

ANNUAL REPORT 1991

CANADA
TUNGSTEN

CORPORATE PROFILE

The Company owns the western world's largest tungsten mine and concentrating facility at Tungsten, Northwest Territories and leases, on a long term basis, an ammonium paratungstate (APT) conversion plant near Fort Madison, Iowa, U.S.A. Two of the western world's most promising undeveloped tungsten mines are also controlled by the Company. The Mactung Project is located near MacMillan Pass on the Yukon/Northwest Territories border and the Hemerdon Project is located near Plymouth, England. Canada Tungsten's activities include the purchasing and selling of tungsten concentrates and upgraded tungsten products.

Tungsten is a very hard, dense metallic element that has the highest melting point and highest tensile strength of all known metals in addition to unique electrical properties. It has a diversity of uses in tungsten carbides, mill products, tool steels, alloys and in chemicals for catalysts. Examples of

end-uses are cutting parts for machine tools, drill steel, wear parts of transportation and electrical equipment, armaments, dies for extrusion presses, high-temperature alloys and lamp filaments.

The Company is diversifying its business base. Through the 50.5% ownership in Minerex Resources Ltd., which operates The Aurora Partnership Mine in Nevada, the Company has established a presence in the gold mining sector.

The Company is incorporated under the Business Corporations Act 1990 (Ontario), and its shares are traded on The Toronto Stock Exchange (symbol: CTM). The principal shareholder, holding 56% of the outstanding common shares, is AMAX Inc., a major aluminium producer with interests in energy, gold and metals, which has headquarters in New York, N.Y.

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REPORT OF DIRECTORS TO THE SHAREHOLDERS

The past year was another challenging one for Canada Tungsten. We did, however, achieve some very real gains, particularly in the area of financial management.

Our net loss in 1991, at \$2.5 million, was \$3.8 million less than the net loss of \$6.3 million in 1990. This reflects higher operating margins in both gold and tungsten businesses plus our continuing efforts to reduce and contain costs.

TUNGSTEN OPERATIONS

Our major operating asset, the Cantung scheelite mine at Tungsten, NWT, remained on a care and maintenance basis. The Company is positioned to re-start the mining and milling operation with a 90-120 day lead time.

The APT production facility at Fort Madison, Iowa, remained closed, except for a portion of the plant where ammonium metatungstate (AMT) and other upgraded products are produced.

The Mactung deposit, located near MacMillan Pass on the Yukon/Northwest Territories border, 100 miles north of the Cantung mine, continues to be held as a major asset for future development. It is the largest and highest grade tungsten deposit known in the western world.

At the Hemerdon wolframite deposit, located near Plymouth, England, all requirements for a finalized Planning Permission are expected to be satisfied during 1992 after six years of diligent effort. Completion of the Planning Permission will allow this resource to be developed at any time in the future as markets dictate.

GOLD OPERATIONS

Ownership in Minerex Resources Ltd. (Minerex) was increased to 50.5% during the year.

Minerex is the operator of the open pit heap leach Aurora Partnership gold mine located near Hawthorne, Nevada.

For the ten month reporting period in 1991, the Aurora operation produced 31,950 ounces of gold.

Our gold placer operation in western Yukon completed operations as a result of the exhaustion of the ore reserve. A reclamation program in full

compliance with regulatory requirements was completed and the property was returned to its original owner. Meanwhile, evaluation of other placer opportunities in Yukon continues.

ENVIRONMENT

We continue to maintain our commitment to high environmental standards and manage all aspects of our business accordingly.

Our commitment to promote and maintain sound environmental management and practices throughout our organization is fundamental to our policy of working co-operatively with government, special interest groups and the public at large.

THE WAY AHEAD

Since the outlook for an improved tungsten market is uncertain at this time, and gold prices remain low, management continues to aggressively pursue acquisition opportunities to diversify the business base and increase shareholder value.

APPRECIATION

It was with deep regret that we learned of the passing of James B. Redpath, Director Emeritus, on March 2, 1992. Mr. Redpath had been a director of the Company since its formation in 1959, serving as Chairman from 1976 to 1984. His counsel will be missed.

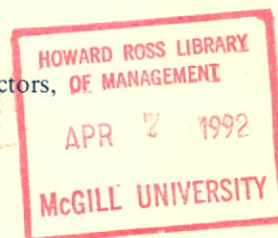
The Board of Directors wishes to thank our shareholders for their positive support during the past year. As well, we express our sincere appreciation to all Canada Tungsten employees for their hard work and dedication to achieve the success of the many initiatives that were completed during the year.

On behalf of the Board of Directors,



Wayne D. Lenton
President and Chief Executive Officer

Vancouver, B.C. March 5, 1992



REVIEW OF OPERATIONS AND PROJECTS

CANTUNG MINE, TUNGSTEN, NORTHWEST TERRITORIES

The Company's high quality scheelite mine, closed since 1986, remained on a care and maintenance basis during the year. A detailed mine re-start plan and schedule was developed which projects production from the mine and mill at or near full rated capacity within three months of a start-up decision. After start-up, exploration activities will be directed toward extending ore reserves to the west along strike. Current proven and probable mineable reserves are 1.4 million tons at a grade of 1.20% WO_3 .

MACTUNG, MacMILLAN PASS, NORTHWEST TERRITORIES

The Mactung deposit, the western world's largest known tungsten orebody, is located approximately 100 miles north of the Cantung mine and is a similar skarn-type high grade scheelite deposit. The project is being held in anticipation of the future requirement for ongoing tungsten reserves.

Reserve definition, mine design and project planning are well advanced. The orebody will initially be mined underground with highly efficient mechanized bulk mining methods, followed by a later open pit operation. Ore grade for the first five years of operation is projected to be 1.29% WO_3 . Mineable ore reserves at Mactung are 6.1 million tonnes at 1.16% WO_3 in the higher grade underground portion, plus 17.2 million tonnes at 0.78% WO_3 in the open pit portion.

AMMONIUM PARATUNGSTATE (APT) PLANT, FORT MADISON, IOWA

The Company's APT conversion plant remained on a care and maintenance basis during 1991 except for a small portion of the plant which produced ammonium metatungstate (AMT) and other upgraded products from APT.

HEMERDON, DEVON COUNTY, ENGLAND

The Hemerdon wolframite deposit, located near Plymouth, England, received planning permission to proceed to production in 1986. Since that time, project details required under the Planning Permission guidelines have been assembled and submitted in order to finalize all requirements of the Planning Permission. All requirements will be completed in 1992, which will allow the project to proceed immediately into production at any time thereafter.

As with Mactung, reserve definition, mine planning and project planning are well advanced toward a production decision. Open pit mineable reserves

are 38.2 million tonnes at a grade of 0.183% WO_3 and 0.029% tin. Both Hemerdon and Mactung would each be capable of producing in excess of 400,000 short ton units of WO_3 per annum, similar to historical production at Cantung.

MINEREX RESOURCES LTD.

The Company increased its ownership in gold producer Minerex to over 50% during the year. The Aurora Partnership heap leach mine in Nevada (operated and 50% owned by Minerex) produced a record 31,950 ounces for the ten month period February 28 to December 31, 1991. Minerex's fiscal year end was changed to December 31 in 1991, resulting in a ten month fiscal period. The operation processed 316,000 tons of ore at a grade of 0.164 ounce per ton for overall cash operating costs of US \$249 per ounce.

An ongoing acquisition program and exploration drilling added to open pit mineable ore reserves, which are now estimated at 576,000 tons at 0.138 ounce per ton as of January 1, 1992. In addition, significant geological resources outside the current economic open pit were identified, some of which may be extractable by underground mining methods.

Minerex continues to explore in the Aurora district and is actively searching for additional projects in order to enhance its long term ore reserve position.

PLACER OPERATIONS

Due to depletion of ore reserves, the Company's gold placer operation at Swamp Creek in western Yukon was decommissioned, reclaimed, and turned back to the original owner. Production during final cleanup operations totalled 1,300 ounces. All plant and equipment has been removed from site, and further placer opportunities are being investigated with a view to continuing our northern placer operations.

NEW PROJECTS

In light of the need to diversify the Company's business interests in the mining sector, a considerable portion of senior management time has been directed toward potential acquisitions. Analysis of potential or existing producers of gold, industrial minerals, iron and base metals has dominated the investigations. With the depressed state of the economy in general, opportunities for quality acquisitions are becoming more plentiful, and intensive efforts will continue to acquire additional operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Company recorded a net loss of \$2.5 million (\$0.12 per share) for 1991 compared to a net loss of \$6.3 million (\$0.33 per share) in 1990.

Sales revenues for the year of \$17.7 million were \$10.2 million higher than 1990 revenues of \$7.5 million.

The reduction of the net loss and significant increase in revenues were largely a result of operating results of Minerex which was consolidated with effect from May 1, 1991.

TUNGSTEN SECTOR

During 1991 tungsten markets were still under pressure from supplies of upgraded products from China and from lower consumption in the western world due to the general slowdown of the economy. Tungsten demand in the major industrialized countries during 1991 remained at the same level as in 1990. This is down about 20% from the 1988 and 1989 level but still well above the level during the 1985 to 1987 period.

China's position as the leading producer of tungsten in the world was further reinforced as tungsten mine production in all other countries combined continued to decrease in 1991.

However, some improvements in tungsten prices were noticed during 1991. The largest increase was recorded for wolframite concentrate and the Metal Bulletin quotation increased by 47% over the year to U.S. \$57.15 per STU. The scheelite quote also ended the year at U.S. \$57.15 per STU, which is an increase of U.S. \$1.36 per STU from the beginning of the year.

Ammonium paratungstate (APT) prices improved substantially during the first part of the year to reach a peak in Europe during May of approximately U.S. \$62 per STU, an increase of 20% from early January. In the United States the APT price peaked in August at approximately U.S. \$78 per STU, an increase of 30%. At the end of the year the average of the Metals Week's APT quotation was U.S. \$57.15 per STU for Europe and U.S. \$66.50 per STU for the U.S.

Conversion activities, producing ammonium metatungstate and other products from APT, resulted in production of 31,800 STUs during 1991.

Due to depressed tungsten markets, the mine at Tungsten, NWT, remained on a care and mainten-

ance basis. However, a detailed production schedule and re-start plan has been fine-tuned to respond quickly to improved market conditions.

GOLD SECTOR

The Company's gold sector expanded significantly with the consolidation of Minerex with effect from May 1, 1991 when the Company increased its shareholding to 50.1%, and now is a significant part of the Company's business. Minerex is operator and 50% owner of The Aurora Partnership (AP) Mine located near Hawthorne, Nevada. Operated as a joint venture, the AP mine is an open pit, heap leach gold mine which produced 31,950 ounces of gold in its 1991 ten month fiscal period at an average cash cost of U.S. \$249.

FINANCIAL RESULTS

Sales revenues of \$17.7 million in 1991 were \$10.2 million higher than in 1990 primarily due to the consolidation of the Minerex operations.

Tungsten sales revenues in the current period of \$5.3 million were \$1.0 million lower than the \$6.3 million in the prior year due to lower sales volumes of tungsten concentrates and APT, partially offset by increased volumes of higher margin ammonium metatungstate (AMT).

Gold revenues of \$12.4 million include \$0.5 million from 1,300 ounces produced at Swamp Creek and \$11.9 million from 27,200 ounces from the consolidation of Minerex from May 1, 1991.

Interest income of \$0.6 million in 1991 approximated 1990 results.

Total operating expenses of \$16.0 million were \$5.3 million higher than in 1990. Of these expenses, \$6.5 million related to tungsten which, due to reduced sales volumes, were \$2.5 million less than in 1990. Gold operating expenses include \$9.0 million relating to Minerex and \$0.5 million of Swamp Creek expenses.

Depreciation and amortization expenses increased \$1.9 million to \$2.6 million in 1991 primarily due to the consolidation of Minerex.

The cost of closed facilities was reduced by \$0.8 million in 1991 to \$1.0 million. Further cost reductions at Tungsten, NWT, combined with the 1990 expenditures, including additional costs of placing the APT plant on a care and maintenance basis, resulted in the reduced cash outlays.

The 1991 net loss of \$2.5 million was \$3.8 million less than the net loss of \$6.3 million in 1990 due primarily to improved operating margins and the inclusion of Minerex.

The Company maintained its dividend policy and declared a stock dividend of \$0.20 per share during 1991.

LIQUIDITY AND CAPITAL RESOURCES

Cash and other working capital items at December 31, 1991 amounted to \$14.1 million or \$1.1 million higher compared to the same period in 1990. Cash resources increased \$3.8 million during the current year as a result of cash generated from operations of \$1.8 million and an additional \$2.0 million on the initial consolidation of Minerex. During 1991, the long term debt was reduced to \$0.9 million from \$1.7 million in 1990.

The Company has sufficient financial resources to carry out its current plans. In addition, the Company has access to unsecured operating lines of credit to enhance liquidity.

Given the uncertain outlook for tungsten prices, the Company is aggressively pursuing acquisition targets to diversify its business base; however, an acquisition will require new sources of cash from the capital markets.

OUTLOOK

The near term outlook will be influenced by an anti-dumping suit, which was filed in 1991 with the U.S. Department of Commerce against imports of Chinese tungsten concentrate to the U.S. A preliminary ruling in July 1991 imposed a provisional penalty duty of 151%, which was later confirmed in a final ruling by the Department of Commerce and the U.S. International Trade Commission.

In addition to these measures, the expiration of the Orderly Marketing Agreement (OMA) has left the U.S. market open to unlimited imports of any Chinese tungsten products except for ore and concentrate. The Refractory Metals Association (RMA) in the U.S. is now preparing for discussions with various U.S. governmental agencies in order to convince them of the necessity of a new broader based OMA with China.

Although these developments are expected to benefit tungsten market conditions over the longer term, tungsten prices have not reached levels which would warrant the re-start of tungsten production. In the interim, the Company continues to aggressively pursue acquisition opportunities in the resource sector to diversify its business base and return to profitability.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheets of Canada Tungsten Mining Corporation Limited as at December 31, 1991 and 1990 and the consolidated statements of loss and deficit and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An

audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1991 and 1990 and the results of its operations and its cash flow for the years then ended in accordance with generally accepted accounting principles.

Coopers & Lybrand

Vancouver, B.C.
January 31, 1992

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

<i>for the years ended December 31</i>	<i>Note</i>	1991	1990
		<i>in thousands (except per share)</i>	
<i>Revenues</i>			
Sales		\$ 17,665	\$ 7,493
Interest		563	551
		18,228	8,044
<i>Expenses</i>			
Operating expenses		15,993	10,723
Depreciation and amortization		2,574	670
Costs of closed facilities		997	1,844
Exploration		330	146
Interest on long-term debt		83	168
Write-down of investments	5	-	850
		19,977	14,401
(Loss) before undernoted		(1,749)	(6,357)
Equity in earnings (losses) of affiliates		(184)	41
Minority interest		(518)	-
Net (loss)		(2,451)	(6,316)
(Deficit) at beginning of year		(15,960)	(5,997)
Dividends		(3,788)	(3,647)
(Deficit) at end of year		\$(22,199)	\$(15,960)
<i>Per common share</i>			
Net (loss)		\$ (0.12)	\$ (0.33)
Dividends — paid principally in capital stock		\$ 0.20	\$ 0.20

The attached notes form part of the financial statements.

CONSOLIDATED BALANCE SHEETS

<i>at December 31</i>	<i>Note</i>	1991	1990
			<i>in thousands</i>
Assets			
Cash and short-term investments		\$ 8,281	\$ 4,438
Accounts receivable		733	663
Inventories	4	7,283	8,431
Prepaid expenses		174	280
Current assets		16,471	13,812
Investments	5	694	6,172
Property, plant, equipment and deferred expenditures	6	64,682	60,686
Other assets		2,015	-
		\$83,862	\$80,670
Liabilities			
Accounts payable and accrued liabilities		\$ 2,353	\$ 802
Current liabilities		2,353	802
Long-term debt	7	867	1,741
Reserve for reclamation		1,708	1,588
Minority interest		4,690	-
		9,618	4,131
Shareholders' equity			
Capital stock	9	96,443	92,499
(Deficit)		(22,199)	(15,960)
		74,244	76,539
		\$83,862	\$80,670

Approved by the Board of Directors



W.D. Lenton
Director



D.A. Berlis
Director

CONSOLIDATED STATEMENTS OF CASH FLOW

<i>for the years ended December 31</i>	1991	1990
	<i>in thousands</i>	
Operating activities		
Sales less operating expenses	\$1,672	\$(3,230)
Costs of closed facilities	(997)	(1,844)
Interest income, less expense	480	383
Changes in working capital and other assets	2,478	2,853
<i>Cash from (used in) operating activities</i>	3,633	(1,838)
Financing activities		
Increase (decrease) in debt	(874)	3
<i>Cash from (used for) financing activities</i>	(874)	3
Investment activities		
Additions to fixed assets	(402)	(146)
Acquisition of shares of Minerex	(195)	-
Exploration	(330)	(91)
<i>Cash (used for) investment activities</i>	(927)	(237)
Cash and short-term investments		
Net cash flow in year	1,832	(2,072)
Added on consolidation of Minerex	2,011	-
At beginning of year	4,438	6,510
At end of year	\$8,281	\$ 4,438

The attached notes form part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars except where indicated)

1. OPERATIONS

The Company's mine at Tungsten, NWT, has been closed since May 20, 1986 and is on a care and maintenance basis. Operations at the Company's ammonium paratungstate (APT) plant at Fort Madison, Iowa, were temporarily suspended in March, 1990 as an inventory control measure. Resumption of operations at the mine and recovery of the investment in the mine, related equipment and the APT plant will depend on future market conditions and will require improved tungsten prices and margins.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting standards

The accounting policies of the Company conform in all material respects to international accounting standards and with Canadian generally accepted accounting principles.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Amax Northwest Mining Company Limited and Tungsten, Inc. and at December 31, 1991 its 50.5% owned subsidiary Minerex Resources Ltd. (Minerex).

Inventories

Inventories of concentrates and upgraded tungsten products as well as gold inventories are valued at the lower of cost and net realizable value. Cost is determined on the moving average basis and does not include depreciation or amortization. Materials and supplies are valued at the lower of cost and replacement cost.

Investments

The investment in Coastech Research Inc. is accounted for by the equity method as was the investment in Minerex prior to it becoming a subsidiary. Oil and gas investments are considered to be distinct from mining operations and are valued at cost reduced by related income tax benefits.

Other investments are valued at cost after deducting provisions for losses.

Property, plant, equipment and deferred expenditures

Property, plant and equipment are carried at cost less amounts written off. Repairs and maintenance are charged to operating expense as incurred. Replacements and major improvements are capitalized.

Depreciation is computed primarily on the unit-of-production method.

Acquisition costs of major mining and petroleum properties are deferred until a property is abandoned or placed into production. Recovery of acquisition costs will require the establishment of viable operations.

Costs of exploring for new ore occurrences are charged against earnings as incurred. Costs incurred on indicated economically recoverable reserves are deferred.

Waste removal costs incurred, which benefit future years, are deferred and absorbed by charges against earnings in these years.

Preproduction, development and acquisition costs are deferred and amortized on the unit-of-production method over the estimated economic life of the related mine.

Reserve for reclamation

The Company provides for reclamation costs to be incurred on the eventual depletion of its mines on a unit-of-production basis.

Income taxes

The tax allocation method is followed. Deferred income taxes, when provided, relate primarily to depreciation of property, plant and equipment and amortization of deferred costs. No deferred income taxes are recorded at present as there are accumulated losses and timing differences with potential, but uncertain, tax benefits.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the year-end rates of exchange. Other foreign currency balance sheet items are translated at rates prevailing at the relative transaction dates, except that depreciation and amortization are translated at the same rates as the related assets. Foreign currency revenue and expense items are translated into Canadian dollars at the average rates prevailing during the year except for the cost of inventories sold, depreciation and amortization, which are translated at rates prevailing when the related assets were acquired. Exchange gains and losses, including those arising on translation, are included in determining current earnings.

Earnings (loss) per share

Earnings (loss) per common share are determined using the weighted average number of common shares outstanding during the year (20,501 thousand; 1990 - 18,867 thousand).

3. BUSINESS ACQUISITION

Effective May 1, 1991 the Company had acquired for total cash consideration of \$5.452 million, a 50.1% controlling interest in the outstanding common shares of Minerex. Subsequent to this date, the Company acquired an additional 0.4% to hold 50.5% at year-end. At December 31, 1990 the Company held a 46% interest in Minerex which had been accounted for using the equity method.

Minerex is the operator and 50% owner of The Aurora Partnership Mine, an open pit, heap leach gold mine located near Hawthorne, Nevada.

This acquisition has been accounted for using the purchase method. The results of Minerex have been included in the consolidated financial statements from May 1, 1991.

The fair value of the assets acquired were as follows:

Cash	\$2,011
Other Working Capital	59
Plant and Equipment	4,866
Other Assets	2,697
Minority Interest	<u>(4,181)</u>
Consideration Paid	<u>\$5,452</u>

4. INVENTORIES

	1991	1990
Tungsten concentrates	\$ 371	\$ 371
Ammonium paratungstate and other upgraded products	2,078	4,706
Gold in-process and high-grade gold ore inventory	1,415	-
Materials and supplies	3,419	3,354
	<u>\$ 7,283</u>	<u>\$ 8,431</u>

5. INVESTMENTS

	1991	1990
Investments carried on the equity basis -		
Minerex Resources Ltd. (46% owned) (note 3)	\$ -	\$ 5,294
Coastech Research Inc. (20% owned)	-	184
Oil and gas investments, at cost less related tax benefits	534	534
Other investments -		
Quoted investments	93	93
Other	67	67
	<u>\$ 694</u>	<u>\$ 6,172</u>

Tax benefits from exploration expenses, frontier allowance and depletion on oil and gas investments have been deducted from the costs of the investments and were not applied to reduce income taxes in the statements of earnings in the years they were claimed.

Provisions totalling \$850 thousand were made in 1990 to write-down other quoted investments to their estimated net realizable values.

The quoted market value at December 31, 1991 of the quoted investments carried on the cost basis was \$0.1 million (1990 - \$0.1 million). The quoted values are not necessarily indicative of realizable values.

6. PROPERTY, PLANT, EQUIPMENT AND DEFERRED EXPENDITURES

	1991	1990
Land and mineral properties	\$ 3,641	\$ 125
Buildings, plant and equipment	92,328	90,852
Deferred preproduction and development	14,050	8,590
Accumulated depreciation and amortization	(71,267)	(64,796)
	<u>38,752</u>	<u>34,771</u>
Undeveloped mining properties	25,930	25,915
	<u>\$64,682</u>	<u>\$60,686</u>

7. LONG-TERM DEBT

A revolving credit agreement provides credit of up to \$5.0 million or its equivalent in U.S. funds. The term is a continuous period of 13 months. At December 31, 1991 borrowings under the agreement were U.S. \$0.75 million on which the average interest rate was 7.3%. At December 31, 1990 borrowings under the agreement were U.S. \$1.5 million and the average interest rate was 9.1%.

8. INCOME TAXES

At December 31, 1991 there were non-capital losses of approximately \$18 million and net timing differences totalling \$60 million which will be available to offset future taxable income of the Company and its subsidiaries for financial reporting purposes. The potential tax benefits of these amounts have not been recorded in these financial statements. The non-capital losses will expire as follows: 1993 - \$8 million; after 1995 - \$10 million.

9. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS

Authorized -

An unlimited number of special shares

An unlimited number of common shares without par value

Common shares issued and fully paid -

	Number of common shares	
As at December 31, 1989	18,239,478	\$88,855
Issued as a stock dividend	702,999	3,644
As at December 31, 1990	18,942,477	92,499
Issued as a stock dividend	1,737,307	3,761
Issued during the year for cash	76,500	183
As at December 31, 1991	20,756,284	\$96,443

Outstanding options granted under a share option plan for key Company personnel permit the purchase of up to 299,500 common shares at a price of \$2.40 per share and are exercisable over five-year periods that expire at various dates through April 1993. Option holders have cumulative rights to exercise up to 20% of their entitlements in each year. During 1991, 76,500 options were exercised and 55,000 options were terminated.

On March 25, 1991, 2,249,999 warrants expired.

10. RELATED PARTY TRANSACTIONS

The Company's wholly-owned subsidiary, Tungsten, Inc., the lessee of the Fort Madison ammonium paratungstate plant from AMAX Inc. (AMAX), has an operating agreement under which AMAX operates the plant on behalf of Tungsten, Inc. for a period of 20 years which commenced in 1986. AMAX provides services as requested to support the Company's sales of its products. Amounts paid or payable to AMAX and its subsidiaries relative to these arrangements were as follows:

	1991	1990
	<i>(millions of dollars)</i>	
Commissions and sales support services	\$ 0.2	\$ 0.2
Fort Madison plant	\$ 0.9	\$ 1.9

11. SEGMENTED INFORMATION

The Company operates principally in the mining and metals business, mining ores of base and precious metals and producing upgraded products.

Information is provided for the two main sectors: the tungsten sector, involved in the mining of tungsten-bearing ores and the production and sale of tungsten concentrates, other concentrates and upgraded products; and the gold sector, involved in the mining of gold bearing ores and gravels and the production of gold and silver.

Tungsten sales are in the United States and other export markets and include products upgraded under a tolling arrangement with the Company's United States subsidiary, Tungsten, Inc. The operations of that subsidiary are closely integrated with the Canadian mining operations (when these are in production) and no sales are effected by the subsidiary. The Company supplies purchased concentrates for upgrading under the tolling arrangement as well as concentrates from its own production. Tungsten products sold are primarily scheelite concentrates, ammonium paratungstate, ammonium metatungstate and tungstic blue oxide.

The Company's gold interests comprise its Swamp Creek, Yukon placer gold mine together with its investment in Minerex Resources Ltd. and shares of other companies with activities in the gold sector.

The undernoted analyses show sales by geographic destination, allocate the operating loss (sales less expenses excluding earnings and losses on the equity-accounted and other investments, income taxes and interest) between Canadian and United States operations and identify the assets employed in the Canadian and U.S. operations.

	1991	1990
	<i>(millions of dollars)</i>	
<i>Sales:</i>		
Tungsten: U.S.A.	\$ 5.3	\$ 5.9
Other destinations	-	0.4
Gold sold in Canada	0.5	1.2
Gold sold in U.S.A.	11.9	-
	<u>\$17.7</u>	<u>\$ 7.5</u>
<i>Operating earnings (loss):</i>		
Canadian tungsten operations	\$ (2.1)	\$ (2.7)
U.S.A. tungsten operations	(0.4)	(2.3)
Canadian gold operations and exploration	-	(0.9)
U.S.A. gold operations	0.3	-
	<u>\$ (2.2)</u>	<u>\$ (5.9)</u>
<i>Identifiable assets:</i>		
Canadian tungsten operations	\$50.7	\$50.8
U.S.A. tungsten operations	21.8	24.4
Canadian gold operations	-	0.1
U.S.A. gold operations	11.3	-
Gold investments	0.1	5.4
	<u>\$83.9</u>	<u>\$80.7</u>

12. COMMITMENTS

(a) Forward Sales Commitments

Minerex has a gold price protection program through an affiliated company, which commits and sets the price for part of its future production. As of December 31, 1991, 6,475 ounces were sold forward on a spot deferred basis at a price of U.S. \$369 per ounce with a further 1,200 ounces sold forward at an average price of U.S. \$408 per ounce.

(b) Royalties

There are net smelter royalties of approximately 5 percent which apply to the revenues of The Aurora Partnership Mine.

(c) Lease Commitments

Minimum commitments under various operating leases and supply agreements, which are principally for office premises, are \$0.3 million for 1992.

QUARTERLY DATA

(unaudited)

Quarter	Sales	Operating margin (loss)*	(Costs) of closed facilities	Net (loss)	Net (loss) per share**	Stock prices per common share	
						High	Low
<i>in thousands (except per share)</i>							
1991 -							
First	\$ 2,376	\$ (347)	\$ 263	\$ (621)	\$ (0.03)	\$3.10	\$2.20
Second	3,645	(24)	261	(619)	(0.03)	3.50	2.00
Third	5,423	798	240	(689)	(0.03)	3.00	2.35
Fourth	6,221	1,245	233	(522)	(0.03)	3.25	2.30
	<u>\$17,665</u>	<u>\$1,672</u>	<u>\$ 997</u>	<u>\$(2,451)</u>	<u>\$(0.12)</u>		
1990 -							
First	\$ 1,890	\$(1,147)	\$ (729)	\$(2,007)	\$(0.11)	\$5.50	\$3.65
Second	2,715	(743)	(348)	(1,097)	(0.06)	4.25	2.65
Third	1,444	(1,097)	(347)	(1,753)	(0.09)	3.00	2.21
Fourth	1,444	(243)	(420)	(1,459)	(0.07)	2.90	1.50
	<u>\$ 7,493</u>	<u>\$(3,230)</u>	<u>\$(1,844)</u>	<u>\$(6,316)</u>	<u>\$(0.33)</u>		

* Sales less operating expenses.

** Net earnings (loss) per common share for each period are determined using the weighted average number of common shares outstanding during the period.

UNITS OF MEASURE

Units are measured in weights of contained tungsten (W) and tungsten trioxide (WO₃).

In North America, the most common unit for tungsten transactions is the short ton unit (STU). The metric ton unit (MTU) is more commonly used for transactions outside of North America. There are 100 STUs in a ton of contained WO₃ and there are 100 MTUs in a tonne of contained WO₃. World industry statistics are often expressed as tonnes of contained W.

The undernoted table gives the content of each of the STU, the MTU and the tonne of W:

	STU	MTU	TONNE OF W
Pounds of WO ₃	20	22.046	2,780.2
Pounds of W	15.859	17.482	2,204.6
Kilograms of WO ₃	9.072	10	1,261.1
Kilograms of W	7.194	7.930	1,000
STUs	1	1.1023	139.0
MTUs	0.9072	1	126.1
Tonne of W	0.0072	0.0079	1

CORPORATE DATA

DIRECTORS

Douglas A. Berlis, Q.C.*
Counsel, Aird & Berlis

Allen Born
*Chairman and C.E.O.,
AMAX Inc.*

Stephen M. Johnson
*President,
Climax Metals Company*

Wayne D. Lenton
*President and C.E.O.,
Canada Tungsten Mining
Corporation Limited*

J. Douglas Little
Mining Consultant

Thomas A. McKeever*
*President and C.E.O.,
AMAX Energy Inc.
Executive Vice President,
AMAX Inc.*

David H. Searle, Q.C.*
Partner, Davis & Company

DIRECTOR EMERITUS

J.M. Richard Corbet

* Member of Audit
Committee

ANNUAL MEETING

The Annual General Meeting of the Shareholders of Canada Tungsten Mining Corporation Limited will be held on Friday, May 8, 1992 at 10:00 a.m. in the York Room, Royal York Hotel, Toronto, Ontario

OFFICERS

Douglas A. Berlis, Q.C.
Chairman of the Board

Wayne D. Lenton
*President and Chief
Executive Officer*

John C. Devitt
*Vice President
Operations*

Udo E. von Doehren
*Vice President
Finance*

Thomas W. Lough
Controller and Secretary

COMPANY OFFICES

Executive Office:

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Registered Office: †

*BCE Place
Suite 1800, P.O. Box 754
181 Bay Street
Toronto, Ontario M5J 2T9*

† Please direct all communications to the Executive Office

Auditors

*Coopers & Lybrand
Vancouver, British Columbia*

Bankers

*Canadian Imperial Bank
of Commerce
Main Branch,
Vancouver, British Columbia*

*The Royal Bank of Canada
Main Branch,
Vancouver, British Columbia*

Shares listed

Toronto Stock Exchange

Registrar and transfer agent

*Montreal Trust Company
of Canada
Vancouver-Toronto-Montreal*





CANADA TUNGSTEN MINING
CORPORATION LIMITED

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