements of a "Qualified Person" for the purpose of NI 43-101. This technical report is based on my personal knowledge and review of the data and information.
6. I am responsible for the knowledge of deposit geology that are contained in this report titled, NI 43-101 Report on the Lentung Tungsten and Garnet Property, Beaverhead County, MT.
7. I am not a principal of the issuer, Tungsten International Inc.
8. I have read National Instrument 43-101 and form 43-101F1, and believe this Lentung technical report has been prepared in compliance with that instrument and form.
9. I consent to the filing of this report with any stock exchange or other regulatory agency and to any publication by them for regulatory purposes, including electronic publication to the public.
10. As of the date of this report and certificate, to the best of my knowledge, this technical report contains all scientific and technical information that is required to be disclosed to prevent this report from being misleading.

Dated this 25 day of March, 2012

Signed

