ALMONTY

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ALMONTY INDUSTRIES & SANGDONG MINE PROJECT

PREPARED BY ALMONTY INDUSTRIES INC.

February 2020

Legal Disclaimer

The Leaders in Tungsten

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The technical information relating to the Los Santos property has been derived from the Los Santos Technical Report dated October 31, 2015, completed by Adam Wheeler, Mining Consultant (the “Los Santos Technical Report”). A copy of which is filed on Sedar.com under the profile of Almonty Industries Inc.

The technical information relating to the Wolfram Camp Mine has been derived from the Wolfram Camp Mine Technical Report dated October 31, 2015, completed by Adam Wheeler, Mining Consultant (the “Wolfram Camp Technical Report”). A copy of which is filed on Sedar.com under the profile of Almonty Industries Inc.

The technical information relating to the Valtreixal Project has been derived from the Valtreixal Project Technical Report dated October 31, 2015, completed by Adam Wheeler, Mining Consultant (the “Valtreixal Technical Report”). A copy of which is filed on Sedar.com under the profile of Almonty Industries Inc.

The technical information relating to the Panasqueira Tungsten Mine has been derived from the Panasqueira Tungsten Mine Technical Report dated December 31, 2016, completed by Adam Wheeler, Mining Consultant (the “Panasqueira Technical report”). A copy of which is filed on Sedar.com under the profile of Almonty Industries Inc.

The technical information relating to the Sangdong Tungsten Project has been derived from the Sangdong Tungsten Project Feasibility Study Report dated July 16th, 2016, completed by Adam Wheeler and Andrew Wells (Saint Barbara Mining Consultants) (the “Sangdong Feasibility Study”). A copy of which is posted on Almonty ‘s website on the Almonty Korea Tungsten project page, as well as the updated Sangdong Tungsten Project Technical Report dated December 31, 2015, completed by Adam Wheeler, Mining consultant (the “Sangdong Report”). A copy of which is filed on SEDAR.com under the profile of Almonty Industries Inc.

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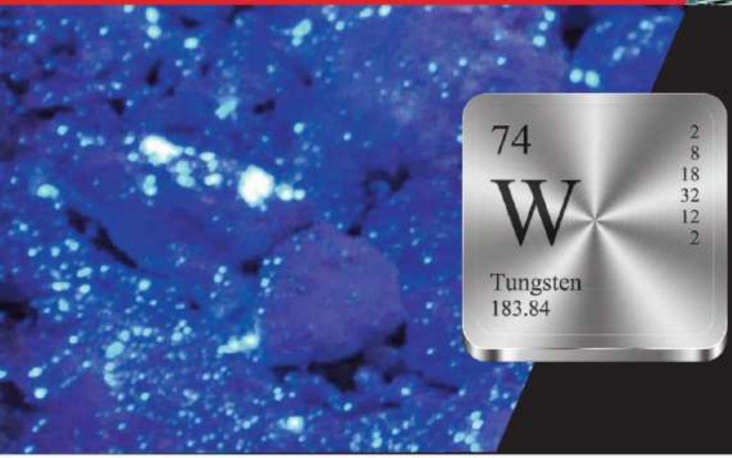
Cautionary Note to US Investors Concerning Resource Estimate:

The resource estimates in this document were prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects, adopted by the Canadian Securities Administrators. The requirements of National Instrument 43-101 differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”). In this document, we use the terms “measured,” “indicated”, and “inferred” resources. Although these terms are required and recognized in Canada, the SEC does not recognize them. The SEC permits US mining companies, in their filings with the SEC, to disclose only those mineral deposits that constitute “reserves.” Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally extracted at the time the determination is made. United States investors should not assume that all or any portion of a measured or indicated resource will ever be converted into “reserves”. Further, “inferred resources” have a great amount of uncertainty as to their existence and whether they can be mined economically, and United States investors should not assume that “inferred resources” exist or can be economically mined, or that they will ever be upgraded to a higher category. The definition of “reserves” under National Instrument 43-101 is not the same as the SEC Standard.



I. Tungsten – An ‘Endangered Species’

Defined by the EU as a ‘Critical Raw Material’

Tungsten – An ‘Endangered Species’
Defined by the EU as a ‘Critical Raw Material’

The Leaders in Tungsten

British Geological Survey

Risk list 2012 — Current supply risk index for chemical elements or element groups which are of economic value

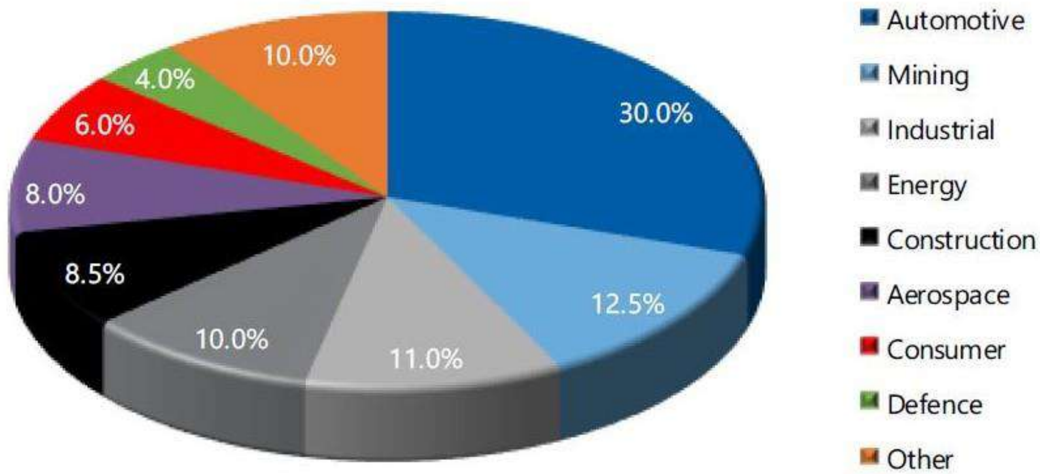
Element or element group	Symbol	Relative supply risk index	Leading producer	Top reserve holder
rare earth elements	REE	9.5	China	China
tungsten	W	9.5	China	China
antimony	Sb	9.0	China	China
bismuth	Bi	9.0	China	China
molybdenum	Mo	8.6	China	China
strontium	Sr	8.6	China	China
mercury	Hg	8.6	China	Mexico
barium	Ba	8.1	China	China
carbon (graphite)	C	8.1	China	China
beryllium	Be	8.1	USA	Unknown
germanium	Ge	8.1	China	Unknown
niobium	Nb	7.6	Brazil	Brazil
platinum group elements	PGE	7.6	South Africa	South Africa
cobalt	Co	7.6	DRC	DRC
thorium	Th	7.6	India	USA
indium	In	7.6	China	Unknown
gallium	Ga	7.6	China	Unknown
arsenic	As	7.6	China	Unknown
magnesium	Mg	7.1	China	Russia
tantalum	Ta	7.1	Brazil	Brazil
selenium	Se	7.1	Japan	Russia
cadmium	Cd	6.7	China	India
lithium	Li	6.7	Australia	Chile
vanadium	V	6.7	South Africa	China
tin	Sn	6.7	China	China
fluorine	F	6.7	China	South Africa
silver	Ag	6.2	Mexico	Peru
chromium	Cr	6.2	South Africa	Kazakhstan
nickel	Ni	6.2	Russia	Australia
rhenium	Re	6.2	Chile	Chile
lead	Pb	6.2	China	Australia
carbon (diamond)	C	6.2	Russia	DRC
manganese	Mn	5.7	China	South Africa
gold	Au	5.7	China	Australia
uranium	U	5.7	Kazakhstan	Australia
zirconium	Zr	5.7	Australia	Australia
iron	Fe	5.2	China	Australia
titanium	Ti	4.8	Canada	China
aluminium	Al	4.8	Australia	Guinea
zinc	Zn	4.8	China	Australia
copper	Cu	4.3	Chile	Chile

Supply risk index runs from 1 (blue — very low risk) to 10 (red — very high risk)

Limitations and methodology are set out in accompanying notes

<Source: British Geological Survey 2012, Report on Critical Raw Materials for the EU>.

Element or element group	Symbol	Relative supply risk index	Leading producer	Top reserve holder
rare earth elements	REE	9.5	China	China
tungsten	W	9.5	China	China



- EU has declared tungsten as a “critical raw material” with high supply-risk + high economical importance
- U.K. Geological Survey ranks tungsten at the top of the Supply Risk List (2012)
- On March 7, 2018, U.S. Congress passed the “**National Strategic and Critical Minerals Production Act**” (H.R. 520) defining and including **tungsten** as a “critical mineral”

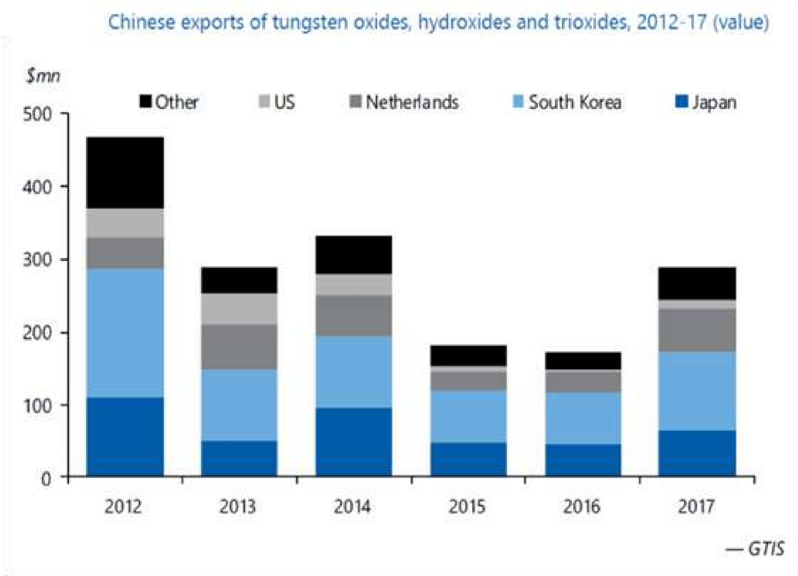
Korea, Joining the Race

Designation of Tungsten as one of the Top 5 Critical Materials under Government Control (KORES, 2018)

Score Board of Top 5 Critical Mineral Resources

Mineral Resource	Strategic Importance (A)				Market Importance (B)						Total (A+B)
	Contribution to New Business (6 Points)	Future Growth Probability (5 Points)	Frontline Industry Connection (4 Points)	Sub-total (30 Points)	Ubiquity of Resources (2 Points)	Ubiquity of Production (2 Points)	Degree of Resource Depletion (2 Points)	Scale of Import (5 Points)	Fluctuation of Import Volume (4 Points)	Sub-total	
Cobalt	12	10	8	30	2	2	2	7.5	8	21.5	51.5
Lithium	12	10	8	30	4	4	0	5	8	21	51
Tungsten	**12**	**5**	**8**	**25**	**3**	**4**	**3**	**5**	**8**	**23**	**48**
Nickel	12	2.5	8	22.5	0	0	3	10	8	21	43.5
Manganese	12	2.5	8	22.5	3	3	3	7.5	4	20.5	43

Korea, the Largest Consumer of W (Tungsten) Oxide in the World, replicating its dominance in the Semiconductor/LED/LCD Industries



Tungsten, One of the Critical Materials Affected by the Trade War Against Japan

83 critical materials that are directly impacted by Japan's export restrictions

日 '화이트리스트 폭탄' 83개 품목에 치명타

일본 화이트리스트배제 대상 주요 품목

(단위:%) ※전략물자 가운데 일본 수입액 1000만달러, 일본 수입 비중 50% 이상

반도체·디스플레이 소재·부품·장비	對일본 수입비중
평판디스플레이용 블랭크 마스크	83.5
반도체제조용 사진플레이트와 필름	76.6
TFT-LCD제조용 사진플레이트	73.2
포토레지스트	93.2
실리콘 웨이퍼	52.8
반도체 제조용 에폭시수지	87.4
LCD 차광 시트	58.6
폴리이미드 필름	84.5
TFT-LCD용 실리콘 러버 시트	82.6
블랭크마스크용 유리소재	65.5
반도체 웨이퍼 제조용 석영도가니	99.2
반도체 제조용 진공펌프	72.7
평판디스플레이 제조용 진공펌프	70.6
반도체 제조용 물 여과기	87.3
반도체 제조용 액체 여과기	81.9
반도체 제조용 액체 여과기의 부품	59.5
반도체 제조용 기기에 들어가는 부품	83.5
반도체·디스플레이 제조용 기타 기기	75.7
반도체 웨이퍼 가공용 연마기·광택기	88.9
반도체 웨이퍼 제조용 기타 기기	94.6
반도체 웨이퍼 식각·세척 기기	92.9
반도체 제조에 쓰이는 레이저 작동식 기기	100.0
포토레지스트 도포·현상 기기	55.4
LCD 제조용 식각 기기	99.4
평판디스플레이용 연마기·광택기	99.9
TFT-LCD용 도포기	99.3
디스플레이 화학적방식 증착기	73.1
반도체 포토마스크 제작 장비	63.4

공작기계	
금속 가공용 머시닝센터 수직형	53.4
금속 가공용 머시닝센터 수평형	52.6
수치제어식 금속 가공용 수평 선반	63.5
수치제어식 금속 가공용 수평 외 선반	69.6
수치제어식 평면 연삭기	71.7
수치제어식 원통 연삭기	63.9
기타 연삭기	53.5

철강·알루미늄 제품	
스테인리스강 외 특수강으로 만든 블룸	100.0
스테인리스강 외 특수강으로 만든 평판압연제품(폭 600mm 이상)	100.0
스테인리스강 외 특수강으로 만든 평판압연제품(폭 600mm 이하)	71.4
스테인리스강 외 특수강으로 만든 봉, 형강 등	57.6
스테인리스강 외 특수강으로 만든 선	54.3
스테인리스강 외 특수강으로 만든 관	
알루미늄 용기(연질, 경질 튜브형 제외)	

광물·광물성 생산품	
은으로 만든 중간재	76.7
니켈 가루	52.8
니켈로 만든 관 등	98.1
텅스텐과 그 제품	69.5
몰리브데넘과 그 제품	65.5
코발트와 코발트 제품	55.5

플라스틱 제품	
아크릴수지로 만든 플라스틱소재	
폴리에스테르로 만든 플라스틱소재	
아크릴 중합체로 만든 플라스틱소재	
프로필렌 중합체로 만든 플라스틱 소재	

2차전지 소재	
2차전지 제조용 분리막	83.4

Mining related items

Tungsten and its products

- **Japan imports 100% of its tungsten concentrate (largely from Almonty's Portuguese mine)**
- **Tungsten is used in manufacturing a large number of semiconductor and display products whose export to S. Korea is banned by Japan**

The Return of Sangdong

The Leaders in Tungsten

HALLGARTEN & COMPANY

Metals Review

Christopher Ecclestone
cecclestone@hallgartenco.com

Tuesday, May 21, 2019

Tungsten

China's Grab Fails

Company	Ticker	Currency	Price	Mkt Cap mn	Stage	Call
Almonty Industries	All.v	CAD	1.04	157.01	Producer	Long
Blackheath Resources	BHR.v	CAD	0.01	0.05	Ex-producer	Neutral
Happy Creek Mining	HPY.v	CAD	0.13	12.15	Exploration	Neutral
King Island Scheelite	KIS.ax	AUD	0.08	20.96	Ex-producer	Long
Ormonde Mining	ORM.L	GBP	4.10	15.03	Near-producer	Neutral
Northcliff Resources	NCF.to	CAD	0.07	12.16	Exploration	Neutral
PanEx Resources	DBGF.bb	USD	0.0047	U/K	Exploration	Neutral
Specialty Metals Intl	SEI.ax	AUD	0.03	16.65	Near-producer	Long
Thor Mining	THR.ax	AUD	0.017	12.39	Exploration	Long
W Resources	WRES.L	GBP	0.445	25.78	Near-producer	Neutral
Masan Resources	MSR	VND	18,300	16.46	Producer	Neutral

HALLGARTEN & COMPANY Tel: (44) 01264 334481

According to Hallgarten & Company's Metal Review,

"***The Opportunity Escapes the Chinese****...the theory goes that China made a grab for the global tool market. First sink the Tungsten prices and drive the few remaining non-Chinese producers to the wall, then hike the prices, restrict exports, force Western (mainly German or Swedish) players in the tool business to move plants to China...via predatory pricing and voila global domination of yet another niche.*

However, the Chinese didn't count on meeting any resistance. The Western end-users in the tool space, breaking with orthodoxy, decided to pay more for ***"secure" Tungsten supplies*** *than the "market" price which the Chinese set. This was accompanied by specified targeted support to* ***up-and-coming*** *players* ***like...Almonty Industries****." (Christopher Ecclestone, May 21, 2019)*

Sandong mine was once the leading global tungsten producer for more than 40 years and now, with Almonty at the helm, it has the potential to produce up to 5% of global production and 30% of ex-China output.

The Korean operating environment is highly competitive, with relatively low materials and labour costs, low taxes and no royalties which means that the forecasted capital cost would be significantly lower than that of most comparable Western projects.

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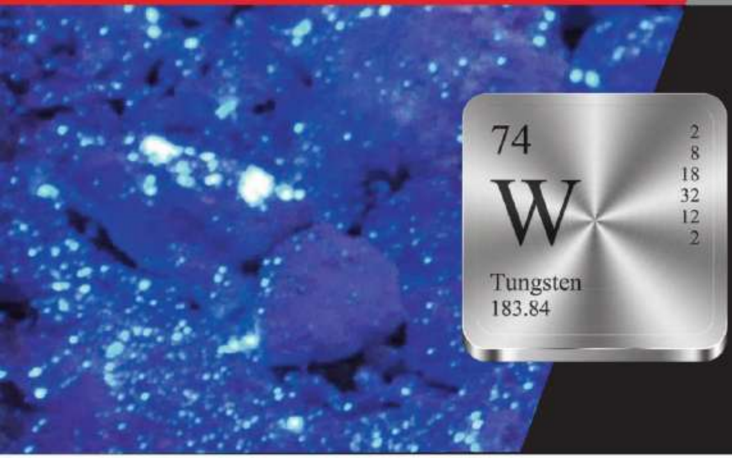
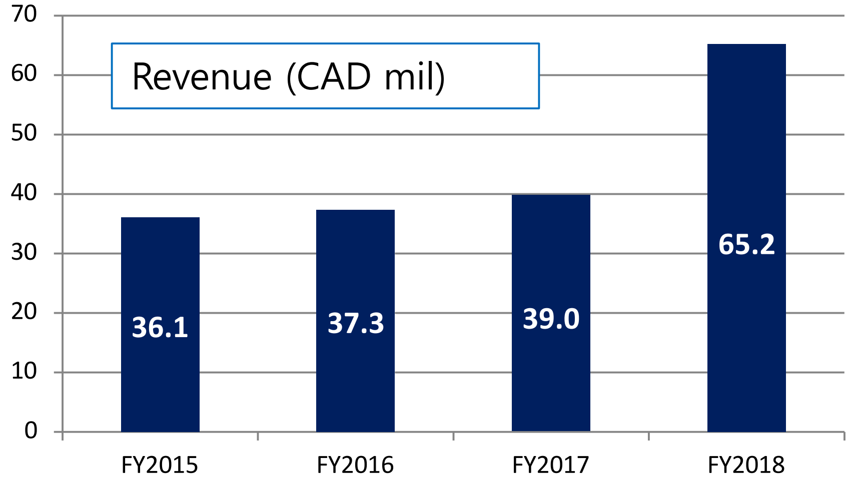
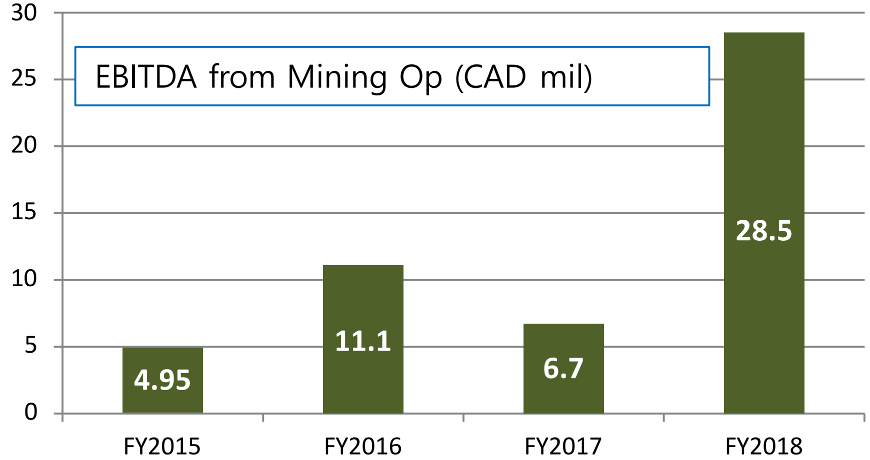


II. A New Paradigm In the Tungsten Industry

Almonty – Key Financial Performance
(FY2015 - FY2018)





- FY 2018 (ending Sept. 30, 2018) posted Revenue of CAD 65.2m and EBITDA from Mining Operations of CAD 28.5m
- Continued revenue growth in the past 4 years attaining approx. 80% increase in revenue in 3 years in reflection of the go-forward cost structure and production profile of Almonty, as well as the benefits of fixed pricing
- Steady earning streak continues and net profits increased in the last 9 months, despite retreated prices

Consecutive Profits in the Past 9 Months (CAD m)

	Q4 2018	Q1 2019	Q2 2019	Last 9 months
Revenue	16.4	13.1	12.2	41.7
Earnings from Mining	10.2	5.7	3.2	18.1
Net Profits	7.2	4.0	0.3	11.5

- Trend to be sustained in forthcoming years while Sangdong starts to emerge as a mainstream tungsten supplier in 2020/2021

Almonty Today (1)

– An Established Global Tungsten Chain in Conflict Free Regions

The Leaders in Tungsten

Panasqueira

Location:	Portugal
Acquisition in:	2016
Ownership:	100%
Development Stage:	Production
NI 43-101 Resource:	P&P: 1,951kt @ 0.20% WO_3 M&I: 10,027kt @ 0.23% WO_3 Inferred: 10,322kt @ 0.24% WO_3

Los Santos

Location:	Spain
Acquisition in:	2011
Ownership:	100.0%
Development Stage	Production
NI 43-101 Resource:	P&P: 3,582kt @ 0.23% WO_3 M&I: 2,208kt @ 0.29% WO_3 Inferred: 1,878kt @ 0.25% WO_3

Almonty Korea Tungsten

Location:	South Korea
Acquisition in:	2015
Ownership:	100.0%
Development Stage:	Feasibility
NI 43-101 Resource:	P&P: 7,896kt @ 0.47% WO_3 M&I: 8,334kt @ 0.49% WO_3 Inferred: 52,765 kt @ 0.44% WO_3

Valtreixal

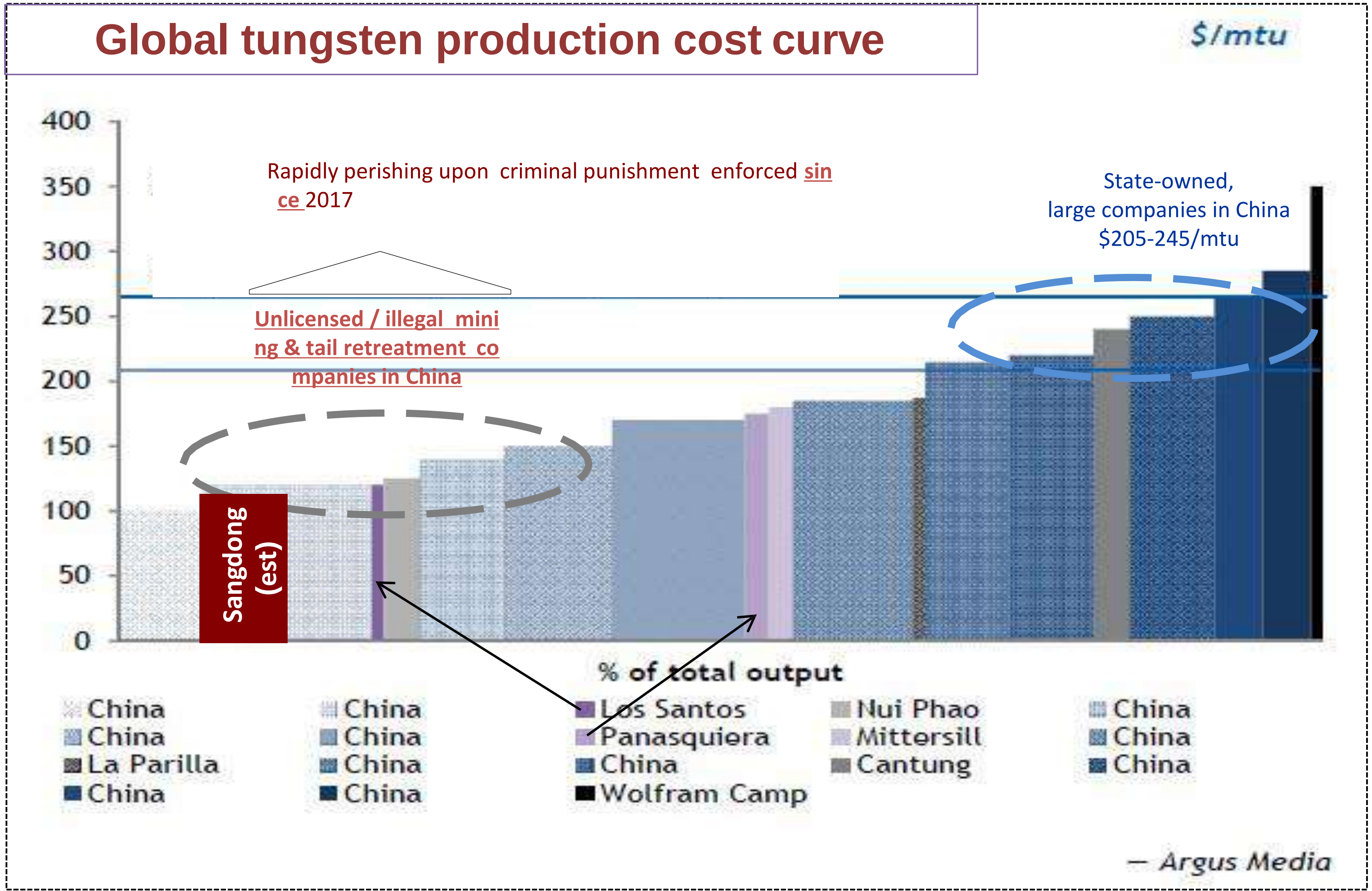
Location:	Spain
Acquisition in:	2013 -2016
Ownership:	100%
Development Stage:	Pre-Feasibility
NI 43-101 Resource	P&P: 2,549kt @ 0.34% WO_3 M&I: 2,828kt @ 0.34% WO_3 Inferred: 15,419kt @ 0.17% WO_3

Almonty Korea Moly

Location:	South Korea
Acquisition in:	2015
Ownership:	100.0%
Development Stage:	Pre-Feasibility
Resource:	17,500 kt @0.39% Korea Tungsten Drill Data

Almonty Today (2)

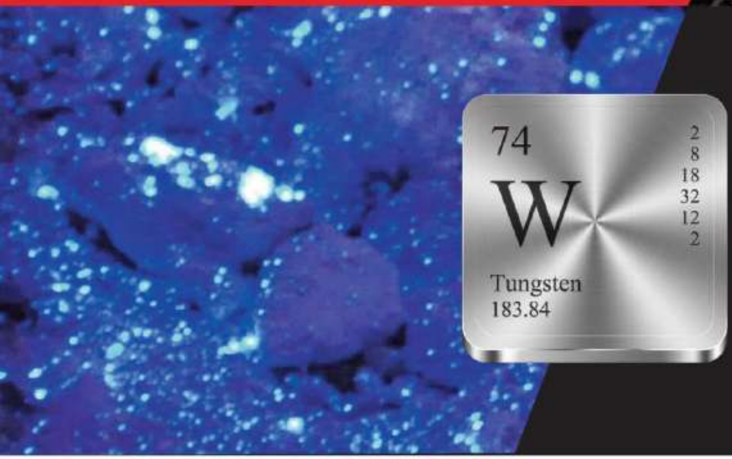
– Lowest Cost Producer in the World



Shareholder Profile

Shareholder	No. of Shares Held	%
Lewis Black/Almonty Partners LLC	35,764,920	19.6%
Global Tungsten & Powders	27,403,000	15.0%
Deutsche Rohstoff AG	20,939,136	11.5%
Korea Zinc	3,450,000	1.9%
Board Members	3,573,330	2.0%
Free Float and others	91,590,544	50.1%
Total no. of shares outstanding	**182,720,930**	**100.0%**
(as at January 31, 2020)		

Strategic tie-up and shareholder support with long term commitments



III. The “Pride of Korea” is Returning

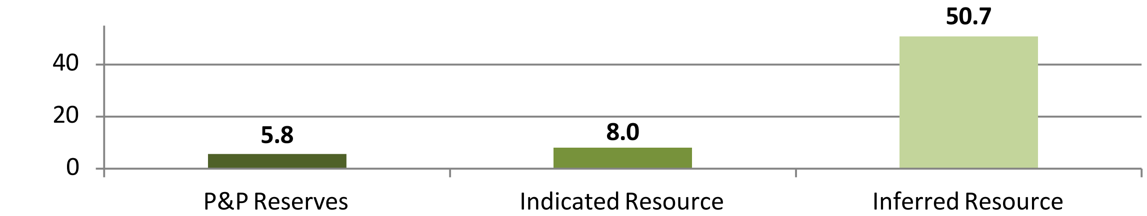
Sangdong Project Summary

The Leaders in Tungsten

What makes the Sangdong Project Unique in the Tungsten Industry?

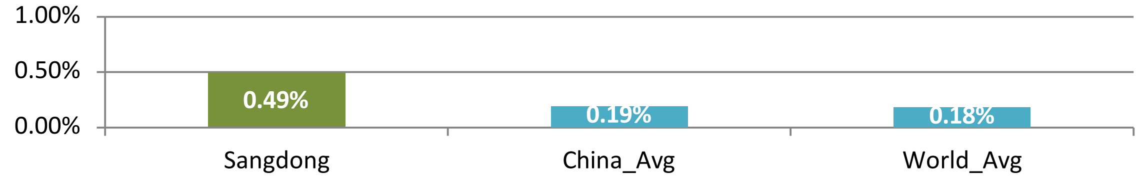
Long Mine Life

Largest tungsten deposit in the world
'Inferred' based on extensive drilling by Korea Tungsten



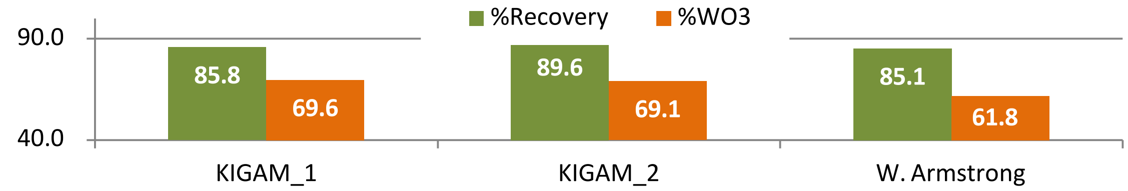
Highest Grade

One of the highest grades in the world
Over 2x that of China's and the global average



Highest Recovery

Highest recovery and WO3 content in produced concentrate, proven by metallurgical tests conducted at a multitude of institutions



Lowest Cost

By far the lowest production cost (USD110/MTU); Almost 50% of China's cost *

By-products (Moly, Bismuth, Au, Ag) to be extracted at no additional cost;
Contributing 5~6% in additional revenue

* Source: **Argus**

Sangdong Project Summary

What makes the Sangdong Project Unique in the Tungsten Industry?

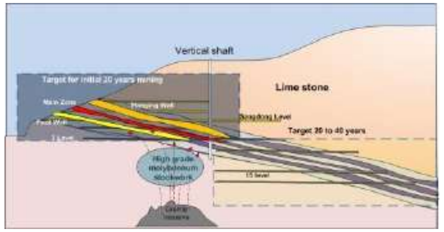
Readily Accessible Infrastructure

A strategic investment of over $200 million for extensive drilling by Korea Tungsten and accessible infrastructures have been completed
– roads, pilot plant, floatation/processing plants ventilation, water, utilities, etc.

Korea Electric Power Corp to complete installment of a subsidized exclusive 10MW line

KEPCO

mireco
Mine Reclamation Corp.



Government & Community Supports

Strong backing from permitting agencies

Overwhelming community support

Governmental subsidies, No NSR, Tax credits

(Korea Summit Press Pool / Pool via Reuters)

Detente, Tension is over

Eased political tension and emerging opportunities

As reported by **The National** (April 27, 2018),

North and South Korea have agreed to stop all hostile acts over "land, sea and air"

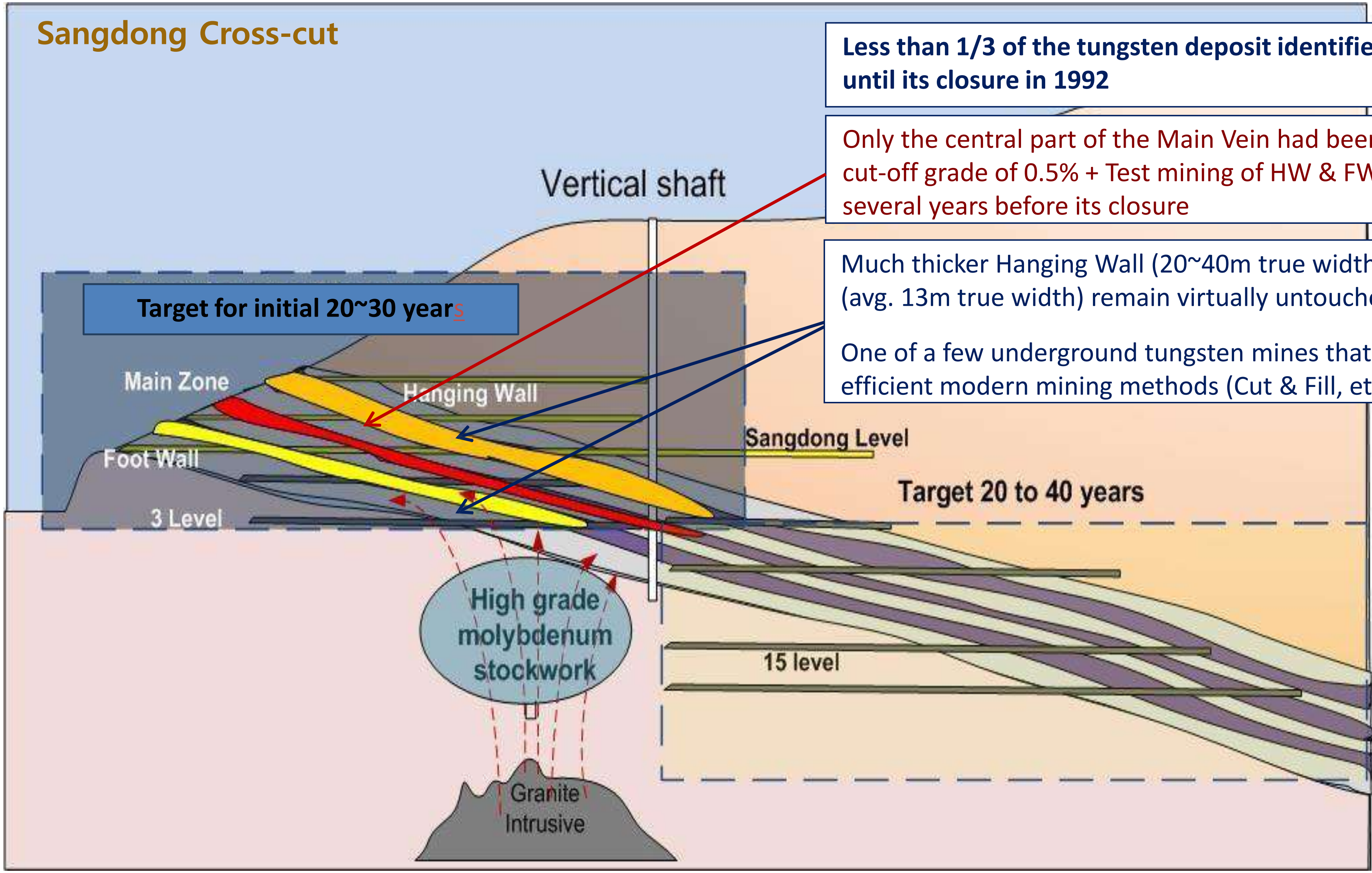
Mining sector spotlighted with 'mining friendly' policy

Country	Moody's	S&P	Remarks
USA	Aaa	AA+	
S. Korea	**Aa2**	**AA**	N. Korea risk alleviated
France	Aa2	AA	
UK	Aa2	AA-	Watch for Brexit effect
Belgium	Aa3	AA	
Japan	A1	A	
Spain	Baa1	BBB+	
Italy	Baa3	BBB-	

Korea Summit, North and South Leaders Meet (April 27, 2018)

Sangdong - Project Risks & Mitigation

1. Mineralization Risk



Less than 1/3 of the tungsten deposit identified was mined out until its closure in 1992

Only the central part of the Main Vein had been exploited at a cut-off grade of 0.5% + Test mining of HW & FW in the last several years before its closure

Much thicker Hanging Wall (20~40m true width) and Foot Wall (avg. 13m true width) remain virtually untouched

One of a few underground tungsten mines that can employ cost efficient modern mining methods (Cut & Fill, etc.)

Sangdong - Project Risks & Mitigation

1. Mineralization Risk

The Leaders in Tungsten

NI 43-101 Compliant Resource (as at July 26, 2016)

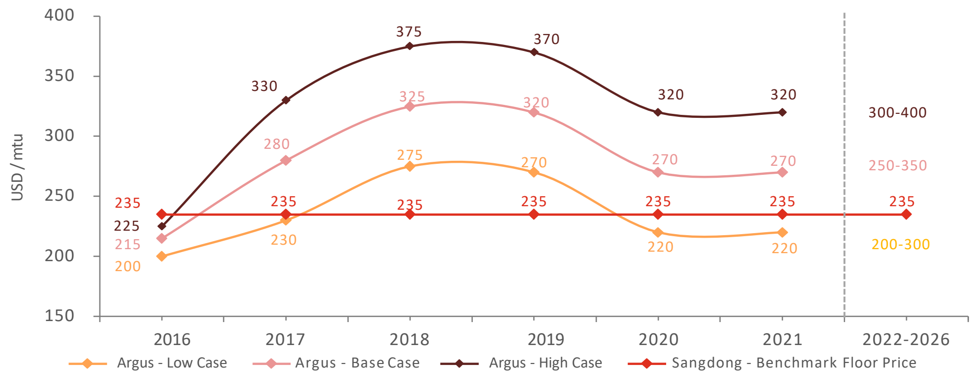
	AKT July 16, 2016				AKT Jan 15, 2018				
	Tonnes	Avg Grade	Contained WO3		Tonnes	Avg Grade	Contained WO3		%Increase
Reserves		WO3	Tonnes	MTU		WO3	Tonnes	MTU	MTU
Proven & Probable	7,896,000	0.45%	35,532	3,553,200	5,822,000	0.41%	23870	2,387,020	32.82%
Mineralized Tailings	0	0.00%	0	0	0	0.00%	0	0	
Stockpiles	0	0.00%	0	0	0	0.00%	0	0	
Total	7,896,000	0.45%	35,532	3,553,200	5,822,000	0.41%	23870	2,387,020	32.82%
Resources (WO3 Cut-off 0.15%)									
Measured	0	0.00%	0	0	0	0.00%	0	0	
Indicated	8,029,000	0.51%	40,948	4,094,790	8,029,000	0.51%	40,948	4,094,790	0
Total	8,029,000	0.51%	40,948	4,094,790	8,029,000	0.51%	40,948	4,094,790	0
Inferred	50,686,000	0.43%	217,950	21,794,980	50,686,000	0.43%	217,950	21,794,980	0

- In addition to the **12.5 years of Proven & Probable Reserves** (at 640K tpa), approx. 58 million tons of 0.43~0.51% grade ore identified by Korea Tungsten are being classified as ‘Indicated & Inferred’ due to the loss of drilling cores – 90 years of LOM at 640K tpa
- Bigger than ‘Mittersill + Nui Phao + Los Santos + Panasqueira’ all combined
- 0.43~0.51% WO3 grade is one of the highest in the world (cf. 0.19% average grade of Chinese tungsten mines)
- **Stable Supply of Conflict-Free Material to Offtaker(s) for Generations to Come**

Sangdong - Project Risks & Mitigation

2. Price Risk

The Leaders in Tungsten



Floor Price (USD235/MTU, APT) Guarantee by a Global Tungsten Major

•Translates to **USD183/MTU**, WO3 65% concentrate price

- **Locked-in profits over USD106/MTU cash cost**

Guaranteed purchase volume of CAD750 mil over 15 years

Factors behind the 'Unprecedented' Floor Price Guarantee

•Almonty's track record of honoring existing offtake agreements

•Market insiders' insight on tungsten prices and the understanding of the distorted LMB tungsten pricing caused by 'China's spoil' in the past

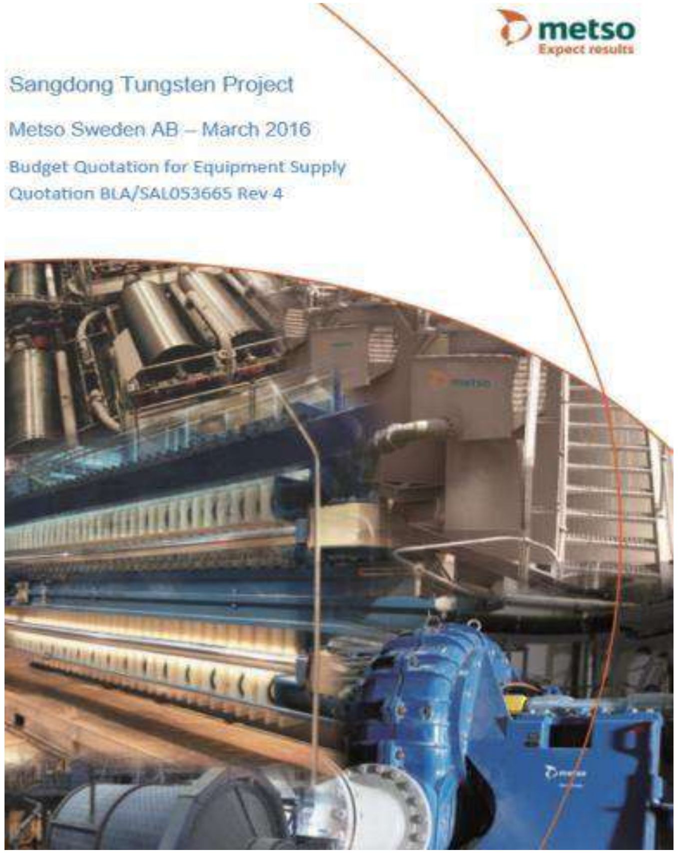
Sangdong - Project Risks & Mitigation

3. Execution Risk

<u>Construction and Completion Risks</u> are fully covered by:

❖ Completion & Performance Tests guaranteed by EPC Contractor (Fixed lump-sum guarantee of POSCO E&C, a top tier general contractor in Korea and wholly owned subsidiary of the world's 4th largest steel mill)

❖ Installation & Commissioning guaranteed by equipment suppliers (Metso & DH Tech)



Construction Performance Guarantee

(Name of Bank, Address)

Beneficiary: ALMONTY KOREA TUNGSTEN
a corporation duly organized and existing under the laws of Korea, with its principal office at 79-50 Jungsuk-gil, Gurae-ri, Sangdong-eup, Gangwon-do, Korea

Performance Test Guarantee

(Name of Bank, Address)

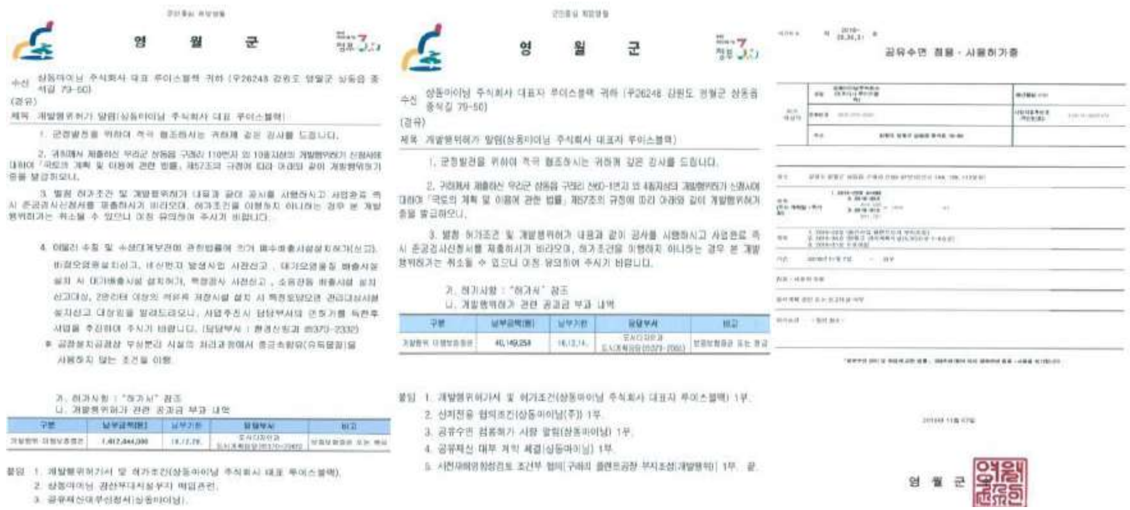
Beneficiary: ALMONTY KOREA TUNGSTEN
a corporation duly organized and existing under the laws of Korea, with its principal office at 79-50 Jungsuk-gil, Gurae-ri, Sangdong-eup, Gangwon-do, Korea

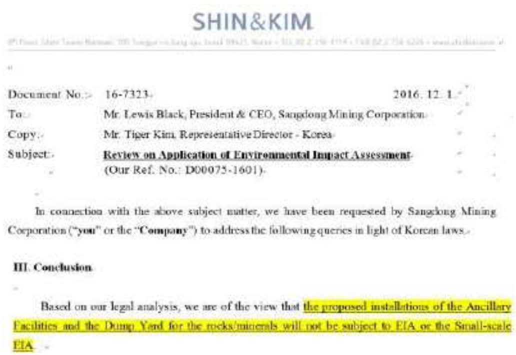
posco E&C

DHT 디에이치테크 주식회사
Cooling Tower & Water Treatment System

All Licenses & Permits in place:

- Mining concessions and exploration permits
- Exclusive use permit for mountainous areas
- Permit for development activities
- Permit for diversion of waterway and road
- Permit for occupation of public water
- Clearance on archeological or cultural heritage obstructions





SHIN&KIM

Document No.: 16-7323 2016. 12. 1.
To: Mr. Lewis Black, President & CEO, Sangdong Mining Corporation
Copy: Mr. Tiger Kim, Representative Director - Korea
Subject: **Review on Application of Environmental Impact Assessment**
(Our Ref. No.: D00075-1601)

In connection with the above subject matter, we have been requested by Sangdong Mining Corporation ("**you**" or the "**Company**") to address the following queries in light of Korean laws.

III. Conclusion

Based on our legal analysis, we are of the view that the proposed installations of the Ancillary Facilities and the Dump Yard for the rocks/minerals will not be subject to EIA or the Small-scale EIA.

Environmental Aspects:

- Free from all Korea Tungsten legacy liabilities, e.g. old tailings
- dams (in the hands of Mine Reclamation Corp)
- All facilities are to be built within the area classified as the Industrial Zone
- EIA completed despite the confirmation of the Ministry of
- Environment for 'No EIA requirement' for the Project
- Plant and facilities were designed and built in conformance
- with IFC/Equatorial Principle standards

Sangdong Project - Risks & Mitigation

	Profile of Risks	✓ Mitigation
1. Mineralization Risk	Reliability of Resource & Grade	✓ Extensive exploration by KTMC/KORES (83Km long, 863 holes) and USD30 m⁺ spent for drilling between 2006 and 2017 (43km long, 527 holes) ✓ Four NI43-101 compliant feasibility studies between 2012 and 2016 ✓ KTMC's historical performance (650K⁺ tpa mining, 300K mtu/year production)
2. Price Risk	Price Fluctuation; Selling Risks	✓ 15 year offtake agreement with a global leader of tungsten ✓ Guaranteed Floor Price ($183/mtu) over $106/mtu cost ✓ Other consumers vying for the balance or incremental volume from expansion (640K -> 1.2m tpa)
3. Execution Risk	Cost Overrun, Delay, Commissioning Risks	✓ Fixed lump-sum turnkey by POSCO, Korea's top notch EPC contractor ✓ Liquidated Damage compensation by POSCO in case of delay ✓ Commissioning guaranteed by main equipment suppliers (Metso) ✓ Insurance coverage up to 12 months delay (Marsh)
4. Social & Political Risk	Environmental, Social, Political Risks	✓ All permits obtained ✓ EIA, SIA and ESMP in place despite EIA/SIA exemption ✓ Supportive community and permitting authorities ✓ Government support – tax benefits, subsidies, no NSR

Sangdong Project Management Team

Lewis Black – *Director, President and CEO*

Over 10 years experience in the tungsten mining industry

Former Chairman and CEO of Primary Metals

Former Vice President of the International Tungsten Industry Association (ITIA)

Antonio Correa de Sa – *Vice Chairman*

47 years experience in mining with 24 years in tungsten mines

CEO, Panasqueira Mine (Beralt) Project Supervisor

Tiger Kim – *Country Representative (Korea)*

25 years experience in IB (Morgan Stanley, Citicorp, Salomon) with specialty in the resource sector

Project Controller, CEO, Sangdong Mining (2010~2013)

Nuno Alves – *Director of Mining*

Mining Engineer with 20+ years experience in underground and open pit operations

Orchestration and supervision of mining plans

Emil Corfu –*Director of Plant Management*

20+ years experience in mine plant construction and operation; ex-Metso

Responsible for engineering, construction and operation of processing plants

Eduardo Crespo – *Director of Metallurgy*

15+ years experience in scheelite floatation Professor of Metallurgy at university Orchestration of Metallurgy/Processing

Paulo Ferraz – *Director of Geology*

20+ years experience in geology

Supervision of Sangdong exploration and resource modeling

Miguel Pinto – *Construction Supervision*

13 years experience in mine management and construction supervision

Site management of Los Santos/Panasqueira

Sangdong Project – Recent Developments

Key Contracts Signed

•EPC Contract with POSCO E&C *(December 26, 2017)*

•Offtake Agreement with a leading global tungsten offtaker *(March 2018 and extension thereon)*: 15 Yrs, CAD750 mil guaranteed volume with Floor price of U$235 (APT)

•Site Clearance Contract & Demolition Works *(completed in July 2018)*

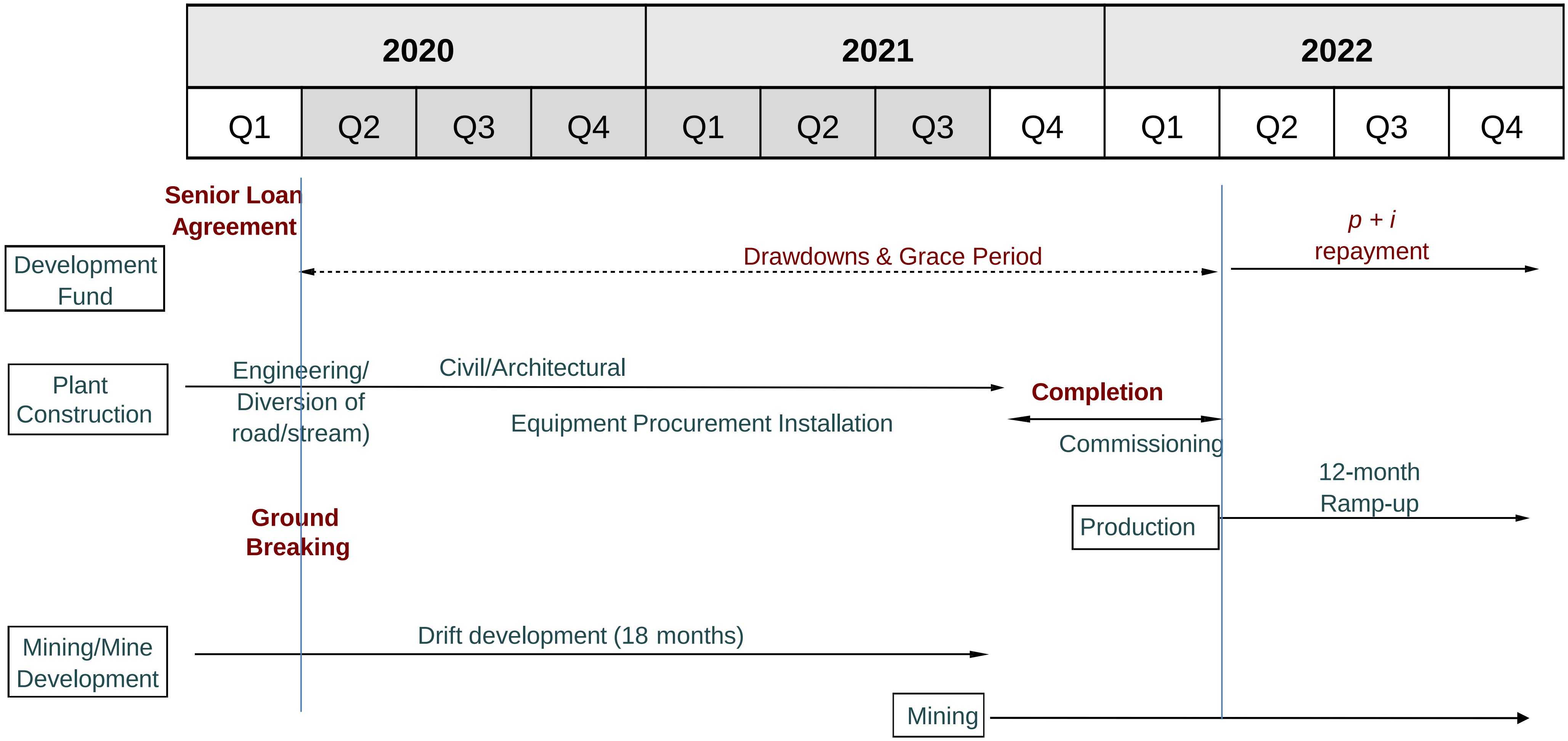
•Mine Development in Progress since November 2018

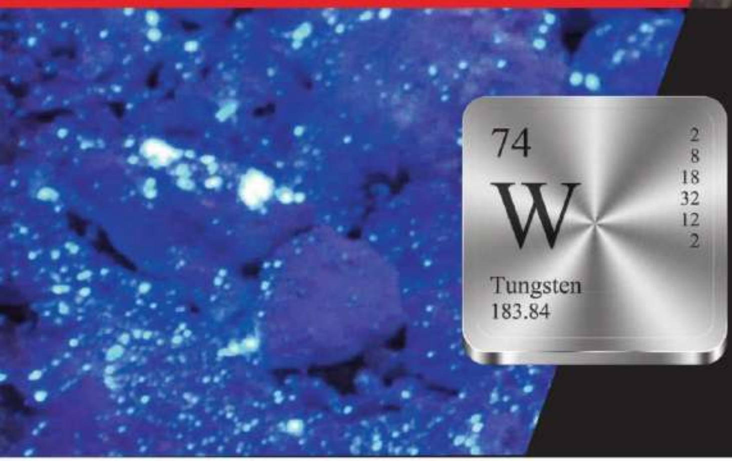
•Technical Licensing Agreement with KIGAM on Floatation Technology & Pilot Plant Subsidy *(April 30, 2018)*

•Power Supply Agreement with KEPCO *(May 29, 2019)*

Sangdong Mine - Key Milestones Ahead

The Leaders in Tungsten





IV. Financing Structure and Financial Projection

Sangdong Mine – State of Funding

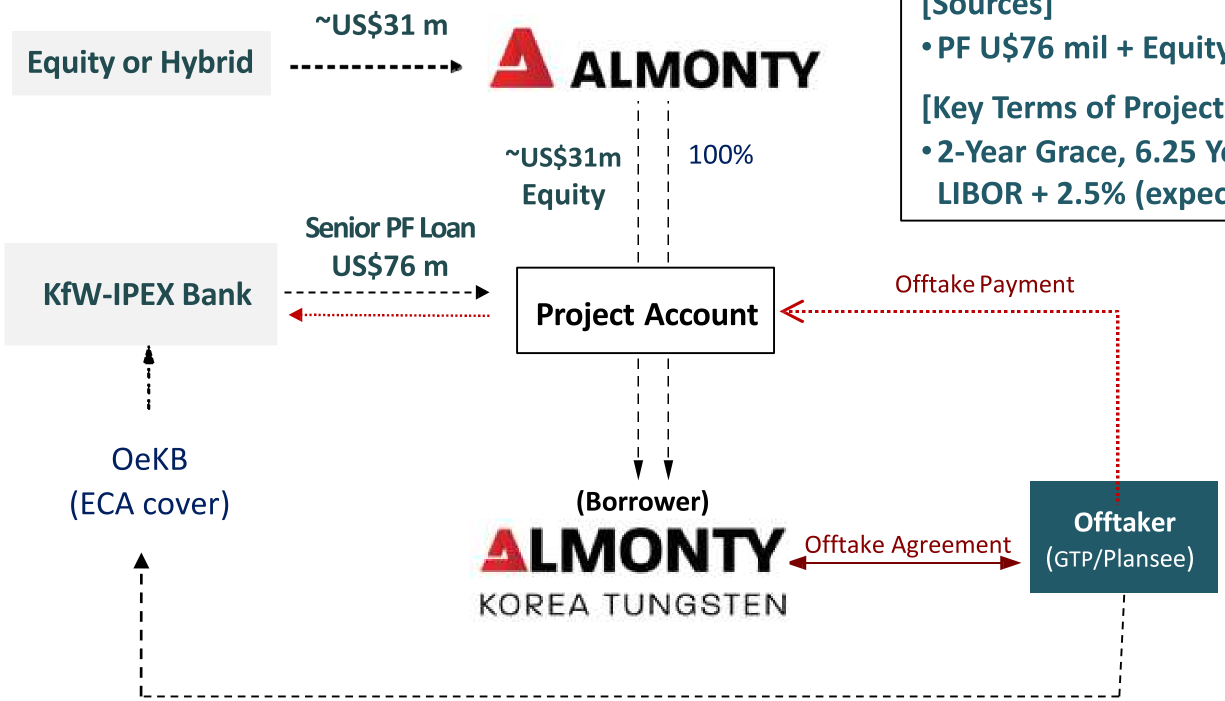
Financing Secured with a Binding Commitment from the Lending Bank

- Senior Project Finance Loan (U$76 mil) was secured with KfW IPEX-Bank's Commitment Letter issued and disclosed on January 23, 2020

[Uses]
- Total CAPEX : U$80 mil (incl. contingency)
- DSRA, IDC, ECA Premium & Financing Cost : U$27 mil

[Sources]
- PF U$76 mil + Equity U$31 mil

[Key Terms of Project Finance]
- 2-Year Grace, 6.25 Year Installment Payment, Interest 3M LIBOR + 2.5% (expect to be lowered upon ECA issuance)



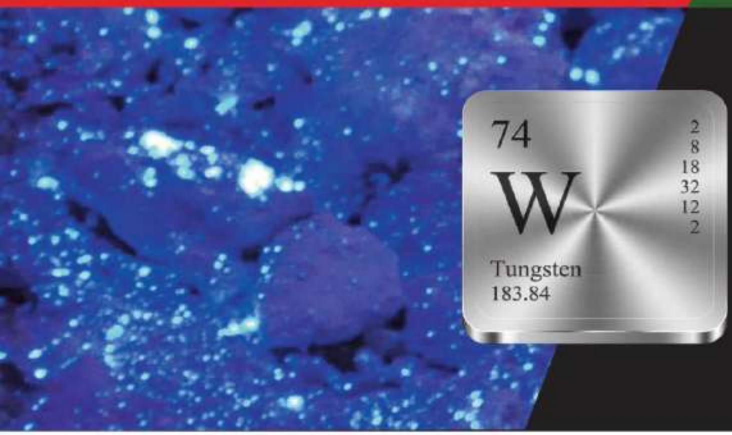
Sangdong Project – Financial Projection

10 Year Pro Forma – Sangdong Mine

	Pre-production		Operation							
(in US$000s)	-2	-1	1	2	3	4	5	6	7	8
	2020 F	2021 F	2022 F	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	2029 F
Revenue	**$0**	**$1,807,665**	**$49,042,995**	**$63,899,374**	**$61,172,207**	**$62,254,243**	**$62,388,534**	**$62,119,888**	**$62,486,420**	**$62,615,796**
Operating Costs										
Ore mining costs	$0	$589,174	$10,569,609	$14,093,711	$14,669,289	$14,599,431	$14,323,236	$14,418,371	$14,928,491	$14,347,992
Processing costs	$0	$228,402	$6,292,705	$8,198,926	$8,231,674	$8,243,314	$8,261,096	$8,225,523	$7,094,977	$7,109,667
G&A costs	$575,000	$640,000	$2,174,530	$2,833,250	$2,844,567	$2,848,589	$2,854,734	$2,842,441	$3,174,921	$3,181,495
Total Operating Costs	$575,000	$1,457,576	$19,036,843	$25,125,887	$25,745,530	$25,691,334	$25,439,066	$25,486,335	$25,198,389	$24,639,154
EBITDA	**($575,000)**	**$350,089**	**$30,006,152**	**$38,773,487**	**$35,426,677**	**$36,562,909**	**$36,949,468**	**$36,633,552**	**$37,288,031**	**$37,976,642**
Depreciation	$0	$0	$10,542,838	$10,847,955	$10,847,955	$10,918,025	$11,141,100	$11,420,457	$11,947,192	$1,809,626
Cash Taxes	$0	$0	$2,307,191	$6,757,979	$5,948,051	$6,206,062	$6,245,625	$6,101,569	$6,132,483	$8,752,418
Cash Flow From Operations	**($575,000)**	**$350,089**	**$27,698,960**	**$32,015,508**	**$29,478,626**	**$30,356,847**	**$30,703,843**	**$30,531,983**	**$31,155,548**	**$29,224,224**
Capex (PPE additions)	$35,908,173	$37,891,693	$0	$0	$0	$0	$0	$0	$0	$0
Sustaining CAPEX	$0	$0	$2,135,822	$0	$490,489	$1,561,521	$1,955,503	$3,687,141	$2,836,907	$0
Free Cash Flow (After Tax)	**($36,483,173)**	**($37,541,604)**	**$25,563,138**	**$32,015,508**	**$28,988,138**	**$28,795,326**	**$28,748,340**	**$26,844,843**	**$28,318,641**	**$29,224,224**

10 Year Pro Forma – Almonty Combined

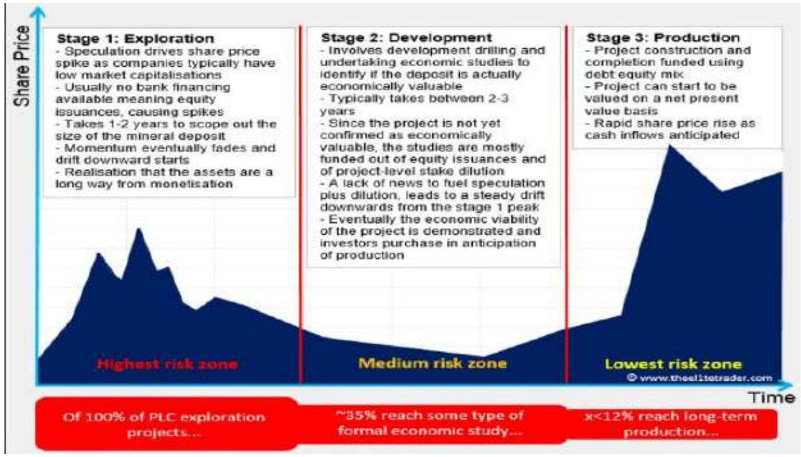
(in USD 000s, except where noted)	2020 F	2021 F	2022 F	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	2029 F
Revenue	**$38,101,870**	**$40,043,933**	**$87,458,931**	**$133,160,419**	**$127,466,240**	**$113,345,280**	**$112,600,080**	**$117,608,379**	**$89,399,107**	**$89,528,483**
Cash Operating Costs										
Mining costs	$9,778,539	$10,367,713	$25,565,443	$32,016,814	$29,738,689	$29,493,746	$28,239,543	$26,608,523	$24,707,030	$24,126,532
Milling and processing costs	$9,481,249	$9,691,295	$15,755,597	$22,640,033	$22,658,464	$17,892,131	$17,909,913	$17,874,341	$11,747,870	$11,762,560
Tailings transport & deposition (LS)	$2,387,805	$2,387,805	$2,387,805	$2,387,805	$2,387,805	$0	$0	$0	$0	$0
G&A Costs	$6,047,225	$6,105,137	$7,639,666	$9,962,914	$9,969,443	$8,126,774	$8,132,919	$8,120,626	$6,782,658	$6,789,232
Almonty HO Expenses/Compensation	$1,968,750	$1,968,750	$1,968,750	$1,968,750	$1,968,750	$1,968,750	$1,968,750	$1,968,750	$1,968,750	$1,968,750
Total Cash Operating Costs	**$29,663,568**	**$30,520,700**	**$53,317,262**	**$68,976,316**	**$66,723,151**	**$57,481,401**	**$56,251,124**	**$54,572,240**	**$45,206,308**	**$44,647,073**
EBITDA	**$8,438,302**	**$9,523,233**	**$34,141,669**	**$64,184,103**	**$60,743,089**	**$55,863,878**	**$56,348,955**	**$63,036,139**	**$44,192,799**	**$44,881,409**
Depreciation +accreation+inventory +/-	$4,709,035	$4,527,357	$14,884,257	$15,220,020	$18,487,404	$22,977,610	$23,200,684	$23,480,042	$15,185,062	$5,047,496
Interest	$115,354	$0								
Taxes	$737,548	$813,676	$3,203,018	$11,651,343	$9,991,767	$7,640,884	$7,705,076	$9,311,795	$6,673,683	$9,293,618
Net Profit	**$2,876,365**	**$4,182,200**	**$16,054,394**	**$37,312,740**	**$32,263,918**	**$25,245,385**	**$25,443,195**	**$30,244,303**	**$22,334,054**	**$30,540,296**

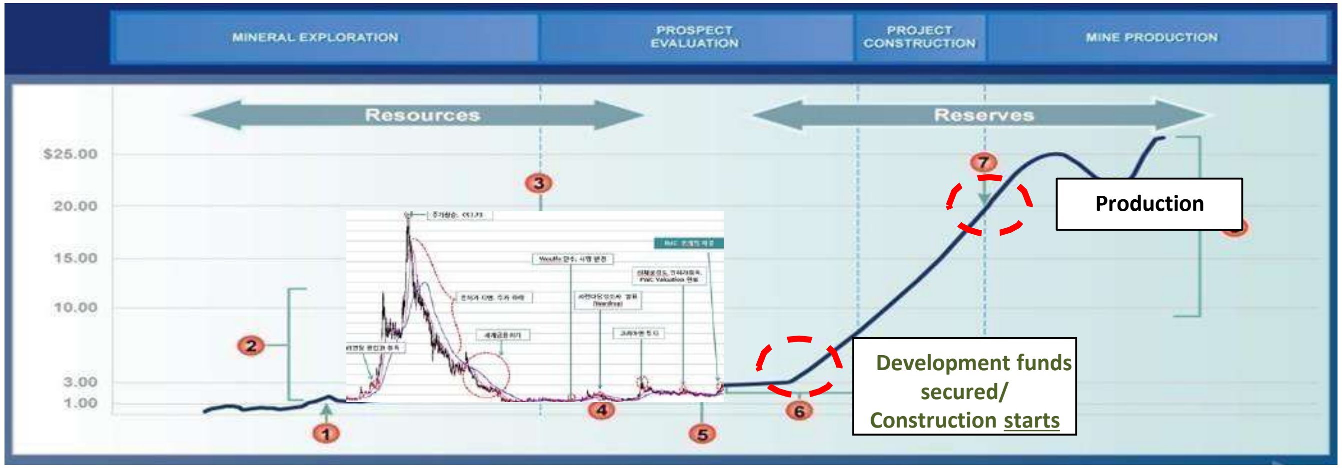


V. Conclusion

To Conclude …

- **Classic pattern of mining stocks:** **Phase 1** High Risk (Exploration) -> **Phase 2** Medium Risk (Development - Economic viability studies, Share price dilution from share offerings, Only ~35% pass this stage) -> **Phase 3** **Low Risk (Secured development funds and project construction, Only ~12% reach this stage)**





To Conclude …

The Leaders in Tungsten

HALLGARTEN & COMPANY

Metals Review February 26, 2018

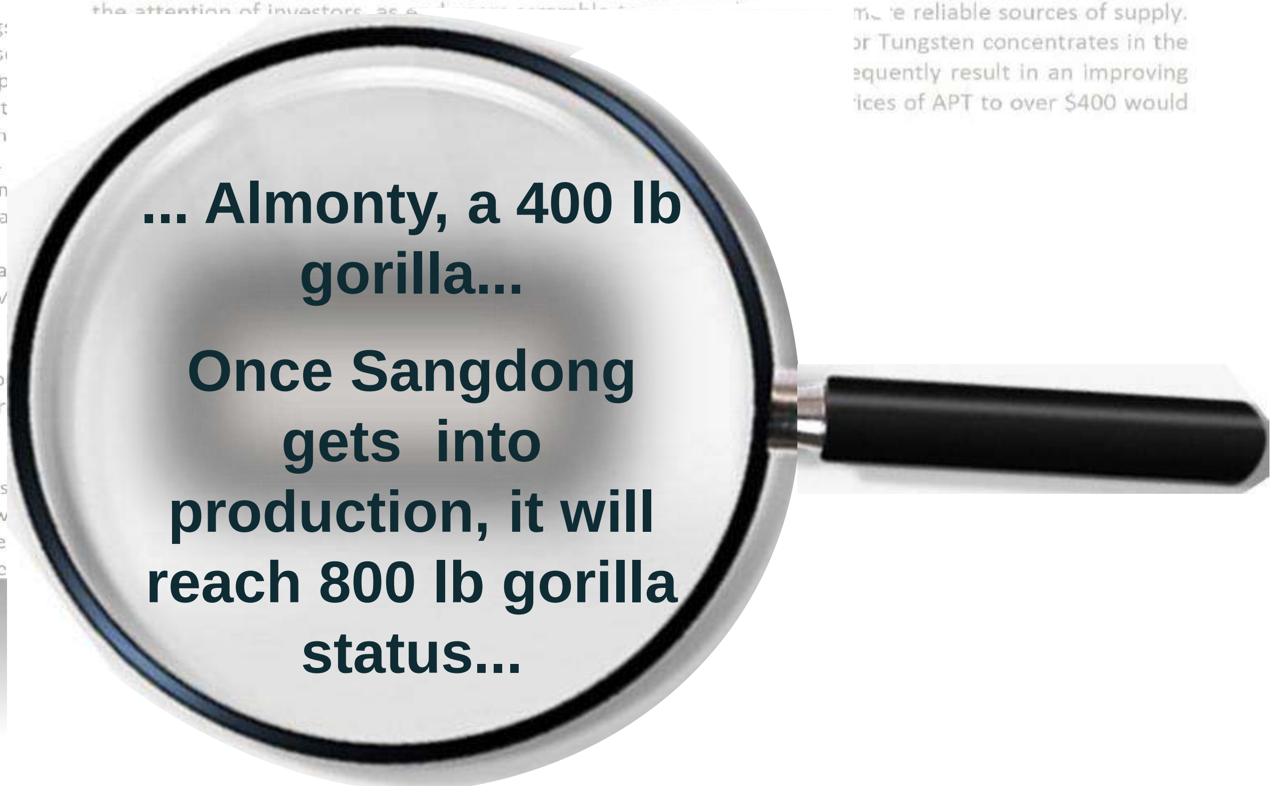
In sharp contrast to the many other specialty metals, the end users in the Tung:
aware of their vulnerability in the supply chain. Not unsurprisingly the major us
and secure their upstream (as per our mantra in specialty metals "Secure Thy Up
Sandvik, the major toolmaker, acquired, back in 2009, Wolfram Bergbau- und Hüt
Austrian producer and supplier of tungsten products which operates a refinin
tungsten carbide, including a chemical plant for recycling tungsten material, in St.
operated a mine and ore dressing plant in Mittersill, Austria. WBH is active within
since 1975 and offers tungsten carbide and tungsten metal powders. Sandvik ha
global customer base since many years. Tungsten carbide is the primary raw
carbide, and therefore the acquisition of WBH is of long-term strategic importa
also has taken a significant stake (alongside Resource Capital Funds) in Wolf M
Hemmerdon project in the UK).

Almonty's survival and expansion has been encouraged by European machine to
pay over the "market" price for APT to ensure that Almonty survived and prosper
the inevitable Chinese near-monopoly if it had gone under.

Western machine tool makers are particularly vulnerable to supply disruptions as
making a major push into the tool space and thus we might tactfully say that it w
of Chinese toolmakers to have foreign competitors experience supply proble
tungsten mines. If any investors doubt that that might happen then they would be

Tungsten, in theory, should be a bellwether of industrial activity, more than virtually any other metal, as it is directly levered into machine-tool manufacturing as the swing factor in its demand (the relatively non-variable part being lighting uses). However, the "spoiler" here is China which distorts the Tungsten market much as it has distorted so many others. Now we have a situation where industrial demand is recovering making it harder for China to maintain low prices (to maintain its dominance). Moreover China's attempts to overrun the machine tool sector through its Tungsten dominance have put Western manufacturers of this equipment on notice that they need guaranteed non-Chinese supplies to evade predatory Chinese manouevres.

For the first time since 2010 there now exists a window of opportunity for Tungsten developers to catch
the attention of investors ... re reliable sources of supply.
... or Tungsten concentrates in the
... equently result in an improving
... ices of APT to over $400 would



www.almonty.com
ALMONTY

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