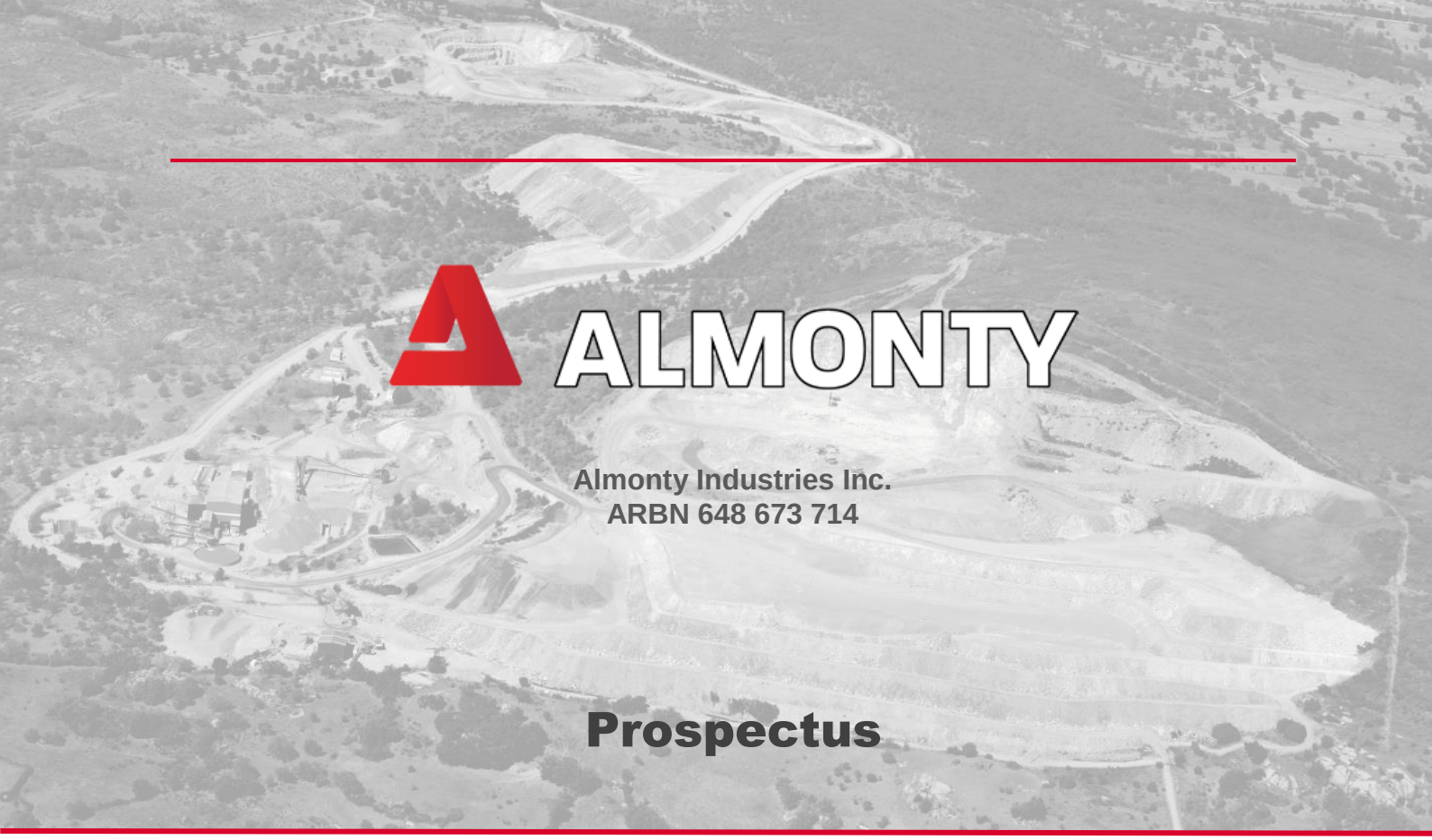


ALMONTY

Almonty Industries Inc.
ARBN 648 673 714

Prospectus

For an offer of up to 25,000,000 CDIs at an issue price of A$1.00 each to raise up to $25,000,000

IMPORTANT NOTICE

This document has been primarily issued to provide information on the public offer of CDIs over fully paid ordinary shares in the capital of Almonty Industries Inc. This document is important and should be read in its entirety. If, after reading this Prospectus you have questions about the CDIs being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

An investment in the securities offered by this Prospectus should be considered as speculative

Important Information

This Prospectus is dated 8 June 2021 (**Prospectus Date**) and has been prepared by Almonty Industries Inc. (**Almonty** or the **Company**), a public company incorporated in Canada. The information presented in this Prospectus is in connection with Almonty's secondary listing to the Official List of the Australian Securities Exchange (**ASX**). This Prospectus has been lodged with the Australian Securities and Investments Commission (**ASIC**) simultaneously with a request for admission to the ASX.

The Offer

The Offer contained in this Prospectus is an initial public offering (**IPO**) for the purpose of Chapter 6D of the Corporations Act to acquire CDIs.

Each CDI will represent one underlying Share. The Shares offered under this Prospectus will be issued to investors in the form of CDIs so that those investors may trade the shares on ASX and settle the transactions through CHESS. Please note that in this Prospectus, the terms "Shares" and "CDI" may be used interchangeably, except where the context requires otherwise.

Refer to Section 9 for further information on the Offer, including as to details of the securities that will be issued under this Prospectus.

Lodgement and listing

This Prospectus is dated as at the Prospectus Date and was lodged with ASIC on that date.

Almonty will apply to the ASX within seven days of this Prospectus Date for admission to the Official List and for quotation of CDIs on the ASX. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

No CDIs will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date (**Expiry Date**). No CDIs will be issued or sold under this Prospectus after the Expiry Date.

ASX

Almonty has applied to the ASX for admission to the Official List and for Official Quotation of the CDIs on issue at the date of this Prospectus. A copy of the Prospectus has been lodged with ASX. The fact that the ASX may admit Almonty to its Official List is not to be taken in any way as an indication of the merits of Almonty. ASX accepts no responsibility for the contents of this Prospectus or for the merits of an investment in Almonty.

Admission to the Official List of the ASX, and Official Quotation of the CDIs, if granted, pursuant to this Prospectus, will commence as soon as practicable after ASX requirements for listing on the ASX have been met.

No guarantee can be given that Almonty will be granted admission to the Official List of the ASX or that the CDIs will be granted Official Quotation.

Almonty has applied for certain relief from ASX in respect of a number of ASX Listing Rule requirements, further details of which are set out in Section 10.13.

TSX

Almonty is already listed on the TSX and its Shares are quoted on the TSX. As a consequence, Almonty is bound by the TSX Listing Rules, including its principles of disclosure. If accepted for listing by ASX, Almonty will continue to be bound by the TSX Listing Rules and the ASX Listing Rules.

TSX has not examined or approved this Prospectus and accepts no responsibility for any statement contained herein.

This Prospectus is intended to be read in conjunction with the publically available information released by Almonty to TSX in connection with TSX's principles of disclosure under the TSX Listing Rules. Investors should have regard to the information lodged with TSX as well as the information contained in this Prospectus. As a listed company, Almonty is subject to disclosure obligations which require it to notify certain material information to TSX for the purpose of that information being made available to participants in TSX. A copy of this information may be found on its website at https://money.tmx.com/en/quote/AII/company under the ticker code AII.

Corporations Act does not apply

Almonty is continued under the *Canada Business Corporations Act* (**CBCA**) and is registered as a foreign company under the *Corporations Act 2001* (Cth) (**Corporations Act**). It is not incorporated under the laws of Australia.

As Almonty is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the CBCA.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs (including financial and tax issues) of any prospective investor.

Consider risks of investments

It is important that you read this Prospectus carefully and in full before deciding whether or not to invest in Almonty. In particular, in considering the prospects of Almonty you should consider any forward looking statement, together with the risk factors that may affect Almonty's business, financial condition and results of operations. Some of the risk factors that should be considered by prospective investors are set out in Section 6 of this Prospectus. You should consider these factors carefully in light of your investment objectives, financial situation and particular needs (including financial and taxation issues). There may be risk factors in addition to these that should be considered in light of your personal circumstances. If you have any queries in connection with this Prospectus or in relation to an investment in Almonty, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether or not to invest in the CDIs.

Disclosing entity

If admitted to the Official List, Almonty will be a disclosing entity for the purposes of the Corporations Act and, as such, will be subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Disclaimer

Except as required by law, and only to the extent so required, neither Almonty, nor any other person warrants or guarantees the future performance of Almonty, the repayment of capital by Almonty, or the payment of a return on the CDIs made pursuant to this Prospectus.

To the maximum extent permitted by law, Almonty, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise to persons who sell or trade CDIs before receiving a holding statement, even if such persons received confirmation of allocation from the Offer Information Line or confirmed their firm allocation through a broker.

No person is authorised to give any information or to make any representation in connection with the Offer which is not included in this Prospectus. Any information or representation not included in this Prospectus may not be relied on as having been authorised by Almonty, the Directors or any other person involved in the preparation of this Prospectus or the making of the Offer. In making any investment decision, you should rely only on the information in this Prospectus.

Exposure Period

The Corporations Act prohibits Almonty from processing applications to acquire CDIs under this Prospectus (**Applications**) in the seven-day period after lodgement of this Prospectus with ASIC (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

JORC Competent Person Statement

The information in this Prospectus, which relates to Mineral Resource and Ore Reserve estimates, is based on information compiled by Mr Adam Wheeler, C.Eng., Independent Mining Consultant. Mr Wheeler is an independent self-employed mining consultant and is a Fellow of the

Institute of Materials, Minerals and Mining. Mr Wheeler has the relevant qualifications, experience and independence to be considered a Competent Person as defined in the JORC Code.

Technical information

The disclosure contained in this Prospectus of a scientific or technical nature, including disclosure of Mineral Resource and Ore Reserve estimates, are based on the Independent Technical Assessment Reports at Appendix D, Appendix E, Appendix F, and Appendix G of this Prospectus prepared by Adam Wheeler, C.Eng in accordance with the 2012 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**).

The actual determination of mineral products within reported mineral resources has inherent risk, due to inherent uncertainties in acceptable estimating and sampling techniques. In particular, inferred mineral resources have a greater amount of uncertainty as to their existence and potential economic impact and legal feasibility. It should not be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category of resource. Mineral Resources that are not converted into Ore Reserves do not have demonstrated economic feasibility. Investors should not assume that all or any part of the mineral deposits in any resource category will ever be converted into Proven or Probable Reserves.

Obtaining a copy of this Prospectus

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at https://almonty.com/ for Australian investors only. Application Forms will not be made available until after the Exposure Period has expired.

During the period that the Offer is open, this Prospectus is available to Australian investors in electronic form at https://almonty.com/. The Offer constituted by this Prospectus in electronic form is available only to persons within Australia. It is not available to persons in other jurisdictions (including the United States) in which it would not be lawful to make such an offer or invitation. If you access the electronic version of this Prospectus, you should ensure that you download and read this Prospectus in its entirety.

You may, before the close of the Offer, obtain an electronic copy of this Prospectus by visiting https://almontyipo.thereachagency.com or by telephoning the Offer Information Line on 1300 219 448 (from within Australia) or +61 3 9415 4327 (from outside of Australia) from 6.30am to 3.00pm AWST, Monday to Friday, excluding public holidays (**Business Days**).

Applications for CDIs may only be made during the period the Offer is open, on an application form attached to or accompanying this Prospectus. Refer to Section 9.4 and the Application Form for further information.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Statements of past performance

This Prospectus includes information regarding the past performance of Almonty. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial information and amounts

Section 4 of this Prospectus sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is also set out in Appendix A.

All references to FY appearing in this Prospectus are to the financial year ended or ending, 31 December, unless otherwise indicated.

The Financial Information is presented on both an actual and pro forma basis and has been prepared and presented in accordance with the recognition and measurement principles of IFRS, which are consistent with interpretations issued by the IASB.

The Financial Information is presented in abbreviated form. It does not include all of the presentation and disclosures required by the IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the

information contained in Section 4 and Appendix A.

All financial amounts contained in this Prospectus are expressed in Canadian dollars (CA$ or $) unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

An exchange rate of A$1:CA$0.9378 has been used throughout the Prospectus except where expressly noted otherwise.

Financial statements prepared in future periods will be prepared and audited in accordance with IFRS. Preparation of the Financial Information and future financial statements in accordance with IFRS ensures compliance with Australian Accounting Standards.

Non-IFRS financial information

Investors should be aware that certain financial data included in this Prospectus is “non-IFRS financial information” under Regulatory Guide 230 Disclosing non-IFRS financial information, published by ASIC. Almonty believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of Almonty. The non-IFRS measures do not have standardised meanings prescribed by Australian Accounting Standards and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

The Financial Information in this Prospectus should be read in conjunction with and is qualified by reference to the information contained in Section 4 and Appendix A.

Investigating Accountant’s Report

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act (**Financial Services Guide**). The Investigating Accountant’s Report and accompanying Financial Services Guide are provided in Appendix C.

Forward Looking Statements

This Prospectus contains certain "forward looking statements" which may be identified by words such as “believes”, “considers”, “could”, “estimates”, “expects”, “intends”, “may”, “anticipate,” “likely,” “should”, “predict,” “plan,” “propose,” “will,” “forecast,” “target” and other similar words that involve risks and uncertainties. Certain statements, beliefs and opinions contained in this Prospectus, particularly those regarding the possible or assumed future financial or other performance of Almonty, industry growth or other trend projections and those that address future expectations of demand and supply of tungsten are or may be forward-looking statements.

Any forward looking statements are subject to various known and unknown risk factors that may cause Almonty's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Almonty's or its Directors. Forward looking statements should be read in conjunction with, and are qualified by reference to, risk factors as set out in Section 6 and other information in this Prospectus.

Almonty cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Almonty has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except to the extent required by law.

The forward-looking statements in this Prospectus reflect the current expectations, assumptions or beliefs of Almonty based upon information currently available to Almonty. With respect to forward-looking statements contained in this document, assumptions have been made regarding, among other things, the reliability of information prepared and/or published by third

parties that is referenced in this document or was otherwise relied upon by Almonty in preparing this document. Although Almonty believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct as actual results or developments may differ materially from those projected in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include unforeseen technology changes that results in a reduction in tungsten demand or substitution by other metals or materials, the discovery of new large low cost deposits of tungsten and the general level of global economic activity. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof.

This Prospectus uses market data, industry forecasts and projections. Almonty has obtained significant portions of this information from market research and commentary prepared by third parties. There is no assurance that any of the forecasts or forward looking information contained in the reports Almonty surveys and research of such third parties that are referred to in this Prospectus will be achieved. Almonty has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the key risk factors in Section 6.

Selling restrictions in foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the CDIs or the Offer, or to otherwise permit a public offering of CDIs, in any jurisdiction outside Australia except to the extent permitted below.

The taxation treatment of Australian securities, including the CDIs, may not be the same as those for securities in jurisdictions outside Australia. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

This Offer to New Zealand investors is a regulated offer made under the mutual recognition provisions in Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the *Corporations Regulations 2001* (Cth). In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 (NZ) and Part 9 of the Financial Markets Conduct Regulations 2014 (NZ).

This Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. The Corporations Act and the Corporations Regulations set out how the Offer must be made.

There are differences in how securities and financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australia financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial market regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (https://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not in New Zealand dollars. The value of the financial products will go up or down according to changes

in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the CDIs.

The CDIs may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Canada

Prospective Canadian investors are advised that the information contained within this Prospectus has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisors concerning the information contained within the Prospectus and as to the suitability of an investment in the Shares in their particular circumstances.

The offer and sale of the Shares in Canada will only be made in the provinces of Alberta, British Columbia, Ontario and Quebec or to residents thereof and not in, or to the residents of, any other province or territory of Canada (**Relevant Canadian Provinces and Territories**). Such offers and sales will be made only under exemptions from the requirement to file a prospectus with the securities regulators in the Relevant Canadian Provinces and Territories and will be made only by authorised dealer representatives that are properly registered under the laws of the Relevant Canadian Provinces and Territories or, alternatively, are entitled to rely on exemptions from the dealer registration requirements in the Relevant Canadian Provinces and Territories.

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain of the Relevant Canadian Provinces and Territories may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the CDIs be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of CDIs in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

No cooling off rights

Cooling off rights do not apply to an investment in CDIs offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets or products shown in them are, or on Completion will be, owned, sold or supplied by Almonty. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Documents available on website

Any references to documents included on Almonty's website at https://almonty.com/ are provided for convenience only, and none of the documents or other information available on the website or any other website referred to in the sources contained in this Prospectus, is incorporated in this Prospectus by reference.

Applications

Applications for CDIs under this Prospectus may only be made during the Offer Period by completing an Application Form included in, or

accompanying, this Prospectus in its hard copy form, or in its electronic form which must be downloaded in its entirety from https://almonty.com/, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its hard copy form or the complete and unaltered electronic copy of this Prospectus.

Refer to Section 9.4 and the Application Form for further information.

Privacy

By filling out an Application Form to apply for CDIs, you are providing personal information to Almonty and the Share Registry, which is contracted by Almonty to manage Applications. Almonty, and the Share Registry on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration. If you do not provide the information requested in the Application Form, Almonty and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the CDIs you hold) to be included in the Share register of Almonty. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

Almonty and the Share Registry may disclose your personal information from time to time to inform you about other products and services offered by Almonty which they consider may be of interest to you. Your personal information may also be provided to Almonty's agents and service providers on the basis that they deal with such information in accordance with Almonty's privacy policy. The members, agents and service providers of Almonty may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared include those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- The Share Registry for ongoing administration of the share register;
- The Lead Manager in order to assess your Application;
- Brokers for the purpose of providing their services;
- Printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- Market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- Legal and accounting firms, auditors, contractors, management consultants and other advisers for the purpose of administering, and advising on, the CDIs and for associated actions.

Information contained in Almonty's Share Register is also used to facilitate corporate communications (including Almonty's financial results, annual reports and other information that Almonty may wish to communicate to its Shareholders) and compliance by Almonty with legal and regulatory requirements.

An applicant has a right to access, correct and update his or her personal information that Almonty and the Share Registry hold about that person, subject to certain exemptions under law. A reasonable fee may be charged for access. Access requests must be made in writing or by telephone call to the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus. Almonty will aim to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Share Registry if any of the details you have provided change.

Applicants can obtain a copy of Almonty's privacy policy by visiting the Almonty website https://almonty.com/privacy-policy/. By

submitting an Application, you agree that Almonty and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer.

Use of trademarks

This Prospectus includes Almonty's trademarks. All other trademarks, trade names and service marks appearing in this Prospectus are the property of their respective owners.

Defined terms, abbreviations and time

Capitalised terms used in this Prospectus have the specific meaning given to them in the Glossary Section in Section 11.

Unless otherwise stated:

- any reference to dollars, $ or cents refers to Canadian dollars and cents;
- any references to dates and times are to dates and times in Australia;
- all data contained in charts, graphs and tables is based on information available at the date of this document; and
- all numbers are rounded unless otherwise indicated.

Questions

If you have any questions about this Prospectus or how to apply for CDIs, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. Instructions on how to apply for CDIs are set out in Section 9.4 and on the Application Form. Alternatively, please contact the Offer Information Line on 1300 219 448 (toll free from within Australia) or +61 3 9415 4327 (from outside of Australia) between 6.30am and 3.00pm AWST, Business Days during the Offer Period.

Offer management

This Offer is managed by Lazarus Corporate Finance Pty Ltd ACN 149 263 543 (**Lazarus** or **Lead Manager**).

This document is important and should be read in its entirety before making any investment decision.

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Letter from Director, President and Chief Executive Officer

8 June 2021

Dear Investor,

On behalf of the Board, I am pleased to invite you to consider becoming a Shareholder of Almonty as it embarks on its proposed listing on the ASX.

The principal business of TSX-listed Almonty is the mining, processing and shipping of tungsten concentrate from its Los Santos Mine in Western Spain, tin and tungsten from its Panasqueira Mine in Portugal as well as the re-opening of its Sangdong tungsten mine in Gangwon Province, South Korea and the Valtreixal tin and tungsten project in North Western Spain. The Sangdong Mine, which is one of the only long-life, high-grade tungsten deposits in the world, was formerly the world's largest tungsten mine accounting for 30% of South Korean GDP in the 1950's. The Company is aiming to have the Sangdong Mine in production by mid-2022.

The Sangdong Mine will supply major tungsten producer, GTP. This is supported by the 15 year offtake agreement that the Company has in place with GTP. The Company will look to further expand the output of the Sangdong Mine to continue to drive growth both in the tungsten deposit and the Moly deposit that has been identified in close proximity to the Sangdong Mine.

I am excited about the future of the Company, with its objective to further produce from its operational mines and develop its other projects. The Board considers that Almonty's projects will further expose and heighten the Company's profile as a leading mining and exploration company in the tungsten market

The purpose of the Offer is to raise up to A$25 million, by the issue of CDIs over fully paid ordinary Shares. A minimum of 15,000,000 CDIs will be issued, at an issue price of A$1 per CDI. The CDIs will be issued at a ratio of 1 CDI for 1 Share. The Offer is partially underwritten by Lazarus, for A$15 million.

The majority proceeds of the Offer will be utilised to finance the construction and completion of the Sangdong Mine. Together with project financing, the Sangdong Mine will be fully funded.

The information in this Prospectus contains detailed information about the financial and operating performance of the Company. It also includes a description of the key risks associated with an investment in the Company including political, litigation, regulatory, permits and permitting process, disruptions in processing, exploration, mining, insurance, environmental and COVID-19 risks. I encourage you to read this Prospectus carefully and in its entirety before making your investment decision.

On behalf of the Board, I invite you to consider this opportunity to invest in the Company, and look forward to welcoming you as a Shareholder.

Yours sincerely,



Lewis Black
Director, President and Chief Executive Officer

Key Dates

Description	Date
Prospectus Date	8 June 2021
Offer opens	17 June 2021
Offer closes	8 July 2021
Settlement (Completion of the Offer)	13 July 2021
Issue of CDIs under the Offer	15 July 2021
Expected despatch of holding statements and allotment confirmation advices (CDIs)	16 July 2021
Expected commencement of trading on the ASX	20 July 2021

Note: This timetable is indicative only and may change without notice.

The Company and the Lead Manager reserve the right to vary the dates and times, either generally or in particular cases, without notification (including, subject to ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the date the Offer closes, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any applicants). Almonty may accept Applications in its discretion, and the Offer remains open for it to do so, under this Prospectus until admission of Almonty to the Official List. If the Offer is cancelled or withdrawn before the allocation of CDIs, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

How to Invest

Applications for CDIs can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for CDIs are set out in Section 9.4 of this Prospectus and on the Application Form.

Questions

Please call the Offer Information Line on 1300 219 448 (toll free from within Australia) or on +61 3 9415 4327 (from outside of Australia) from 6.30am to 3.00pm AWST, Business Days. If you have any questions about whether to invest in Almonty you should seek professional advice from your financial adviser, stockbroker, lawyer, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest in the CDIs.

Key Offer Statistics

Securities offered under the Offer	CDIs
Ratio of CDIs per Share	1 Share for 1 CDI
Current Shares on issue	191,852,254
Offer Price per CDIs	A$1.00
Total number of CDIs available under the Offer	25,000,000
Gross proceeds of the Offer	A$25,000,000
Total number of Shares / CDIs on Completion (including CDIs issued)	216,852,254
Indicative Market Capitalisation at the Offer Price[1]	A$216,852,254
Pro forma net cash (as at 31 December 2020)[2]	CA$32,163,000
Enterprise value at the Offer Price[3]	A$308,480,659

[1] Indicative Market Capitalisation at the Offer Price is defined as Offer Price multiplied by the total number of Shares on Completion. However, based on Almonty's closing share price as at 7 June 2021, Almonty's market capitalisation is CA$239,815,318 based on the total number of Shares on issue multiplied by the current market price. For the avoidance of doubt, the number of Shares referenced to calculate the market capitalisation does not include the CDIs proposed to be issued under the Offer.
[2] Pro forma net cash is calculated as actual cash and cash equivalents as at 31 December 2020, plus the cash proceeds raised under the Offer, less the costs of the Offer. Refer to Section 4.6 for further details.
[3] Enterprise value at the Offer Price is defined as the Indicative Market Capitalisation at the Offer Price, plus pro forma debt and less pro forma net cash as at 31 December 2020.

1. Investment Highlights

1.1 Overview of Almonty

Topic	Summary
Who is Almonty?	Almonty is a TSX listed entity engaged in mining, processing and shipping of tungsten concentrate. Almonty was incorporated under the *Business Corporations Act* (British Columbia) in 2009 and was continued under the CBCA in 2012. Almonty conducts business from its head office in Toronto, Canada, and is a significant tungsten miner outside of China. Almonty specialises in acquiring distressed and underperforming operations and assets in tungsten markets. Almonty has strong in-house operational experience and expertise in the tungsten market. Almonty has four projects spanning across South Korea, Portugal and Spain. Of these projects, Almonty currently has one producing tungsten mine located in Portugal, one tungsten mine currently under planned care and maintenance in Spain and it is currently developing a significant tungsten mine outside of China via its flagship project in Sangdong, South Korea, which is set to begin production soon. Almonty also has a project in Spain which is currently in the licensing stage. For further information, refer to Section 3.1.
What is Almonty's history?	Almonty was incorporated in 2009 under the name "RCG Capital Inc." and its Shares were listed on the TSX-V under the ticker code "RCG.P" in 2010. The Company was renamed Almonty Industries in 2011 and began trading on the TSX-V on 28 September 2011 under the ticker code "AII.V". On 1 June 2018, Almonty completed a listing application and graduated to the TSX. On 12 July 2018, the Company began trading in the United States on the OTCQX under the symbol "ALMTF". Almonty is also listed on the Frankfurt Stock Exchange under the symbol "ALI.F". For further information, refer to Section 3.3.
What jurisdictions does Almonty operate in?	Almonty has projects in Portugal, Spain and South Korea. Almonty's head office is in Canada. Almonty has directors based in Canada, France, Korea, Germany and Australia. For further information, refer to Section 3.3.
What industries and markets does Almonty operate in?	Almonty operates in the mining industry via the exploration and production of tungsten concentrate. Tungsten has been defined by the European Union as a 'critical raw material' as a result of high supply-risk and high economic importance. Tungsten is used in a variety of industries including automotive, mining, industrial, energy, construction, aerospace and consumer. For further information, refer to Section 2.

Who are Almonty's competitors?	China is currently the leading global producer of tungsten and it has historically dominated the tungsten market via its production of tungsten concentrates and refined tungsten products with a market share of approximately 80%. As such, Chinese-based tungsten producers such as China Minmetals, China Molybdenum and Chongyi Zhangyuan Tungsten are Almonty's main competitors. Almonty's main non-Chinese competitors are Vietnamese-based producers such as the Masan Resources Corporation owned Nui Phao Mine, which is a large open pit mine located in north Vietnam. There are also other tungsten producers in Russia and Austria but their market share is not significant amounting to approximately 4.7% of global production. For further information, refer to Section 2.5.
Who are Almonty's customers?	GTP is one of Almonty's main customers. A considerable portion of the revenue earned by the Company's operations is derived from the products sold to GTP in accordance with the various supply agreements in place between the Company and GTP. Headquartered in the United States, GTP is a leading western supplier of tungsten. GTP has had a close working relationship with Almonty for many years with Almonty supplying tungsten ore concentrates for GTP to process into a variety of tungsten powders. The remaining portion of the Company's revenue is generated via its other supply agreements including via its various offtake agreements with Japanese based customers. These offtake agreements are granted annually on a spot basis. For further information, refer to Section 3.6 and 10.2.

1.2 Key Features of Almonty's Business Model

Topic	Summary
What are Almonty's key projects?	Through its wholly owned subsidiaries, Almonty currently owns two operational mines, being the Los Santos Mine located near Salamanca, Spain, which is currently in care and maintenance under a planned upgrade for tailings inventory processing, and the Panasquiera Mine in Covilha, Castelo Branco, Portugal. Almonty mines, processes and ships tungsten concentrate from these mines. Almonty's flagship project is its Sangdong Mine located in Gangwon Province, South Korea which is set to be in the production phase soon. The Sangdong Mine has a significant tungsten resource and, upon completion, which is expected to occur in or around mid-2022, will be a significant tungsten mine outside of China. Almonty also holds an investigation permit and exploitation permit for tin, tungsten and other metals over mining grids in North Western Spain, being the Valtreixal Project. For further information, refer to Section 3.5.
How does Almonty generate revenue and main expenses?	Almonty's key revenue is generated by: (a) the sale of tungsten, tin and copper concentrate from its producing Panasqueira Mine; and (b) previous revenues from the sale of tungsten concentrate from its Los Santos Mine which were produced from processed tailings when the Los Santos Mine was in production. The Los Santos Mine is currently in care and maintenance. The Company intends to start re-processing the tailings material in late 2021. Almonty's key costs are: (a) planned capital expenditures at the Sangdong Mine; (b) general operating costs at its Panasqueira Mine; and (c) the Company's consolidated overheads. For further information on Almonty's revenue and costs, refer to Section 4.
How does Almonty market and sell its products?	Almonty produces tungsten, tin and copper concentrates. Almonty markets its tin and copper products by consulting international and local smelters and enquiring about competitive selling conditions. Almonty selects its buyers by reviewing the pricing, treatment charges, penalty rates and term of payments imposed. Almonty negotiates its contracts with international tungsten customers at a competitive level. Given that there are only a few tungsten producers outside of China, the market is small. Almonty has developed long-term contacts within the market which allows it to market and sell its products effectively.

What are Almonty's key competitive advantages?	Almonty's key competitive advantages include: (a) being a substantial non-Chinese producer of tungsten; (b) its experienced team of tungsten miners; (c) its Sangdong Mine which is set to be a significant tungsten mine outside of China with a potential mine life of 90 years; (d) its tier 1 project finance, being the Sangdong Facility Agreement of USD$75.1 million secured with German KfW-IPEX Bank; and (e) its strong partnership and shareholder support. Almonty also has strong support from governments, off-takers and shareholders with its financing from Kfw-IPEX Bank, its government guarantee and its 15 year off-take agreement with GTP for the Sangdong Mine.
What is Almonty's growth strategy?	Almonty proposes to generate future cash flows from a 90+ year mine life from the Sangdong Mine. Almonty will be fully funded for the construction of the Sangdong Mine following entry into the Sangdong Facility Agreement and completion of the Offer. Following the acquisitions of the Sangdong Mine, the Panasqueira Mine and the balance of the Valtreixal Project, Almonty is now focused on optimising its current portfolio of tungsten mines and bringing its development projects online with a view to having four operating mines under its control. In addition, the Company routinely considers opportunities to acquire other tungsten projects. For further information, refer to Section 3.8.
What are the key aspects of Almonty's supply arrangements?	The key aspects of Almonty's supply arrangements include: (a) long-term agreements with reliable customers; and (b) provisional pricing arrangements for all material produced whereby the selling price for tungsten concentrate is calculated based on the adjusted prevailing monthly average price per MTU of APT as published by LMB on the date of shipment of the material. For further information, refer to Section 10.2.

1.3 Key Financial Information

<table>
<tr><th>Topic</th><th>Summary</th></tr>
<tr><td>What is Almonty's historical financial performance?</td><td>A condensed version of Almonty's Pro Forma Historical Income Statement is set out below. The financial information presented contains non-IFRS financial measures. It is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information set out in Section 4, including the assumptions and management discussion, as well as the key risks set out in Section 6.

<table>
<tr><th colspan="4">Pro Forma Historical Income Statement</th></tr>
<tr><th>CA$</th><th>FY18</th><th>FY19</th><th>FY20</th></tr>
<tr><td>Revenue</td><td>65,171</td><td>54,634</td><td>25,095</td></tr>
<tr><td>EBITDA</td><td>3,421</td><td>2,199</td><td>(5,148)</td></tr>
<tr><td>NPAT</td><td>(10,908)</td><td>(5,506)</td><td>(9,276)</td></tr>
</table>

<table>
<tr><th colspan="4">Statutory Historical Income Statement</th></tr>
<tr><th>CA$</th><th>FY18</th><th>FY19</th><th>FY20</th></tr>
<tr><td>Revenue</td><td>65,171</td><td>54,634</td><td>25,095</td></tr>
<tr><td>EBITDA</td><td>3,640</td><td>2,472</td><td>(4,929)</td></tr>
<tr><td>NPAT</td><td>(10,689)</td><td>(5,233)</td><td>(9,057)</td></tr>
</table>

For further information, refer to Section 4.</td></tr>
<tr><td>What is Almonty's dividend policy?</td><td>Subject to the CBCA, the Board may declare dividends payable to shareholders according to their respective rights and interests in the Company. Dividends may be paid via money, property or by issuing fully paid Shares and/or CDIs of Almonty (as the case may be).

For further details, refer to Section 4.9.</td></tr>
</table>

What will Almonty's capital structure be on Completion?

On Completion, Almonty will have 216,852,254 Shares on issue comprised of the following:

Shareholders	Number of Shares held at Prospectus Date	% of Shares held at Prospectus Date[4]	Number of Shares held on Completion	% of Shares held on Completion[5]
Directors and Leadership Team	65,149,839	34%	65,149,839	30.04%
Other Employees	Nil	Nil	Nil	Nil
Other Existing Owners	126,702,415	66%	126,702,415	58.43%
New Shareholders	Nil	Nil	25,000,000	11.53%
Total	**191,852,254**	**100%**	**216,852,254**	**100%**

Almonty's free float for the purposes of ASX Listing Rule 1.1 Condition 7 will not be less than 20%.

What material contracts with related parties is the Company a party to?

The Company has entered into the following related party transactions on arms' length terms:

(a) various intercompany loans between Almonty and various related parties, being its wholly owned subsidiaries, Daytal, Beralt Tin, BVI, Woulfe and AKTC in the aggregate amount of CA$69,818,755 as at the Prospectus Date;

(b) various debt instruments with DRAG, which is a public company listed on the Frankfurt Stock Exchange of which Non-Executive Director, Dr Thomas Gutschlag is CEO; and

(c) an Underwriting Agreement with Lazarus, whose managing director is current Non-Executive Director, Andrew Frazer.

For further information, refer to Sections 3.9, 3.10 and 10.4.

[4] Assumes 191,852,254 Shares as at the Prospectus Date.
[5] Assumes of 216,852,254 Shares on Completion.

1.4 Key Risks

Topic	Summary
Mineralisation Risk	Potential investors should be aware of the mineralisation risk associated with the Sangdong Mine, Panasqueira Mine and Valtreixal Project. Mineralisation and development is a high-risk undertaking and the reliability of resource and grade of mineralisation is purely speculative. There can be no assurance that exploration and development will result in the discovery of mineralised deposits. Even if a mineralised deposit is identified, there can be no guarantee that it can be extracted or economically exploited. For example, less than 1/3 of the tungsten deposit identified had been mined out of the Sangdong Mine at the time of its closure in 1992.
Price Risk	The price of tungsten is volatile and subject to change. While Almonty does have structures in place to counteract any potential drop in prices, potential investors should be aware that the price of commodities may fluctuate.
Mining Risk	Mining and mineral processing projects are relatively high risk compared to many industrial and commercial projects as each mineral deposit is unique. The nature of mineralisation, the occurrence and grade of the tungsten / tin deposits, as well as behaviours during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which even at a proximate drill hole spacing, represent a very small sample of the entire mineral body.
Mine Development Risk	Ongoing development of mining operations at the Sangdong Mine, Panasqueira Mine and Los Santos Mines is dependent on a number of factors including, but not limited to, the delineation of economically recoverable mineralisation, favourable geological conditions, receiving and maintaining the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered during extraction and production activities, mechanical failure of operating plant and equipment and contracting risk from third parties providing essential services.
Tenure Risks	The Company has the right to certain minerals. The rights to such minerals are governed by title granted by the relevant regulatory authorities in Korea, Spain and Portugal respectively. Some of the rights pertain to title applications that have not yet been granted. In particular, the extension sought for the investigation permit for the Company's Valtreixal Project has been applied for but has not yet been granted. While no objections to the applications have been lodged, there is no guarantee that grant will be forthcoming and the conditions of grant are at this stage unknown.
Title Risks	Interests in Almonty's projects are governed by the respective state legislation and are evidenced by the granting of permits, licences or leases. Each permit, licence or lease is for a specific term and carries with it annual expenditure, development and reporting commitments, as well as other conditions that require compliance. Consequently, the Company could lose title to, or its interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure or development commitments.

	In particular, the Company has been issued with a letter from the relevant Korean regulatory authority stating that if it fails to satisfy its development obligation, being the production of at least 2 tons of 70% tungsten concentrate, by October 2024, its extraction rights over the Sangdong Mine could be revoked in November 2024 without prior notice. The Company is aiming to have the Sangdong Mine in production in 2022.
Exploration Risks	Potential investors should understand that exploration and development is a high risk undertaking, and that exploration and development of mineral properties such as tungsten is speculative. There can be no assurance that exploration of acquired projects or exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.
Mining and Exploration Cost Estimates	The mining and exploration costs of Almonty described in this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the assumptions that underlie them will be realised in practice, which may materially and adversely affect Almonty's operations and financial performance.
Reliance on Material Contracts	Almonty relies on a number of material contracts which facilitate its business and the operation of its projects. As at the date of this Prospectus, 2 (one of those comprising the 6 separate Land Use Agreements between AKTC and Yeongwol County) of the Company's material contracts are due to expire within the next 12 months. While the Company anticipates that the contracts will be renewed, there can be no guarantees that Almonty will be able to renew these contracts or any other material contracts upon expiry. Termination or failure to renew its material contracts could impact parts of Almonty's business, which would be likely to have a material adverse effect on Almonty's operations and financial performance. For further information on Almonty's material contracts, refer to Section 10.2.
Economic Risk	General economic conditions, movements in interest and inflation rates, the prevailing global tungsten price and currency exchange rates may all have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) the general economic outlook; (b) interest and inflation rates (c) changes in investor sentiment; (d) the demand for, and supply of, capital; and (e) terrorism or other hostilities.

Commodity Price Volatility and Exchange Rate Risks	In the event that the Company achieves success leading to tungsten production, the revenue it will derive through the sale of tungsten concentrate exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for tungsten, technological advancements, forward-selling activities and other macro-economic factors. Furthermore, the international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are, and will be taken into account in, Canadian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Canadian dollar as determined in international markets.
Environmental Risks	The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities, including the risk of accidental leakages or spills, or other unforeseen circumstances that could subject the Company to extensive liability.
Economic Dependency	Almonty has a main customer for supply of tungsten from its mines. Almonty is economically dependent on the revenue received from the customer in order to be able to meet its current obligations and is subject to the pricing terms set out in the supply agreements. There is no guarantee that Almonty would be able to find an alternative customer or customers on terms similar to its existing supply agreements should the customer cease operations or become unable to pay Almonty under the supply agreements.
Government and Legal Risks	The Company's exploration and mining programs will, in general, be subject to approval by governmental authorities and will depend on it meeting environmental guidelines and, where necessary, gaining approval from governmental authorities. Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and, ultimately, its financial performance and securities.
Resource Estimates	Resource estimates are judgements based on knowledge, experience and industry practice. Estimates valid when originally calculated may alter significantly if/when new information or techniques become available. In addition, resource estimates are by their very nature imprecise and depend to some extent on interpretations that may prove inaccurate. As further information becomes available as a result of additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans, which may in turn adversely affect the Company's operations.
Tungsten Market	There is no assurance that a profitable market will continue to exist for the sale of tungsten. Tungsten prices have experienced significant movement over short periods of time and are affected by numerous factors beyond the Company's control, such as international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional

	consumption and demand patterns, speculative activities and increased production due to improved mining and production methods. Tungsten prices may be negatively affected by any slowing of the global economy, increases in exports from one market economy countries, notably China, and the release of tungsten concentrate onto the market from the United States National Defence Stockpile.
Risks from Competition	The tungsten industry that Almonty is involved in is subject to competition, particularly from China, due to its historical dominance of the industry. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.
Future Capital Requirements	As a growing business, Almonty may consider raising additional capital in the future to pursue business objectives and respond to business opportunities, challenges or unforeseen circumstances. Almonty's growth initiatives include project growth and new tungsten product offerings, which would typically require a significant investment and funding requirement before becoming cash flow positive. Whilst some of the proceeds raised from this Offer may be utilised for these purposes, further funding may be required in the future. A failure to raise additional capital on a timely basis that aligns with the Company's business strategy, could have a material adverse effect on Almonty's business, financial condition, operating and financial performance and/or growth.
Project Financing Risk	Almonty has certain project financing arrangements in place, including the Sangdong Facility Agreement, under which it must satisfy certain obligations. The construction of the Sangdong Mine is dependent on these project financing arrangements and the proceeds raised under the Offer. Failure to satisfy the obligations under the financing arrangements and/or failure to raise sufficient Offer proceeds may result in Almonty having insufficient capital to satisfy its capital expenditure requirements for the construction of the Sangdong Mine.
Reliance on Key Management Personnel	Responsibility for overseeing the day-to-day operations and strategic management of the Company rests entirely with its senior management and key personnel. No assurance can be given that no detrimental impact on the Company will occur if one or more of these employees leaves the Company.
Insurance Risks	Insurance coverage of all risks associated with Almonty and production is not always available and, where it is, the cost can be high. The Company will have in place insurance considered appropriate for the Company's needs. Almonty will not be insured against all possible losses, due either to the unavailability of cover or the Directors' belief that the premiums are excessive relative to the benefits that would accrue. The Directors believe that the insurance they will have in place will be appropriate. Nonetheless, the Directors will continue to review the insurance cover in place to ensure that it is adequate.
Speculative Nature of the Investment	The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors in it. These factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the CDIs offered under this Prospectus. Therefore, the CDIs to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

1.5 Directors and Leadership Team

Topic	Summary
Who are the Directors of Almonty?	The Directors of Almonty are: (a) Lewis Black (Director, President and CEO); (b) Daniel D'Amato (Executive Director); (c) Dr Thomas Gutschlag (Non-Executive Director); (d) Michael Costa (Non-Executive Director); (e) Mark Trachuk (Non-Executive Director); (f) James Kim (Non-Executive Director); and (g) Andrew Frazer (Non-Executive Director). The current Company Secretary of Almonty is Marion McGrath. The Company may look to appoint an Australian based joint Company Secretary to assist the Company and advise the Board as needed with its regulatory obligations in Australia, particularly those that relate to the ASX. The current CFO of Almonty is Mark Gelmon. For further information, refer to Section 7.
Who is the Leadership Team of Almonty?	The Leadership Team includes: (a) Lewis Black (Director, President and CEO); (b) Mark Gelmon (CFO); (c) Antonio Correa de Sa (CEO of Beralt Tin, Project Supervisor); (d) Miguel Pinto (Construction Supervisor of Los Santos and Panasqueira Mines); (e) Nuno Alves (Director of Mining); (f) Emil Corfu (Director of Plant Management); (g) Eduardo Crespo (Director of Metallurgy); (h) Paulo Ferraz (Director of Geology); and (i) John Yi (President of AKTC). For further information, refer to Section 3.4.

Who are the substantial shareholders?

Substantial shareholders will hold approximately 40.94% of Shares on Completion. The table below sets out the interests of substantial shareholders at the Prospectus Date and on Completion. For further information, refer to Section 5.2.

Shareholder	Number of Shares held at Prospectus Date	% of Shares held at Prospectus Date	Number of Shares held on Completion	% of Shares held on Completion
Lewis Black[6] (Director, President and Chief Executive Officer)	35,813,871	18.67%	35,813,871	16.52%
GTP	27,562,500	14.37%	27,562,500	12.71%
DRAG[7]	25,401,168	13.24%	25,401,168	11.71%
Total	**88,777,539**	**46.28%**	**88,777,539**	**40.94%**

What interests do the Directors and CFO have in the securities of Almonty?

The table below summarises the Directors' and the CFO's interests in Shares (including CDIs) as at the Prospectus Date and on Completion:

Director / CFO	Number of Shares held at Prospectus Date	% of Shares held at Prospectus Date	Number of Shares held on Completion	% of Shares held on Completion
Lewis Black[8]	35,813,871	18.67%	35,813,871	16.52%
Daniel D'Amato[9]	15,966,220	8.32%	15,966,220	7.36%
Dr Thomas Gutschlag[10]	26,393,668	13.76%	26,393,668	12.17%
Michael Costa	Nil	Nil	Nil	Nil
Mark Trachuk	860,000	0.45%	860,000	0.40%

[6] Mr Black's shareholding is inclusive of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato. Mr Black individually owns 21,919,951 Shares. Mr Black has agreed to sell 10,587,056 of his shares to The Plansee Group. This sale may or may not close before Completion. GTP is the tungsten powder manufacturer in The Plansee Group.

[7] DRAG is a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe. Current Non-Executive Director Dr Thomas Gutschlag is the CEO of DRAG.

[8] Mr Black's shareholding is inclusive of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato. Mr Black individually owns 21,919,951 Shares. Mr Black has agreed to sell 10,587,056 of his shares to The Plansee Group. This sale may or may not close before Completion.

[9] Mr D'Amato's shareholding is inclusive of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato. Mr D'Amato individually owns 2,072,300 Shares.

[10] Current Non-Executive Director Dr Gutschlag is the CEO of DRAG. DRAG owns 25,401,168 Shares and holds convertible debentures in Almonty that, if converted, would result in an additional 8,700,000 Shares being issued to DRAG. Dr Gutschlag also owns 955,000 Shares directly and 42,500 indirectly through Kooiker Investment GmbH.

James Kim	Nil	Nil	Nil	Nil
Andrew Frazer	Nil	Nil	Nil	Nil
Mark Gelmon	10,000	0.005%	10,000	0.0046%
Total[11]	**65,149,839**	**33.96%**	**65,149,839**	**30.04%**

The following table sets out the number of Options and Warrants held by each Director and the CFO of the Company as at the Prospectus Date:

Director / CFO	Number of Options held at Prospectus Date	Number of Warrants held at Prospectus Date
Lewis Black	1,250,000	47,244
Daniel D'Amato	1,100,000	Nil
Dr Thomas Gutschlag	500,000	250,000
Michael Costa	300,000	Nil
Mark Trachuk	600,000	Nil
James Kim	250,000	Nil
Andrew Frazer	Nil	Nil
Mark Gelmon	100,000	Nil
Total	**4,100,000**	**297,244**

For further information, refer to Section 7.

What significant benefits and interests are payable to Directors and other persons connected with Almonty or the Offer?

Directors are entitled to apply for CDIs under the Offer.

The Company has entered into separate letters of appointment with each of the Non-Executive Directors. Non-Executive Directors of the Company do not have a formal remuneration arrangement in place but can receive stock options and cash bonuses on a discretionary basis as detailed below in Section 7.7. For further information on the number of options held by each Non-Executive Director, refer to Section 7.12.

Lewis Black has entered into an executive employment agreement with the Company and Daniel D'Amato has entered into a consultancy agreement with the Company. Details of remuneration and specific terms are described in Section 7.7.

Advisors and other service providers are entitled to fees for services and have other interests as disclosed in Section 7.6. For further information, refer to Section 7.

[11] The total figures reflected are less than the sum of each Directors' and Officer's individual shareholdings because Lewis Black and Daniel D'Amato's individual holdings include the full holdings of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato.

1.6 Proposed Use of Funds and Terms and Conditions of the Offer

<table>
<tr><th>Topic</th><th>Summary</th></tr>
<tr><td>What is the Offer?</td><td>The Offer comprises an offer of the issue of up to 25,000,000 CDIs by Almonty at an issue price of A$1.00.

For further information, refer to Section 9.</td></tr>
<tr><td>What is the structure of the Offer?</td><td>The Offer is comprised of:

(a) the Institutional Offer, which consists of an offer to institutional investors in Australia and a number of other eligible jurisdictions to apply for CDIs;

(b) the Broker Offer, which is open to Australian resident retail clients of the Lead Manager who receive a firm allocation of CDIs from the Lead Manager;

(c) the Chairman's List Offer, which is open to investors who have received an invitation from the Company to participate in the Chairman's List Offer;

(d) the General Offer, which is open to members of the general public with registered addresses in Australia and New Zealand.

For further information, refer to Section 9.</td></tr>
<tr><td>Who is the issuer of this Prospectus?</td><td>Almonty Industries Inc.</td></tr>
<tr><td>What is the proposed use of the Offer?</td><td>The proceeds of the Offer will be applied as follows:

<table>
<tr><th>Uses</th><th>CA$m</th><th>A$m</th><th>%</th></tr>
<tr><td>Planned capital expenditures for the construction of the Sangdong Mine Tungsten Project</td><td>18.52</td><td>19.75</td><td>79</td></tr>
<tr><td>Other expenditures relating to the Sangdong Mine Tungsten Project refurbishment prior to capital expenditure</td><td>3.52</td><td>3.75</td><td>15</td></tr>
<tr><td>General corporate and administrative expenses and payable reduction</td><td>1.41</td><td>1.5</td><td>6</td></tr>
<tr><td>Total</td><td>23.45</td><td>25</td><td>100</td></tr>
</table>

The above table is a statement of Almonty's current intentions as at the Prospectus Date. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, and market and general economic conditions. Almonty reserves its right to alter the way funds are applied. In addition, as the Offer will be in Australian dollars and the expenditure will be in Canadian dollars, the actual amount of the proceeds used</td></tr>
</table>

	for each of the items above will depend on the A$:CA$ exchange rate at the time the funds are converted to Canadian dollars. The Board believes that funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus. For further information, refer to Section 9.
What is the Offer Price?	The price payable under the Offer is A$1.00 per CDI. For further information, refer to Section 9.
Is the Offer underwritten?	The Lead Manager has underwritten A$15,000,000 of the Offer. For further information, refer to Section 9.
Who is the Lead Manager on the Offer?	The Lead Manager is Lazarus.
Will the CDIs be quoted on the ASX?	Almonty will apply to the ASX for admission to the Official List and quotation of CDIs on the ASX under the code AII. Completion is conditional on the ASX approving its application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. CDIs cannot be traded on the TSX unless exchanged into Shares. For further information, refer to Section 10.9.
What is the allocation policy?	Almonty and the Lead Manager have absolute discretion regarding allocation of CDIs to applicants under the Offer and may reject an Application or allocate a lesser number of CDIs than applied for. Almonty and the Lead Manager also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. For further information, refer to Section 9.4.
Is there any brokerage, commission or Australian stamp duty payable by applicants?	No brokerage, commission or Australian stamp duty is payable by applicants on acquisitions of CDIs under the Offer. However, the Company will pay to the Lead Manager 5% of the total amount raised under the Prospectus as a capital raising fee. For further information, refer to Section 9.

What are the tax implications of investing in the CDIs?	You may be subject to income tax or withholding tax on any future dividends paid. Tax consequences of any investment in CDIs will depend upon your particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. For further general information, refer to Section 10.14.
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements and allotment confirmation advices will be sent on or about 16 July 2021. For further information, refer to Section 9.
What is the minimum application size?	A$2,000. For further information, refer to Section 9.
How can I apply for CDIs?	You may apply for CDIs by completing a valid Application Form (attached to or accompanying this Prospectus or available online via https://almontyipo.thereachagency.com). To the extent permitted by law, an Application under the Offer is irrevocable. For further information, refer to Section 9.
Can the Offer be withdrawn?	Almonty reserves the right not to proceed with the Offer at any time before the issue of CDIs to successful applicants. If the Offer does not proceed, application monies will be refunded to applicants. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offer. For further information, refer to Section 9.
When can I sell my CDIs on the ASX?	It is expected that the despatch of the holding statements or allotment confirmation advices will occur on or about 16 July 2021 and trading of the CDIs on will commence on or about 20 July 2021. It is the responsibility of each applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial holding statement or allotment confirmation advices do so at their own risk. For further information, refer to Section 9.
Where can I find more information about this Prospectus of the Offer?	Please call the Offer Information Line on 1300 219 448 (toll free within Australia) or on +61 3 9415 4327 (from outside of Australia) from 6.30am to 3.00pm AWST, Business Days. If you are unclear about any matter or are uncertain as to whether Almonty is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

2. Industry Overview

2.1 Tungsten

Tungsten is a commodity in high demand with the principal driver of consumption being tools used across the broad spectrum of the manufacturing industry, where there are currently no alternatives to tungsten due to its hardness and heat resistance. Tungsten has been declared by the European Union to be a "critical raw material" as a result of high-supply risk and high economic importance.

Pure single-crystalline tungsten is more ductile than impure tungsten and can be cut with a hard-steel hacksaw. However, it usually contains small amounts of carbon and oxygen, which give tungsten metal its considerable hardness and brittleness.

Tungsten occurs in the natural state only in the form of chemical compounds with other elements. Although more than twenty tungsten bearing minerals are known, only two of them are important for industrial use, namely wolframite and scheelite.

Pure scheelite has blue-white fluorescence in ultraviolet light, a property which is utilised in prospecting.

Wolframite is a general term for iron and manganese tungstates where the iron/manganese ratio can vary. A mineral with more than 80% $FeWO_4$ is called Ferberite and a mineral with more than 80% $MnWO_4$ (Manganese Tungstate) is called Hübnerite.

2.2 Tungsten Uses

Tungsten concentrate is often converted into APT. APT is used to produce various tungsten powders including tungsten metal powders, tungsten carbides and WO_3. Due to the unique properties of tungsten, tungsten alloys and some tungsten compounds, the metal cannot be substituted in many important applications in different fields of modern technology. For example, tungsten is an additive in the production of specialty alloys, filament wire for lighting, and specialty uses for mobile phone handsets, military, ballistics, defence equipment automotive parts, aerospace components, drilling, boring & cutting equipment, logging equipment, electrical & electronic appliances, chemical applications and other end-uses.

Today, the majority of tungsten is used in tungsten powders, manufacturing cemented carbides or hard metals. These are materials made by cementing tungsten carbide grains in a binder matrix of a tough nickel or cobalt alloy using the process of sintering. Tungsten carbide is the most popularly used form of the product which has hardness close to diamond. It is denser than steel and titanium, twice as hard as any steel grade, and has extremely high wear resistance.

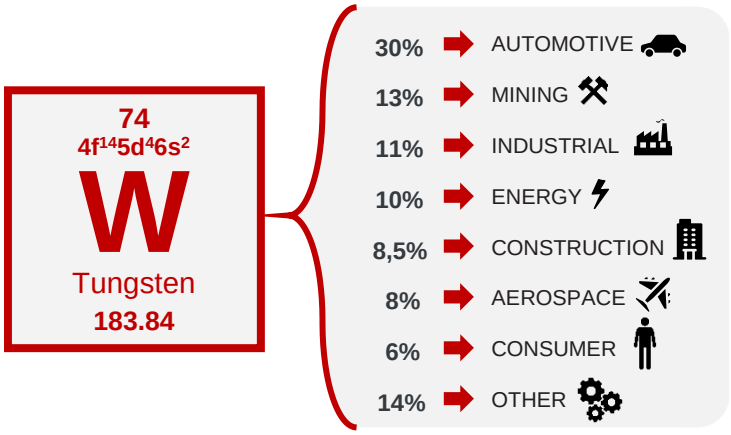


Figure 1 – Use of Tungsten
Source: Study on the review of the list of Critical Raw Materials, European Commission 2017

2.3 Tungsten Market

The global tungsten market is mainly driven by China, which will continue to dominate both tungsten supply and consumption. The Chinese government's increased regulations and restrictions on exports of tungsten ore and increased domestic demand resulting from the manufacturing of value added tungsten products has caused China to become a net importer of tungsten concentrate. These factors along with China's high growth in automotive, aerospace, mining and electronics sectors are also a major factor behind its dominant market position.

As detailed above, due to tungsten's characteristics, it is widely used in construction, metalworking applications and mining. The global mining industry's usage of tungsten carbide as drilling, boring, and cutting tools will likely propel the tungsten market growth as the demand for precious metals in China and other developing countries increases. The global demand for tungsten is forecasted to rise annually and is predicted to outstrip available supply which will place continued upward pressure on prices in the near-term.

The tungsten market has attracted attention recently with Australia making a move to stake a claim in the tungsten industry. In January 2021, the Tasmanian government offered A$10 million in funding to assist a tungsten mine to reopen on King Island in the Bass Strait. The mine operated from 1917 to 1992, before it was closed due to low tungsten prices. The mine is set to be reopened in response to the rise of the use of tungsten in the commodities market.

2.4 Mining and Production

The path from discovering tungsten to production is complex and time-consuming. It is rare that production occurs within the first ten years from initial discovery.

Once a deposit has been discovered, various studies are undertaken with the ultimate goal to establish a mine. This is a multi-phase process. The typical steps of project generation and development from grass-root exploration through discovery and technical studies to production is detailed below in Figure 2.

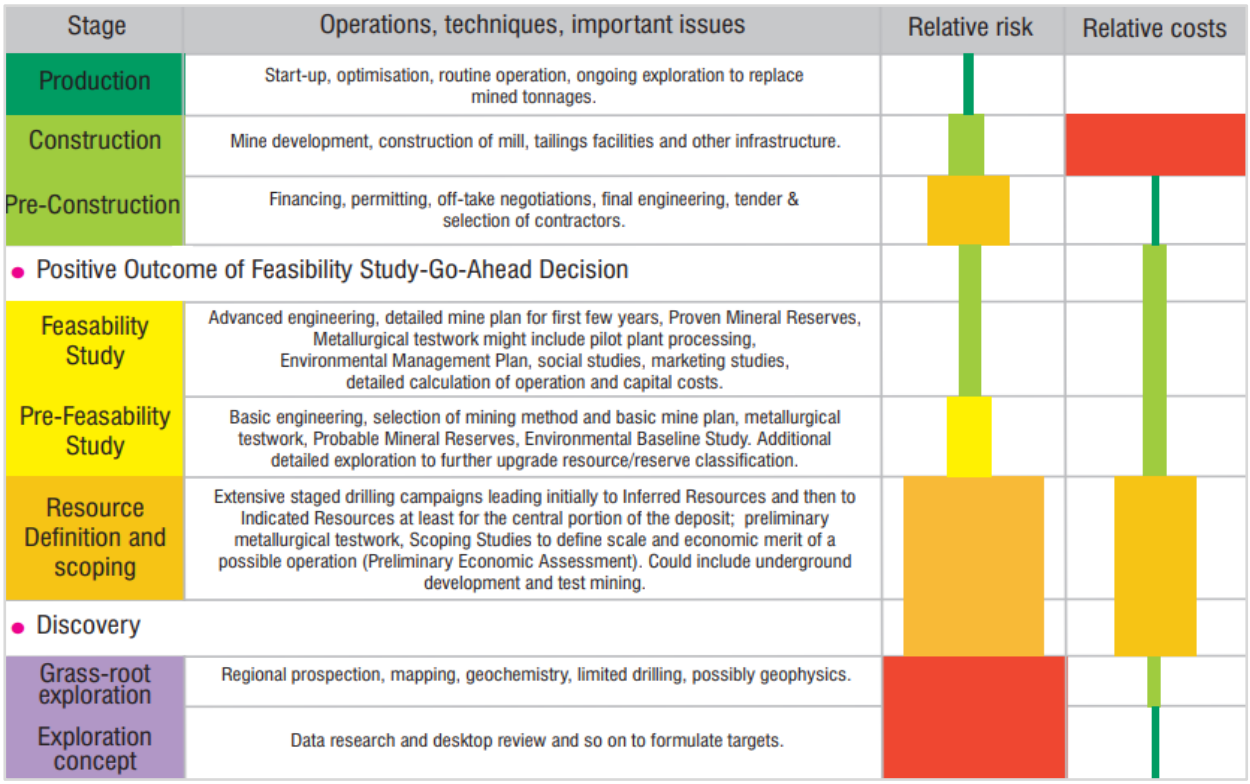


Figure 2 - Steps in Project Generation

2.5 Almonty's Main Competitors

China is currently the leading global producer of tungsten. China has historically dominated the tungsten market via its production of tungsten concentrates and refined tungsten products. As such, Chinese-based tungsten producers such as China Minmetals, China Molybdenum and Chongyi Zhangyuan Tungsten are Almonty's main competitors.

From 2011 up to 2018, being the date of the last compiled data, China's market share formed 80% of the global production of tungsten. This percentage varies from year to year with a rise in 2017 to 85% and a fall in 2018 to 78%. Nonetheless, the mining capacity of Chinese-based tungsten producers has been considered to be stable by the International Tungsten Industry Association. China's position in the tungsten market is also reinforced by its production deals with producers from North Korea, Mongolia, Brazil and Rwanda whose respective products are either produced to, or fed in part, to China.

The following illustrates the market share of each relevant country's tungsten production as at the date of last compiled data:

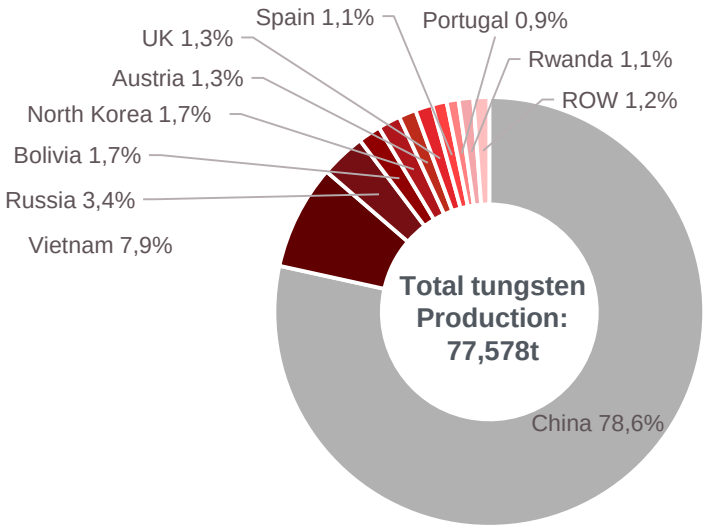


Figure 3 – Tungsten production in 2018
Source: U.S. Geological Survey, Mineral Commodity Summaries: Tungsten, January 2016–2019

As detailed above, Almonty's main non-Chinese competitors are Vietnamese-based producers such as the Masan Resources Corporation owned Nui Phao mine, which is a large open pit mine located in North Vietnam. In 2018, Roskill attributed 5,200 t W to the Nui Phao mine. The Nui Phao mine produces certain by-products including copper, fluorspar and bismuth which has contributed to its success.

Almonty's other competitors are tungsten producers based in Russia, Spain and Austria but as detailed above, their market share is not significant. Of these competitors:

- Russian-based producers produced in decline over the last few years with almost all production coming from five mines, two of them in the far East and the remaining three close to the border with Mongolia;
- the Austrian competitor solely serves the Sandvik Group's (which is a Swedish multinational engineering company) self-supply; and
- the market share from Spain detailed above comprises entirely of Almonty's Los Santos Mine.

There are a few other foreign-based tungsten producers that are not presently competitors to Almonty due to current market conditions but that should be monitored as potential future competitors. These include:

- Myanmarese-based producers, who have been consistent historical producers with operations such as the Kambauk mine;
- Australian-based tungsten projects, including the Kara mine in Tasmania and other mature tungsten projects, such as the Mt Carbine mine in Queensland, that could evolve into a productive phase should economic conditions be favourable; and
- Canadian-based projects.

Almonty and its competitors are subject to the cyclical nature of the tungsten market and the fluctuation in the price of tungsten. Some of Almonty's competitors may be able to respond quickly to an increase in tungsten prices by increasing or altering their production, which in turn, may impact their competitive status. These include the smaller producers of Bolivia, Brazil, Rwanda, Myanmar, Mongolia and Mexico.

3. Company Overview

3.1 Who is Almonty?

Almonty is a Canadian incorporated TSX-listed global mining company focused on tungsten mining and exploration. The Company's Shares were listed on the TSX-V until 31 May 2018 and, on 1 June 2018, began trading on the TSX. As of 11 July 2018, the Company's Shares were also listed on the OTCQX under the symbol "ALMTF". The Company is also listed on the Frankfurt Stock Exchange under the symbol "ALI.F". The Company's business is presently focused in the Iberian Peninsula and South Korea.

Almonty conducts business from its head office in Toronto, Canada, and is a significant tungsten miner outside of China.

3.2 Nature of the Company's Business and Activities

The principal business of Almonty is the mining, processing and shipping of tungsten concentrate and the exploration and evaluation of potential tungsten projects. Almonty specialises in acquiring distressed and underperforming operations and assets in tungsten markets. Almonty has a highly opportunistic portfolio with producing assets, projects in near-term production and projects in the development stage. The principal markets for the Company's tungsten concentrates are the United States of America, Western Europe and Japan.

Almonty currently has one operational mine, being the Panasquiera Mine in Portugal and one mine in planned care and maintenance being the Los Santos Mine in Spain. Almonty mines, processes and ships tungsten concentrate from these mines.

Almonty also owns the Sangdong Mine located in Gangwon Province, Korea and the Valtreixal Project, located in the province of Zamora in Western Spain.

The Sangdong Mine is Almonty's flagship project and it hosts a significant tungsten resource. Upon completion of construction, which is expected to occur around mid-2022, the Sangdong Mine will be a significant tungsten mine outside of China and Almonty expects to produce 30% of all tungsten outside of China and 7-10% of the global tungsten supply.

3.3 History of Almonty

- Almonty was incorporated in Canada in 2009 under the name "RCG Capital Inc." and its Shares were listed on the TSX-V in 2010 under the ticker code "RCG.P."
- In September 2011, the Company changed its name to Almonty Industries Inc. and began trading on the TSX-V under the ticker code "AII-V".
- On 1 June 2018, the Company began trading on the TSX under the ticker "AII".
- On 12 July 2018, the Company began trading in the United States on the OTCQX under the symbol "ALMTF".
- Almonty has had a strong history in acquiring and reforming underperforming mining operations which has led to the evolution of its global tungsten projects:
    - In September 2014, Almonty acquired 100% of the shares in WCM and TM (which collectively owned a 100% interest in the Wolfram Camp Mine). Following the acquisition, Lewis Black and Daniel D'Amato acted as directors of WCM and TM with Almonty financially supporting the

business. In December 2018, due to deteriorating business conditions and commodity prices, Almonty ceased supporting WCM and TM financially and the Company caused WCM and TM to be placed into voluntary liquidation.

- On 4 June 2015, Almonty acquired an 8% interest in Woulfe and, through the acquisition of convertible debentures in Woulfe, gained control over Woulfe with the ability to nominate a majority of the board members. On 7 July 2015, Almonty and Woulfe entered into an arrangement agreement in respect of the acquisition by Almonty of all of the issued and outstanding shares of Woulfe by way of a plan of arrangement. Under the Plan of Arrangement, Almonty acquired all of Woulfe. The principal asset of Woulfe was the Sangdong Mine, which is now Almonty's flagship project.

- On 6 January 2016, Almonty acquired 100% of the issued and outstanding shares of BVI. BVI, through its wholly-owned subsidiaries, is the 100% owner of the Panasqueira Mine.

- On 21 December 2016, Almonty exercised its option to acquire the remaining 49% of the Valtreixal Mine it did not already own for payment of €1.5 million. Almonty now owns a 100% interest in the Valtreixal Project.

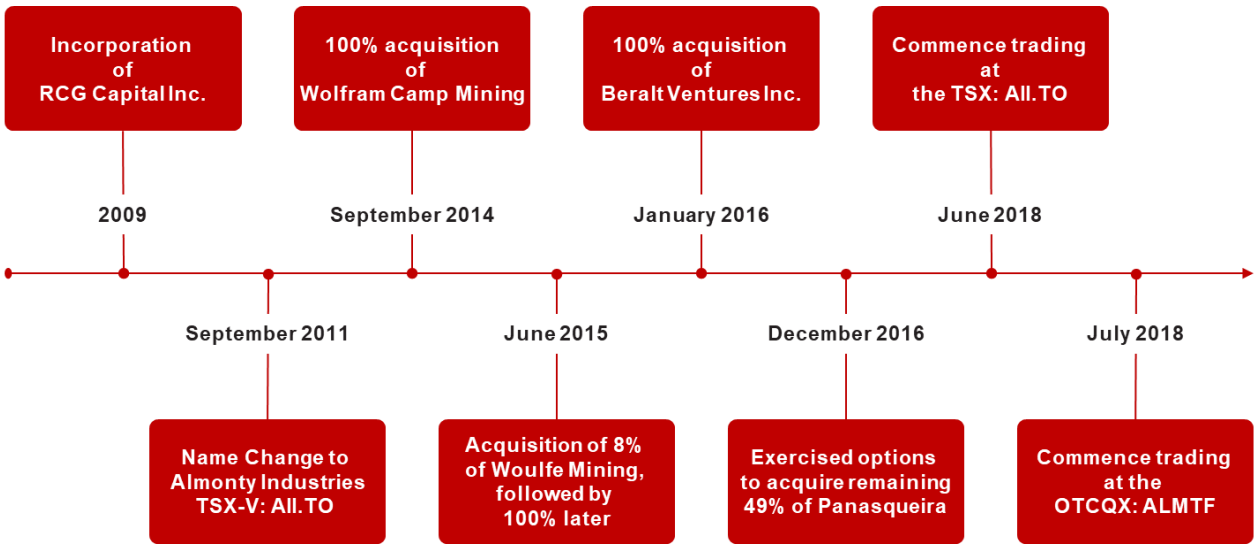


Figure 4 – History of Almonty

Refer to Section 3.5 for further detail on Almonty's projects.

3.4 Leadership Team

Employee	Experience
Lewis Black (Director, President and Chief Executive Officer)	Lewis Black is currently a Partner of Almonty Partners LLC, a privately-held company specialising in tungsten mining investments and has over 16 years of experience in the tungsten mining industry. From June 2005 to December 2007, he was Chairman and Chief Executive Officer of Primary Metals Inc., a former TSX-V listed tungsten mining company. Mr Black also formerly served as head of sales and marketing for SC Mining Tungsten, Thailand.
Mark Gelmon (Chief Financial Officer, CPA, CA)	Mark Gelmon obtained his Bachelor of Arts degree at the University of British Columbia and subsequently attained his Chartered Accountant designation in 1995 and is a member of the Chartered Professional Accountants of British Columbia. Mr Gelmon has provided his expertise to several TSX Venture Exchange listed companies in the capacity of director, chief financial officer and consultant. His background as a CPA, CA, provides the Company with the necessary skills required for financial management, reporting operating results to the Board of Directors, liaison with financial institutions, and compliance with today's complex regulatory reporting requirements. Prior to becoming CFO of Almonty, Mr Gelmon was the CFO of Woulfe (prior to its acquisition by Almonty), from early 2010 until September 2015.
Antonio Correa de Sa (CEO of Beralt Tin)	Antonio de Sa has 47 years of experience in mining and 24 years of experience in tungsten mines. Mr de Sa is the project supervisor of the Panasqueira Mine.
Miguel Pinto (Construction Supervision)	Miguel Pinto has 15 years of experience in mine management, engineering and construction supervision. Mr Pinto is responsible for the site management of the Los Santos and Panasqueira Mines. Mr Pinto will also have a significant role in the Sangdong Mine as its construction supervisor. Mr Pinto will be responsible for supervising all new constructions to be done on the surface of the Sangdong Mine including the ore treatment plant, water treatment plant and the back fill plant. Mr Pinto will be responsible for the physical quality of the constructions and for ensuring compliance of the constructions with the specified plans.
Nuno Alves (Director of Mining)	Nuno Alves is a mining engineer with over 20 years of experience in underground and open pit operations. Mr Alves is responsible for the orchestration and supervision of Almonty's mining plans.
Emil Corfu (Director of Plant Management)	Emil Corfu has over 20 years of experience in mine plant construction and operation. Mr Corfu is responsible for the engineering, construction and operation of Almonty's processing plants.
Eduardo Crespo (Director of Metallurgy)	Eduardo Crespo has over 15 years of experience in scheelite flotation as a Professor of Metallurgy at university. Mr Crespo is responsible for the orchestration of Almonty's metallurgy / processing.
Paulo Ferraz (Director of Geology)	Paulo Ferraz has 31 years of experience in mining and geology. Mr Ferraz is responsible for the supervision of Sangdong exploration and resource modelling.
John Yi (President of AKTC)	As president of AKTC, John Yi is responsible for the company's overall business performance. Before joining AKTC, Mr Yi was president of Raytheon Korea, the international sales and marketing arm of Raytheon Company with 2020 sales of US$31 billion and 70,000 employees worldwide, and which, specialises in defence, security and civil markets throughout the world. Prior to Raytheon, he was vice president of Rolls-Royce Naval Marine for eight years where he was responsible for business development for Asia and Pacific. Mr Yi also served 20 years in the US Navy as a naval aviator. Mr Yi holds a master's degree in astronautical engineering from the Naval Post Graduate School and a bachelor's degree in electrical engineering from the US Naval Academy. He is also a graduate of Japanese Senior War College.

3.5 Overview of Projects

Almonty has four projects across Spain, Portugal and Korea which range from being in the development, exploration, exploitation and mining stage with interests in tungsten, tin and other metals. An overview of the location and stage of Almonty's various projects are detailed below.

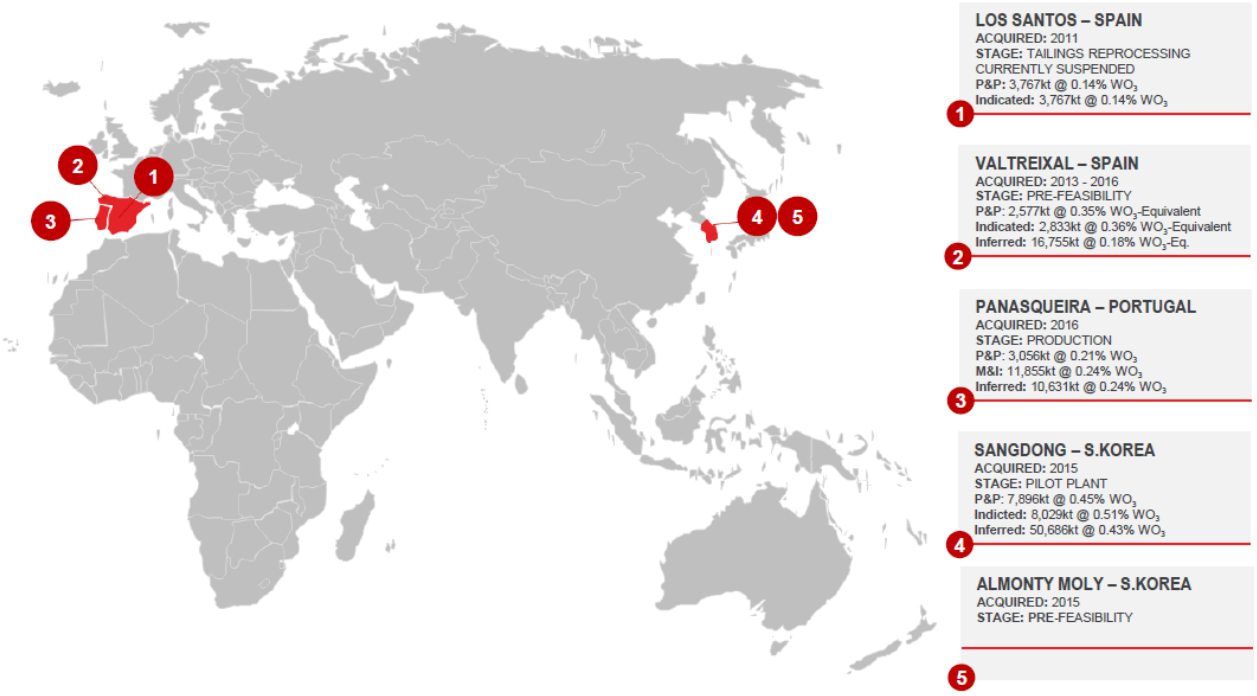


Figure 5 – Overview of Almonty's Projects
Note: Reserves & Resources are based on the Technical Reports at Appendix D, Appendix E, Appendix F, and Appendix G of this Prospectus.

For further information on Almonty's projects, refer to the Independent Technical Assessment Reports at Appendix D, Appendix E, Appendix F, and Appendix G. The Independent Technical Assessment Reports for each project have been prepared in compliance with the JORC Code and includes disclosure of Table 1 of the JORC Code.

(a) Los Santos Mine

(i) *History of operations*

The Los Santos Mine has been in production since 2008 and produces tungsten concentrate products. The mine was opened in June 2008 and commissioned in July 2010 by its former owner. Almonty acquired the Los Santos Mine in September 2011 through its wholly owned subsidiary Daytal.

Since the start-up of the mine in 2006, Daytal completed additional diamond drilling and reverse-circulation drilling. Up until the end of mining in 2019, the current combined sample database used for resource modelling contains data for 495 drillholes and 255 trenches, for a total of 6,779 samples. The total drilled length is 41,924m.

The 2015 exploration campaign at the Los Santos Mine was completed in June 2015. Pit production stopped in April 2019. Tailings were then re-processed from April 2019 to January 2020, when the processing operations were temporarily suspended.

In February 2020, as a result of additional testing work, Almonty decided to place the Los Santos Mine into care and maintenance. The Company plans to re-open operations in 2021.

For further information on the history of operations at the Los Santos Mine, refer to Section 4 of the Independent Technical Assessment Report at Appendix D.



Figure 6 - Ore extraction at Los Santos

(ii) ***Regional geology***

The Los Santos Mine is located approximately 50 kilometres from Salamanca in western Spain and produces tungsten concentrate. The Los Santos Mine covers an area of 38 mining grids. The Los Santos Mine has been identified with significant underground mine potential and its underground mine potential was exploited in the deepening of the Los Santos Sur pit and Los Santos Sur South-West pit.

The position of the Los Santos Mine is shown in Figure 7. For further information on the regional geology of the Los Santos Mine, refer to Sections 2 and 5 of the Independent Technical Assessment Report in Appendix D.

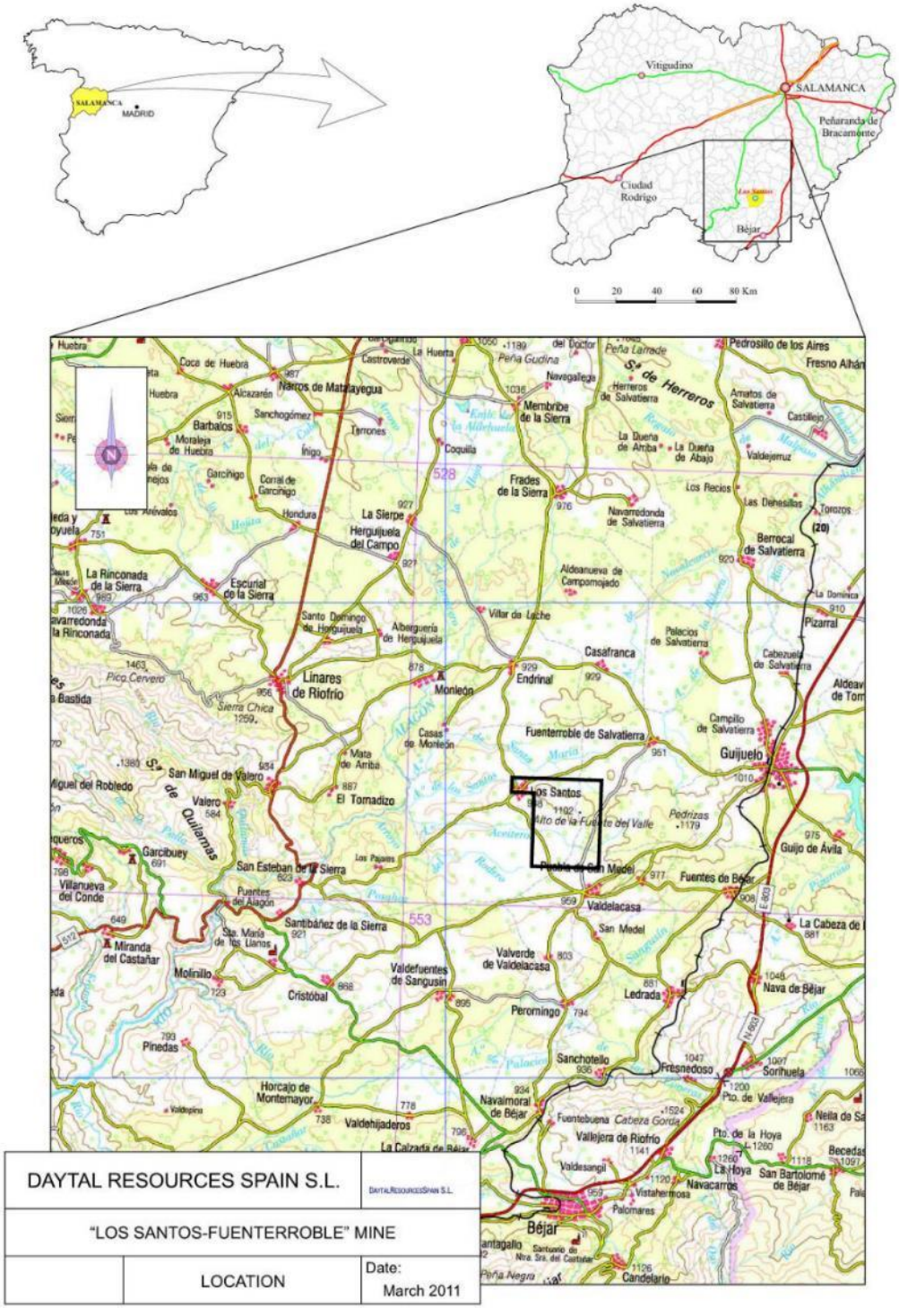


Figure 7 - Regional Position of Los Santos Mine

(iii) ***Present operations***

Almonty has an exploitation concession over the Los Santos Mine which grants it the right to use the resource or resources marked within the perimeter of the Los Santos mine. Almonty's concession term is for 30 years with an option to extend for another two periods of the same

duration, with a maximum total length of 90 years. For more information on the Los Santos Mine, refer to the Solicitors Report at Appendix H.

The principal product of the Los Santos Mine is tungsten concentrate. Almonty has been focused on utilising its expertise in order to optimise operations, reduce costs and improve the tungsten recovery rate of the Los Santos Mine. To date, Almonty has achieved an approximate 50% recovery rate of WO_3 from its tailings retreatment as a result of continuing tests and trials. Some of the tailings have already been re-processed, in the period from April 2019 to January 2020. The intention is start re-processing of tailings material again in late 2021.

The Company continues to improve and increase its knowledge in the area of tailings reprocessing which further demonstrates Almonty's commitment to invest in tungsten technologies.



Figure 8 - Overall Site View, Showing Tailings Areas

(iv) ***Exploration***

To verify and test the extension of certain skarn beds, Daytal completed exploration drilling campaigns in each year from 2009 to 2015. This has comprised a total of 156 diamond drillholes and 111 reverse circulation holes.

For further information about the exploration of the Los Santos Mine and for drilling details, refer to the Sections 6 and 7 of the Independent Technical Assessment Report at Appendix D.

(v) ***Mineral Resource and Ore Reserve Estimates***

Mineral Resources and Ore Reserves have been estimated for the Los Santos Mine in accordance with the JORC Code. These Indicated Resources and Probable Reserves are summarised below in Table 1 and at Sections 1.7 and 11 of the Independent Technical Assessment Report at Appendix D.

Table 1 Los Santos – Mineral Resources Estimate
At 31st December, 2020

	Tailings Material	Tonnes Kt	WO_3 %
Indicated Resources	Coarse	3,234	0.12
	Fine	533	0.22
	Total	**3,767**	**0.13**

Notes

. Cut-off = 0.07% WO_3
based on price of $350/mtu WO_3
. Resources shown are inclusive of Reserves

It is considered that all these tailings resources are available and economically viable to process, and so all of these resources are included in the Ore Reserves, without any modifying factors. This is based on a cut-off of 0.07% WO_3, which has been derived on assumed price of $350/MtU WO_3, a processing cost of $6.50/t ore and a G&A cost of 2.51/t ore. These reserves are summarised below in Table 2 and at Sections 1.7 and 12 of the Independent Technical Assessment Report at Appendix D.

Table 2 Los Santos – Probable Ore Reserves
At 31st December, 2020

	Tailings Material	Tonnes Kt	WO3 %
Probable Reserves	Coarse	3,234	0.12
	Fine	533	0.22
	Total	**3,767**	**0.13**
Notes			
	. Cut-off = 0.07% WO_3		
	based on price of $350/mtu WO_3		

(b) Valtreixal Project

(i) *History of operations*

The Valtreixal Project is a potential open pit operation and its principal potential products are tungsten and tin. Through its wholly owned subsidiary, Valtreixal Resources, Almonty currently owns 100% of the Valtreixal Project in North Western Spain. Almonty acquired the Valtreixal Project between 2013 and the full acquisition in 2016. During this period, a large amount of exploration and metallurgical tests were done by Valtreixal Resources on behalf of Almonty.

For further information on the history of operations at the Los Santos Mine, refer to Section 4 of the Independent Technical Assessment Report in Appendix E.

(ii) ***Regional geology***

The deposit from the Valtreixal Project comprises of WO_3 and tin and is approximately 8 km north of the border between Portugal and Spain in the municipality of Pedralba de la Praderia and 320 km north east of Madrid and covers an area of 76 mining grids. The Valtreixal Project site is accessed from the north by means of the main ZA-925 road from Puebla de Sanabria, which cuts across the south-west corner of the deposit, some showings of which outcrop along the road cuttings. The journey time by road from Salamanca, as well as Almonty's Los Santos Mine, is around 3 hours, and includes a 1 km dirt road to the deposit area.

The position of the Valtreixal Project is shown in Figure 9. For further information on the regional geology of the Los Santos Mine, refer to Sections 2 and 5 of the Independent Technical Assessment Report in Appendix E.

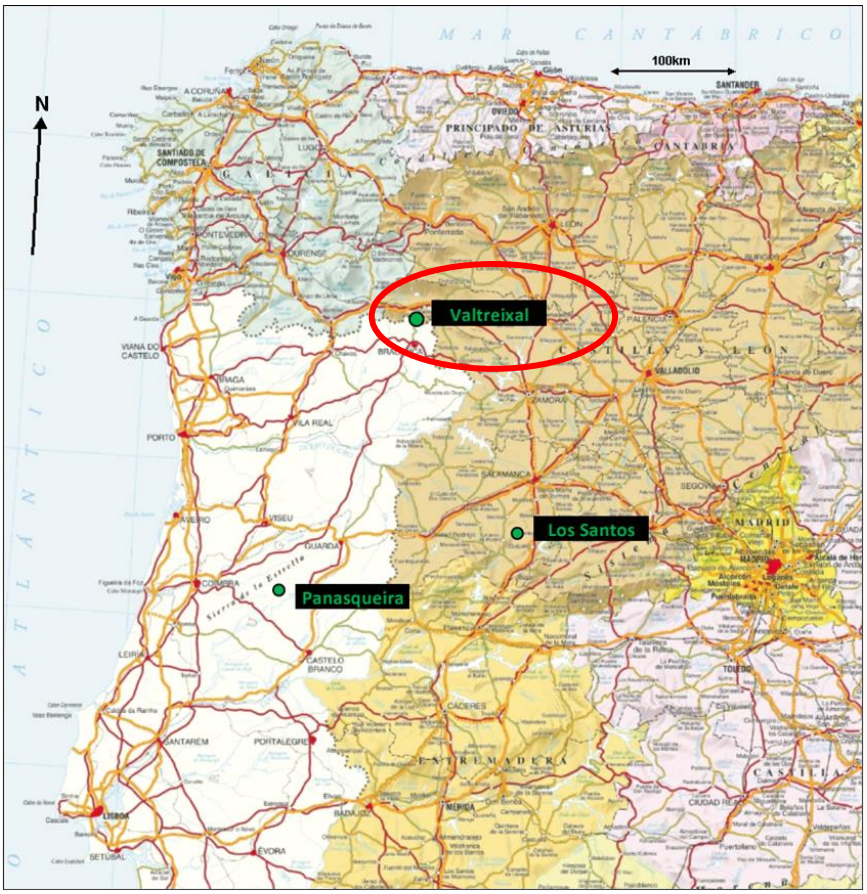


Figure 9 - Location of Valtreixal With Respect to Other Tungsten Mines

(iii) ***Present operations***

Almonty currently holds an investigation permit for the Valtreixal Project which grants it the right to carry out studies and works aimed at marking and defining the mining resources for their subsequent exploitation. The

Valtreixal Project is currently in the pre-feasibility stage with production expected to begin in 2025. The Company anticipates 20+ years for the life of the mine which is set to produce WO_3 and tin.

Almonty also holds an exploitation concession which grants it the right to use the resource or resources marked within its perimeter. Almonty's exploitation concession covers an area of 3 mining grids.

The current status of Almonty's licenses in the Valtreixal Project are shown below in Table 3. For more information on the Valtreixal Project, refer to the Solicitors Report at Appendix H.

Permision Area Name	P.I. nº 1.906 Valtreixal	C.E. nº 1.352 ALTO DE REPILADOS
Original permission award date	July 2007	January 2009
Duration	3 years extendable	30 years
Exploration Status	Active	Active
Current expiration date	02 January 2021 (in process of being extended)	10 December 2038
Área	2158,4	85,2

Table 3 - Licenses for the Valtreixal Project



Figure 10 - Example of Scheelite Under UV Light in Drill Core

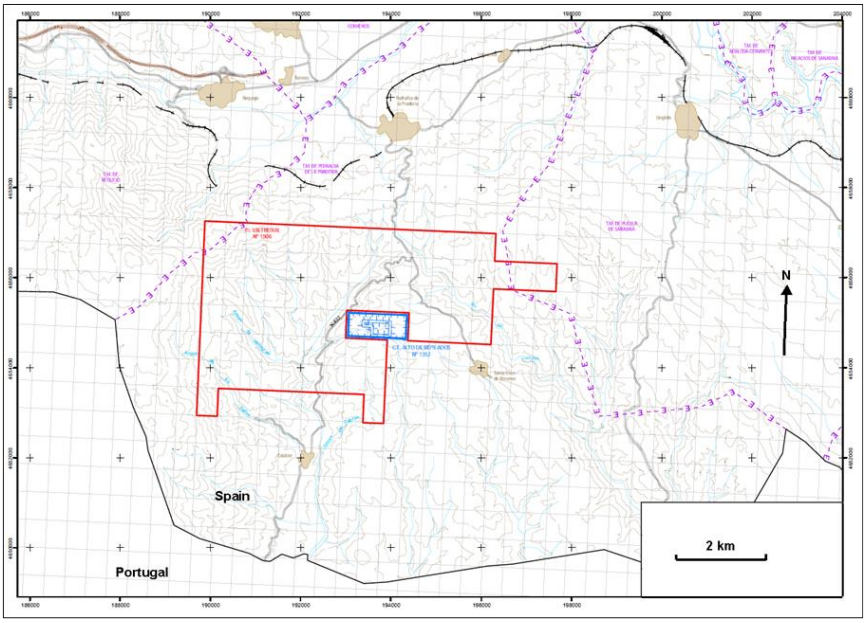


Figure 11 - Valtreixal Exploration Licenses

(iv) ***Exploration***

Surface trenching exploration commenced in November 2013 and an excavator dug 18 trenches in total amounting to 2,654 m, approximately 0.50 m wide, generally =>1m deep in order to reach bedrock and oriented at right angles to the general direction of mineralisation.

Channel samples (806 Sn, 1,131 WO_3) were taken in the walls of the trenches either manually or using an electric hammer. Typically the weight per sample was 8-10 kg.

For further information about the exploration of the Valtreixal Project and for drilling details, refer to Sections 6 and 7 of the Independent Technical Assessment Report included at Appendix E.

(v) ***Mineral Resource and Ore Reserve***

Indicated and Inferred Mineral Resources have been estimated for the Valtreixal Project in accordance with the JORC Code. These are summarised below in Table 4 and at Sections 1.7 and 11 of the Independent Technical Assessment Report at Appendix E.

Table 4 - Valtreixal - Indicated Mineral Resources
As at 31st December 2020

CLASS	Tonnes Kt	Sn %	WO_3 %	WO_3_Eq %
Indicated	2,833	0.13	0.25	0.36

Notes

. Cut-off applied of 0.05% WO_3_Eq

. WO_3_Eq = WO_3 + (Sn x 0.91), based on:

	Price	Recovery
WO_3	$35,000/t	55%
Sn	$27,000/t	65%

. Maximum extrapolation = 50m

. Density values estimated from measurements

. Resources shown are inclusive of reserves

Table 5 - Valtreixal – Inferred Mineral Resources
As of 31st August, 2016
(using the same metal equivalent assumptions as in Table 4 (above))

CLASS	Tonnes Kt	Sn %	WO_3 %	WO_3_Eq %
Inferred	16,755	0.11	0.08	0.18

Notes

. Cut-off applied of 0.05% WO_3_Eq

Ore Reserves have been determined, as part of the pre-feasibility study described in Sections 1.7 and 12 of the Independent Technical Assessment Report at Appendix E in accordance with the JORC Code. These reserves comprise the Indicated Resources which are inside the current final pit design, and are summarised in Table 6 below.

Table 6 - Valtreixal – Ore Reserves
As of 31st December, 2020

Reserve Category	Tonnes Kt	Sn %	WO_3 %	WO_3_Equiv %
Probable Reserves	2,577	0.12	0.25	0.35

Notes

. WO_3_Eq = WO_3 + (Sn x 0.91), based on:

	Price	Recovery
WO_3	$35,000/t	55%
Sn	$27,000/t	65%

. Cut-off applied to WO3_Equiv

Breakeven Cut-off = 0.09% WO_3

. Mining factors applied:

Dilution = 5%

Losses = 5%

(c) Sangdong Mine

(i) *History of operations*

Almonty, through its wholly-owned subsidiary, AKTC, owns a 100% interest in the Almonty Korea Tungsten Project located in South Korea, being the Sangdong Mine.

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.

The Sangdong Mine, which was historically one of the largest tungsten mines in the world and one of the few long-life, high-grade tungsten deposits outside of China, was acquired in September 2015 through the acquisition of a 100% interest in Woulfe.

To finance the construction of the Sangdong Mine, which Almonty has forecasted will cost approximately US$103 million, Almonty has secured a senior project finance loan for an amount of US$75.1 million and intends to finance the remainder of the project via US$28 million in equity funding inclusive of this Offer.

For further information on the history of operations at the Sangdong Mine, refer to Section 4 of the Independent Technical Assessment Report at Appendix F.

(ii) *Regional geology*

The Sangdong Mine is comprised of 12 mining rights with an aggregate area of 3,173 hectares. The deposit is located at Sangdong in the south-eastern Korean Peninsula, about 170 km south east of the capital city of Seoul, 20km south west of Taebaek and 55 km south east of Wonju, in Yongweol County of Kangwon-Do Province.

For further information on the regional geology of the Sangdong Mine, refer to Section 5 at Appendix F.

The AKM Project is located on the Sangdong property close to the Sangdong Village. The AKM target is a large molbdenite-quartz deposit known as the Deep Moly Deposit. This deposit is of a similar origin to the Sangdong Mine but forms a separate deposit to the Sangdong deposit. The Company plans to conduct further exploration work to obtain a greater definition of the amount of tonnage and higher-grade averages of the Deep Moly Deposit. The Company considers that the Deep Moly Deposit may be viewed as additional mining potential to the Sangdong region.

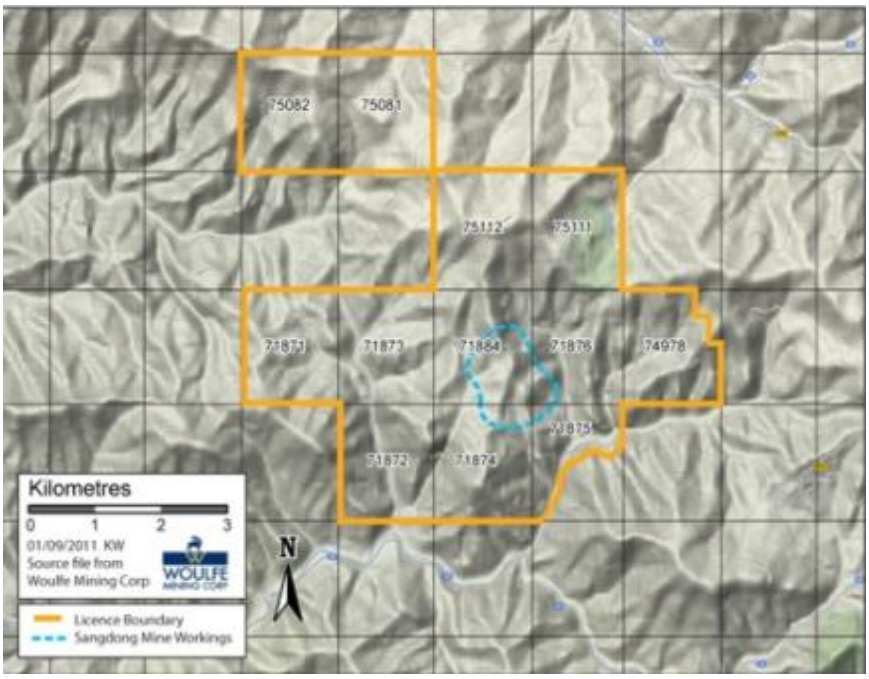


Figure 12 - Mining Rights of Sangdong Mine

(iii) ***Present operations***

The Company is aiming to have the Sangdong Mine in production by 2022. The Sangdong Mine combines the trilogy of low capex, large resource and high grade of deposits required for a profitable return. Set out below are the key milestones for the Sangdong Mine.

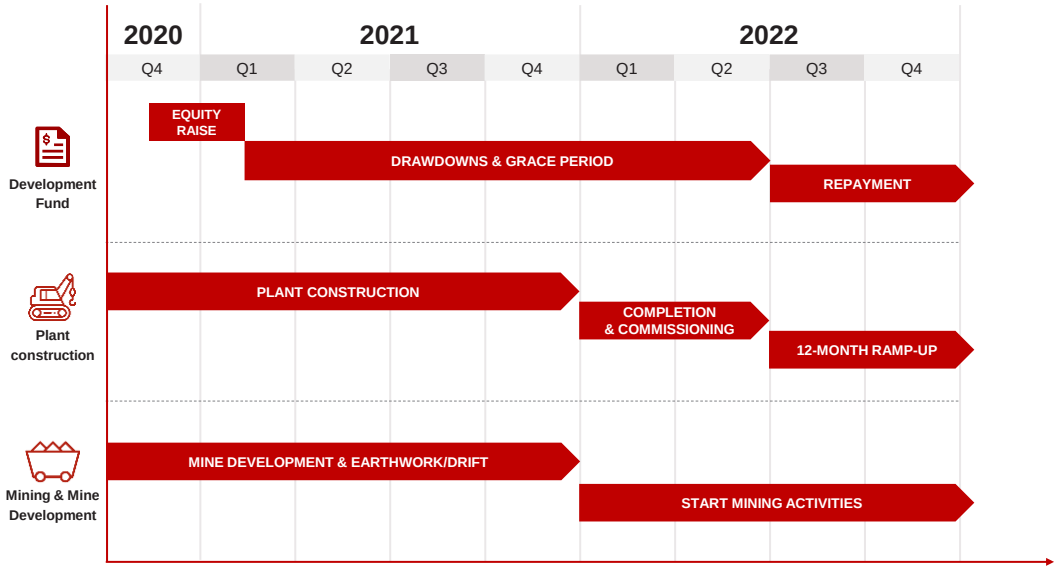


Figure 13 - Sangdong Project - Outlook

Almonty, through its wholly owned subsidiary, has 12 mining permits over a surface area of 3,173 hectares of the Sangdong Mine. The mining permits give the right to carry out full mining and mineral processing operations in conjunction with the relevant safety and environmental certificates. The current status of Almonty's licenses in the Sangdong Mine are shown below in Figure 14. For more information on the Sangdong Mine, refer to the Solicitors Report at Appendix I.

Sector	District	Block No.	Registration No.	Area (ha)	Mineral	Registration Date	Location Latitude / Longitude
Sangdong	Seobyeok	121	71871	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 09′ ~ 37° 10′ 128°47′10″~128°48′ 10″
	Seobyeok	112	71872	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 08′ ~ 37° 09′ 128°48′10″~128°49′ 10″
	Seobyeok	111	71873	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 09′ ~ 37° 10′ 128°48′10″~128°49′ 10″
	Seobyeok	102	71874	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 08′ ~ 37° 09′ 128°49′10″~128°50′ 10″
	Seobyeok	92	71875	185	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 08′ ~ 37° 09′ 128°50′10″~128°51′ 10″
Sangdong 2	Seobyeok	91	71876	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi	02-Jun-01	37° 09′ ~ 37° 10′ 128°50′10″~128°51′ 10″
	Seobyeok	101	71884	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi	08-Jun-01	37° 09′ ~ 37° 10′ 128°49′10″~128°50′ 10″
Sangdong 6	Seobyeok	81	74978	248	Au, Ag, Cu, Pb, Zn, W, Mo	30-Sep-05	37° 08′ ~ 37° 09′ 129°51′10″~129°52′ 10″
Sangdong 7	Homyeong	100	79986	274	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 11′ ~ 37° 12′ 128°48′10″~128°49′ 10″
	Homyeong	110	79987	274	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 11′ ~ 37° 12′ 128°47′10″~128°48′ 10″
	Homyeong	119	79988	274	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 10′ ~ 37° 11′ 128°50′10″~128°51′ 10″
	Homyeong	129	79989	273	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 10′ ~ 37° 11′ 128°49′10″~128°50′ 10″

Source: WMC 2014

Figure 14 - Mining Rights of Sangdong Mine

(iv) ***Exploration***

Mineral Resource definition drilling is the only form of exploration that has been completed on the Sangdong property since 2006, and there is no record of exploration other than drilling by previous operators.

For further information on the exploration activities at the Sangdong Mine including drilling details, refer to Sections 7 and 8 of the Independent Technical Assessment Report included at Appendix F.

(v) ***Mineral Resource and Ore Reserve***

Mineral Resources and Ore Reserves have been estimated for the Sangdong Mine in accordance with the JORC Code. These Resources and Reserves are summarised below and at Sections 1.7, 12 and 13 of the Independent Technical Assessment Report at Appendix F.

Table 7 Sangdong – Mineral Resources
As of 31st December, 2020

WO_3 Cut-Off	Resource Class	Tonnes Kt	WO_3 %	MoS_2 %
0.15%	Indicated	8,029	0.51	0.06
	Inferred	50,686	0.43	0.05
0.20%	Indicated	7,864	0.51	0.06
	Inferred	47,630	0.44	0.05
0.30%	Indicated	7,316	0.53	0.06
	Inferred	36,466	0.50	0.06

Notes

. Bed models diluted to a minimum thickness of 2.2m
. Resources shown are inclusive of reserves
. 50m surface pillar material removed
. Indicated HW material based on all samples,
with a maximum search of 35m x 50m (along-strike x down-dip)
. Indicated material in all other beds are based on only PO-P6 samples
with a maximum search of 50m, and sample grid required
. Inferred material based on all samples, up to a maximum search of :
105m x 150m in HW
100m x 100m in all other beds
. Based on the operating parameters presented in this study, these cut-offs relate to breakeven levels, at metal prices of:

Cut-Off WO3 %	WO_3 APT Price $/mtu
0.15%	450
0.20%	350
0.30%	230

The Indicated Resources have been used in the development of a mine plan. To start the mine operations, the blocked-out stopes have enabled a reserve evaluation to be made, as summarised in Table 7.

Table 8 Sangdong – Ore Reserves
As of 31st December, 2020

	Probable Reserves	
	Tonnes Kt	WO_3 %
HW	3,759	0.47
MAIN/F1	1,328	0.34
F2	1,495	0.48
F3	1,249	0.46
F4	65	0.33
TOTAL	**7,896**	**0.45**

Notes

. All reserves have a probable category
. WO_3 Cut-offs applied:
0.36% Max Spans <=3m
0.28% Max Spans >3m <=6m
0.23% Max Spans +6m
Supported by WO_3 APT price of $350/mtu
. Level restrictions:
. Down to -1 level (633m) for the non-HW zones
. Mining Factors applied
. Minimum thickness = 2.2m
. Unplanned dilution = 5%
. Unplanned losses = 5%

(d) Panasqueira Mine

(i) *History of operations*

The Panasqueira Mine is an underground operation and has been in operation since 1896 and, apart from a brief period at the end of World War II, the mine has more or less been in continuous operation.

Almonty, through its indirect wholly-owned subsidiary, Beralt Tin, owns a 100% interest in the Panasqueira Tin Tungsten mine located in Covilha (Village of Panasqueira) Portugal.

The Panasqueira Mine, which has been in production since 1896, is located approximately 260 km northeast of Lisbon, Portugal, was acquired in January 2016 and produces tungsten concentrate, tin and copper concentrates.

The mine has had historical production since the early 1900s and is currently still producing.

For further information on the history of operations at the Panasqueira Mine, refer to Section 4 of the Independent Technical Assessment Report at Appendix G.



Figure 15 - Panasqueira Village And Tailings Dams

(ii) *Regional geology*

The Panasqueira Mine is located in central Portugal, in the Distrito de Castelo Branco, one of eighteen administrative regions in the country. Almonty's exploitation concession is located in Covilha, Portugal and spans 1,913 hectares.

For further information on the regional geology of the Panasqueira Mine, refer to Section 5 of the Independent Technical Assessment Report at Appendix G.

(iii) ***Present operations***

Almonty holds an exclusive exploitation concession of the mineral deposits of wolfram, copper, zinc, tin, silver and arsenic over an area spanning 1,913 hectares. The exploitation concession grants Almonty the right to exploit the geological resources in the area. The initial period of the concession is 60 years as from the date of signing the contract being 16 December 1992. The term may be extended for two successive periods with an aggregate maximum of 30 years. The Portuguese State has imposed a royalty on the exploitation concession at the Panasqueira Mine for a percentage of the market value of the ore "at the mine gate". The percentage payable under this royalty is 0% to 20% for wolfram and 2.5% for other metals.

Almonty has also entered into a number of standard contracts to facilitate the operation of the Panasqueira Mine, none of which are deemed to be material.

For more information on the Panasqueira Mine, refer to the Solicitors Report at Appendix J.

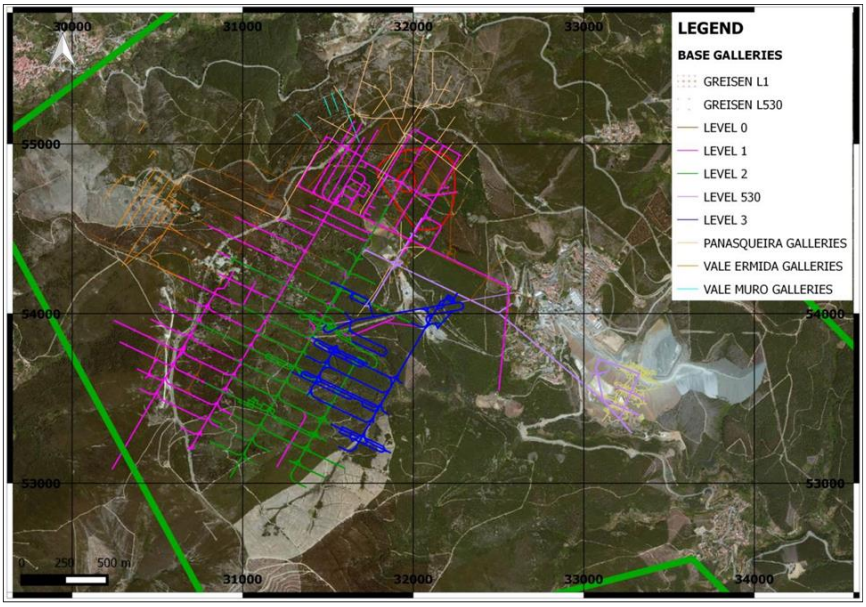


Figure 16 - Mine Development Plan

(iv) ***Exploration***

Even though the Panasqueira Mine has been in operation for more than 100 years, very little primary exploration has been done outside the active or past mine workings. Exploration drilling for additional resources and reserves, in advance of production, continues as the normal course of mine activities. To date, more than 80 diamond drillholes have been completed from surface, but these holes commonly flatten considerably as they deepen and are therefore limited for assistance with vein location. Underground drilling has completed 3,650, mostly 46 mm sized core, drill holes.

For further information on the exploration of the Panasqueira Mine and drilling details, refer to Sections 6 and 7 of the Independent Technical Assessment Report included at Appendix G.

(v) ***Mineral Resource and Ore Reserve***

The current resource estimation for Measured and Indicated Resources (which are inclusive of the reported reserves) are shown in Table 9, and Inferred Resources are shown in Table 10. The estimates have been prepared in accordance with the JORC Code and are also shown at Sections 1.7, 10 and 11 of the Independent Technical Assessment Report at Appendix G.

The mine resources come from a complete resource evaluation done for October 2019, and then updated for the mined out parts up to the end of December 2020.

The inferred tailings resources also include an estimation of Inferred Resources within two tailings areas, as there is a potential for re-processing this material.

There are no measured resources external to reserves, as all resources classified as measured below have been converted into Proved or Probable Reserves.

Table 9 Panasqueira Mine – Measured and Indicated Mineral Resources
As of 31st December, 2020
(Inclusive of Ore Reserves)

Category	Tonnes *Kt*	WO_3 *%*	WO_3 *MTU x1000*
Measured	3,056	0.21	638
Indicated	8,799	0.25	2,206
Measured + Indicated	**11,855**	**0.24**	**2,844**

Notes

. Resources shown are inclusive of reserves
. Minimum thickness = 2.2m
. Mining recovery = 84%

Measured Resources

. Cut-off = 0.12% WO_3 (Equivalent to 10 kg/m^2)
. Evaluation based on:
- Face mapping of wolframite exposed areas
- Areas converted to grade using Pinta's formula
- Blocks laid out on mine planning grid system

Indicated Resources

. Cut-off = 0.13% WO_3 (Equivalent to 10.8 kg/m^2)
. Evaluation based on:
- Drillhole quartz intersections
- Conversion to grade using D9 formula
- Blocks based on at least 2 drillhole intersections
. Additional factor applied:
- Confidence factor = 60%

Table 10 Panasqueira Mine – Inferred Mineral Resources
As of 31st December, 2020

Category	Source	Tonnes	WO_3	WO_3	Cu	Sn
		Kt	*%*	*MTU x1000*	*%*	*%*
Inferred	In-Situ	5,467	0.22	1,227		
	Tailings *	5,164	0.26	703	0.25	0.023
	Total	**10,631**	**0.24**	**2,550**		

Notes

. Resources shown are exclusive of reserves

. In-Situ Cut-off = 0.13% WO_3 (Equivalent to 10.8 kg/m^2)

. Mine Evaluation based on:

- Drillhole quartz intersections

- Conversion to grade using D9 formula

- Blocks can be based on single drillhole intersections

. Additional factors applied:

- Minimum thickness = 2.2m

- Mining recovery = 84%

- Confidence factor = 40%

*** Tailings resources have no cut-off applied**

The Ore Reserves below have been prepared in accordance with the JORC Code. These reserves are part of the reported Mineral Resources. The reserves are based on face samples, and have been blocked out as part of the mine's ongoing stope planning process. The areas blocked out as 'Pillar resources' have been sampled on at least three sides, and have been classified as Proved Reserves. The areas blocked out as 'Virgin resources' have been extrapolated from one or two sets of face samples, and have been classified as Probable Reserves. These reserves are summarised in Table 11 and at Sections 1.7 and 11 of the Independent Technical Assessment Report at Appendix G.

Table 11 Panasqueira Mine – Ore Reserves
As of 31st December, 2020

	Tonnes Kt	WO_3 %
Proved Reserves	1,006	0.23
Probable Reserves	2,050	0.20
Total Reserves	3,056	0.21

Notes

. Evaluation based on:

- Face mapping of wolframite exposed areas

- Areas converted to grade using Pinta's formula

- Blocks laid out with stope planning process

. Additional factors applied:

- Minimum thickness = 2.2m

	Virgin Areas	11m x 11m Pillars	11m x 3m Pillars
- Mining recoveries:	**84%**	**67.3%**	**45%**

. Proved reserves are within (11 or 3m) pillars which have been sampled on at least 3 sides

. Probable reserves are within virgin areas which have been sampled on 1-2 sides

3.6 Customers and Contracts

(a) Key Customers

GTP is one of Almonty's main customers. A considerable portion of the product mined by the Company's operations is sold to GTP in accordance with the various supply agreements in force between the Company and GTP. Headquartered in the United States, GTP is a leading western supplier of tungsten. GTP has had a close working relationship with Almonty for many years with Almonty supplying tungsten ore concentrates for GTP to process into a variety of tungsten powders.

The remaining portion of Almonty's revenue is derived from its Japanese and European customers.

(b) Key Contracts

As detailed above, Almonty is party to several supply agreements with GTP (**Supply Agreements**). These Supply Agreements are in force for Almonty's operational mine in Portugal and for its other non-operational mines in Spain and South Korea. The Supply Agreements between Almonty and GTP are long term supply agreements which provide for the provision of a minimum amount of tungsten concentrate to GTP according to certain specifications.

The remaining portion of the Company's revenue is generated via its other supply contracts including via its various offtake agreements with Japanese based customers. These offtake agreements are granted annually on a spot basis.

For further information, refer to Section 10.2.

3.7 Key Revenue and Costs

Almonty's key revenue is generated by:

(i) the sale of tungsten, tin and copper concentrate from its producing Panasqueira Mine; and

(ii) previous revenues from the sale of tungsten concentrate from its Los Santos Mine which were produced from processed tailings when the Los Santos Mine was in production. The Company intends to start re-processing the tailings material in late 2021.

Almonty's key costs are:

(i) the planned capital expenditures at the Sangdong Mine;

(ii) operating costs at its Panasqueira Mine; and

(iii) the Company's consolidated overheads.

For further information on Almonty's revenue and costs, refer to Section 4.

3.8 Growth Strategy

Almonty proposes to generate future cash flows for a 90+ year mine life from a significant tungsten resource, the Sangdong Mine. To that end, Almonty has engaged S-Material Handling Co. Ltd. as its EPC contractor responsible for the buildout of the Sangdong Mine in order to bring the mine back into production in 2022.

Following the acquisitions of the Sangdong Mine, the Panasqueira Mine and the balance of the Valtreixal Project, Almonty is now focused on optimising its current portfolio of tungsten mines and bringing its development projects on-line with a view to having four operating mines under its control. In addition, the Company routinely considers opportunities to acquire other tungsten projects.

3.9 Finance Arrangements

Almonty has financed its operations through a combination of debt and equity financing.

As at the date of this Prospectus, Almonty relies on the debt financing arrangements detailed below and in Section 3.10 (which details Almonty's convertible and term debt instruments). In addition to the debt financing arrangements detailed below, Almonty, through its wholly owned subsidiary Daytal, has a number of term loans with various banks and several € term loans and capital leases between Beralt Tin and each of Caixa Geral de Depósitos, BNP Paribas, Epiroc Financial Solutions AB and Caixa Leasing Factoring.

There are no current or likely breaches of loan covenants or debt obligations under Almonty's debt financing arrangements. Almonty also confirms that there have been no material breaches in the past two years of any financing arrangements and there is no expectation that existing facilities will not remain in place or that the terms and conditions of the existing finance arrangements will not be met.

Set out below is a summary of Almonty's material debt financing arrangements.

Sangdong Facility Agreement	• Almonty currently has a facility agreement provided by KfW IPEX-Bank GmbH in the sum of US$75,100,000 to finance the development and operation of the Sangdong Mine (**Sangdong Facility Agreement**) with a maturity date of 111 months after financial close. • The Sangdong Facility Agreement is a ring-fenced project financing arrangement which has been entered into by Almonty to ensure that the Sangdong Mine development is fully funded. • Woulfe, a subsidiary of Almonty, will be granting a share pledge over 100% of the share capital in AKTC in favour of KfW IPEX-Bank GmbH pursuant to this senior secured term loan facility agreement. • The Sangdong Facility Agreement contemplates a 70:30 debt to equity ratio to complete the development of the Sangdong Mine whereby 70% of the capital expenditure on the Sangdong Mine will be funded via debt and 30% will be funded via equity. • Once the equity component of the Sangdong Facility Agreement has been raised by Almonty (which is expected to occur upon completion of the IPO), Almonty will be able to draw down on the debt funding.
Unicredit Term Loan	• Almonty is currently the borrower under a term loan facility agreement with Unicredit Bank Austria AG dated 10 November 2020 for US$15,650,000 (**Unicredit Term Loan**). • The Unicredit Term Loan is guaranteed by Plansee Holding AG (**Plansee Guarantee**) and is to be repaid on 30 September 2023.

	• Plansee undertakes to hold a stake of at least 10% in the Company and to control GTP during the term of the Unicredit Term Loan and for as long as any amount remains outstanding.
Forbearance Agreement	• Almonty is party to a forbearance agreement with Daytal, BVI, Beralt Tin, AKTC, GTP and Plansee (**Forbearance Agreement**). • Under the Forbearance Agreement, each of Plansee and GTP have agreed to forbear on enforcing any rights and remedies against Almonty and the other debtor parties (being AKTC, Almonty, BVI and Beralt Tin) as a result of alleged defaults by the debtor parties pursuant to the off-take / supply agreements referenced below in Section 10.2 provided that, amongst other things, Almonty makes regular repayments of the outstanding amount owed to GTP of US$3,007,148, as at 31 December 2019.
DRAG Promissory Notes	Almonty currently has four secured promissory notes with DRAG being; (i) Secured Promissory Note for US$1,000,000 with a maturity date of 22 October 2023. The note is secured by a pledge of the Company's shareholding in Woulfe which, as detailed above, indirectly owns 100% of the Sangdong Mine (**DRAG Woulfe Share Pledge**). The DRAG Woulfe Share Pledge provides that the Company is not restricted from granting further security to other third parties in respect of the shares in Woulfe provided that the maximum amount of aggregate indebtedness shall not exceed CA$12,000,000. (i) Secured Promissory Note for US$1,000,000 for a principal amount of US$1,000,000 with a maturity date of 22 October 2023. The promissory note is secured by the DRAG Woulfe Share Pledge. (ii) Secured Promissory Note for US$2,500,000 with a maturity date of 22 October 2023. The principal amount is to be used for the development of the Sangdong Mine and general working capital purposes. The promissory note is secured by a pledge of the Company's shareholding in 9046739 CANDA INC. which indirectly owns 100% of the Valtrexial Project in Spain dated 22 January 2020. (iii) Secured Promissory Note for CA$250,000 with a maturity date of 22 October 2023. The principal amount is to be used for financial assurance payments in Spain. The promissory note is secured by a pledge of the Company's shareholding in 9046739 CANDA INC. which indirectly owns 100% of the Valtrexial Project in Spain dated 13 December 2019. Almonty also has two convertible notes with DRAG, as detailed below in Section 3.10.
Daytal Loan	• Daytal, a wholly owned subsidiary of Almonty, is the borrower under a bank term loan in an amount of €5,685,022 with an amount of €4,610,313.98 outstanding. The maturity date of the loan is 30 June 2023 and is guaranteed by the Company.
Daytal and Valtreixal Loans	• On 20 December 2019, the refinancing of the entire bank debt of Daytal and Valtreixal, wholly owned subsidiaries of Almonty, was carried out. The agreement, consisted of an extension of the final maturity term of the entire debt until 30 June 2023. • As at the Prospectus Date, the total amount pending to be paid amounts to €4,610,313.98 of which €3,273,986.57 correspond to Daytal's debt, and the remaining €1,336,327.41 to Valtreixal's debt. An amortisation of the bank debt of €125,000 per month has been agreed for the months between March 2021 and July 2021, and from August 2021 and until its total cancellation, the agreed amortisation of the debt will be €184,566 per month.

3.10 Convertible Debt and Instruments

As at the Prospectus Date, Almonty has various convertible debentures, bonds and promissory notes on issue.

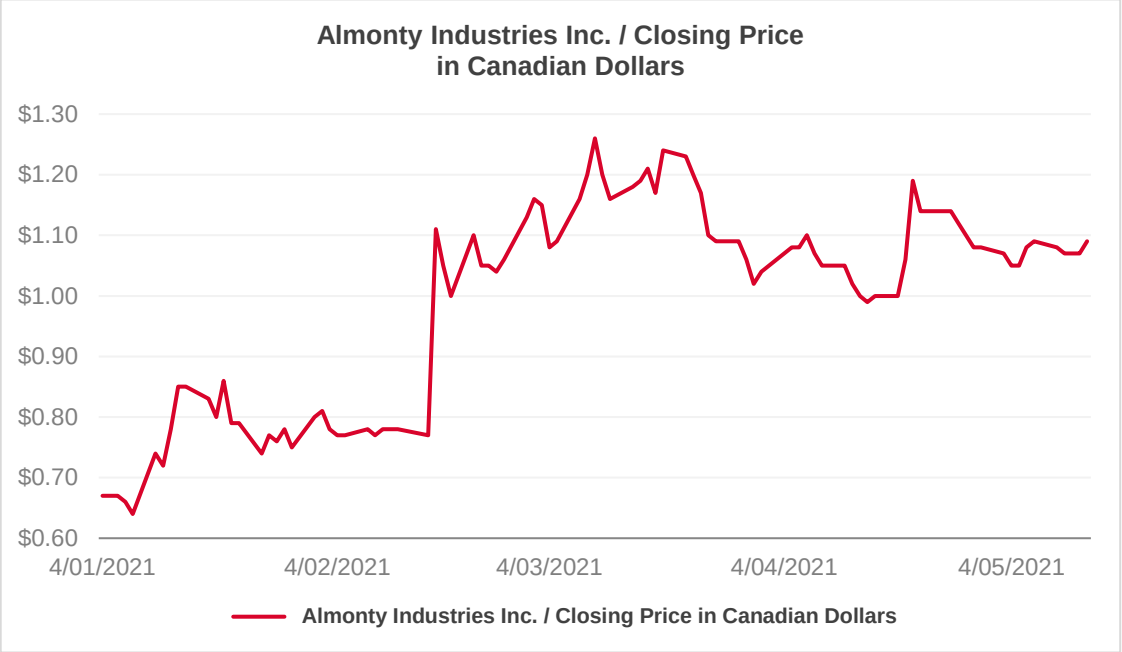
The principal amounts outstanding under the convertible debentures and bonds (excluding the promissory notes) range from CA$2,000,000 to CA$6,000,000 and are convertible into Shares at differing conversion prices ranging from €0.35 to CAD$1.45.

The convertible instrument holders have the option to convert all or any portion of the amounts under the convertible instruments described below into Shares. If all of the outstanding convertible debentures and bonds (excluding the promissory notes) are converted into equity, 31,507,092 Shares would be issued to its holders.

A summary of the key terms of these convertible instruments are provided below.

Dundee Convertible Debenture	• Almonty is party to a convertible debenture with Dundee Resources Ltd (**Dundee**) dated 30 January 2018 for CA$5,962,978 with a maturity date of 31 July 2022. • As long as the debenture remains outstanding, Dundee is entitled to nominate a director to the board of Almonty.
DRAG Convertible Notes	• Almonty has two separate convertible notes with DRAG. One is for CA$6,000,000 and one is for CA$2,000,000. • The maturity dates of the convertible notes have been extended to 22 October 2023.
Alfonse D'Amato Secured Convertible Debenture	• Almonty is party to a secured convertible debenture between the Company and Alfonse M. D'Amato (**A D'Amato**) (an associate of Director Daniel D'Amato) for US$2,000,000 dated 6 March 2020 with a maturity date of 6 March 2021. • The debenture is secured by a pledge of Almonty's shareholdings in its wholly-owned subsidiary, 9046739 CANADA INC., which indirectly owns 100% of the Valtrexial Project in Spain (**D'Amato Valtrexial Pledge**). • The D'Amato Valtrexial Pledge is intended to rank pari passu with the security granted to DRAG over 9046739 CANADA INC. • The maturity date for the convertible debenture has been extended to 6 September 2022.
Quercus GmbH Secured Convertible Bond	• Almonty is party to a convertible bond with Quercus GmbH (**Quercus**) for €3,000,000 dated 13 July 2020 with a maturity date of 13 July 2023. • The convertible bond is secured by a pledge of Almonty's shareholdings in its wholly-owned subsidiary, 9046739 CANADA INC., which indirectly owns 100% of the Valtrexial Project in Spain (**Quercas Valtrexial Pledge**). • The Quercus Valtrexial Pledge is intended to rank *pari passu* with the DRAG Valtrexial Pledge and the D'Amato Valtrexial Pledge.
Quercus GmbH Unsecured Convertible Bond	• Almonty is party to an unsecured convertible bond with Quercus for €1,500,000 dated 8 February 2021 with a maturity date of 8 February 2024.

3.11 Almonty's Share Price and Investment Performance



4. Financial Information

4.1 Financial Information Overview

A summary of the Group's financial information for the historical fiscal periods ended 30 September 2018 (**FY18**), 31 December 2019 (**FY19**), 31 December 2020 (**FY20**), (the **Historical Period**) is provided below. It should be noted that past performance is not a guide to future performance.

All amounts disclosed in this Section 4 are presented in Almonty's functional currency, Canadian dollars (**CA$** or **$**), unless otherwise stated. To translate the financial information from Australian dollars (**AU$ or A$**) to Canadian dollars, we have used a CA$:A$1 exchange rate of $0.9378 based on the Bank of Canada's published foreign exchange rate tables as at 20 May 2021.

During October 2019, the Company, pursuant to section 4.8(2) of Canadian National Instrument 51-102, *Continuous Disclosure Obligations*, provided notice that the Company has determined to change its financial year end from September 30 to December 31 for reporting and planning purposes in order to allow it to complete the audit requirements of its investee companies with greater efficiency and to better align the Corporation's financial reporting periods to that of its peer group in the mineral resources sector, which will allow investors to more easily compare quarterly and annual financial results. As a result, the Company's 2020 Annual Financial Statements were as at and for the twelve months ended December 31, 2020 with comparatives as at and for the fifteen months ended December 31, 2019 and for the twelve months ended September 30, 2018. Potential investors should therefore note the impact of comparing the Company's operational results to FY19 as indicated in Section 4.3 (i.e. 12 months' worth of revenue and expenditure compared to 15 months).

This Section contains a summary of the following statutory historical financial information and the pro forma historical financial information of Almonty (which reports on a 31 December financial year basis):

Statutory historical financial information comprising:

(a) Statutory historical audited consolidated statements of profit or loss for FY18, FY19 and FY20 (**Statutory Historical Statements of Profit or Loss**);

(b) Statutory historical audited consolidated statements of cash flows for FY18, FY19 and FY20 (**Statutory Historical Statements of Cash Flows**); and

(c) Statutory historical audited consolidated statement of financial position as at FY20 (**Statutory Historical Statement of Financial Position**).

Pro forma historical financial information comprising:

(a) Pro forma historical consolidated statements of profit or loss for FY18, FY19 and FY20 reflecting the Directors' pro forma adjustments (**Pro Forma Historical Statements of Profit or Loss**);

(b) Pro forma historical consolidated statements of cash flows for FY18, FY19 and FY20 reflecting the Directors' pro forma adjustments (**Pro Forma Historical Statements of Cash Flows**); and

(c) Pro forma historical consolidated statement of financial position as at FY20 reflecting the Directors' pro forma adjustments (**Pro Forma Historical Statement of Financial Position**).

(Collectively, the **Financial Information**).

No forecast financial information has been provided for the Company.

Also summarised in this Section 4 are:

(a) The basis of preparation and presentation of the financial information (set out in Section 4.2);

(b) Information regarding certain non-IFRS financial measures (set out in Section 4.2(e));

(c) The pro forma adjustments to the statutory historical financial information;

(d) Details of Almonty's indebtedness and a summary of funding, including debt facilities, liquidity and capital resources (set out in Section 4.7);

(e) Details of Almonty's cash and cash equivalents and pro-forma cash position on Completion (set out in Section 4.6); and

(f) A summary of Almonty's proposed dividend policy (set out in Section 4.9).

The Financial Information has been reviewed by Nexia Perth Corporate Finance Pty Ltd whose Investigating Accountant's Report (**IAR**) is set out in Appendix C. The IAR has been prepared in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagement involving Fundraising and/or Prospective Financial Information*. Potential investors should note the scope and limitations of that report.

The Group's financial statements have been prepared in accordance with the IFRS as issued by the IASB and IFRIC interpretations as adopted by Canada and the CBCA applicable to companies reporting under the IFRS. Potential investors should note the scope and limitations of that report.

The information in Section 4 should also be read in conjunction with the company overview set out in Section 3, risk factors set out in Section 6, significant accounting policies and critical areas of accounting judgments and estimates set out in Appendix A and other information contained in this Prospectus.

In preparing the Financial Information, Almonty's accounting policies and standards have been consistently applied throughout the periods presented.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2 Basis of Preparation and Presentation of Financial Information

(a) Overview

The Financial Information in this Prospectus is intended to present potential investors with financial information to assist them in understanding Almonty's underlying historical financial performance, cash flows and financial position together with the pro forma financial performance, cash flows and financial position.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the IFRS and interpretations issued by the IASB. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the IFRS applicable to annual financial reports prepared in accordance with the Corporations Act.

Almonty's key accounting policies are set out in Appendix A.

In addition to the statutory historical financial information, Section 4.2(e) describes certain non-IFRS financial measures that Almonty uses to manage and report on its business that are not defined or recognised by the IFRS.

The Directors are responsible for the preparation and presentation of the Financial Information.

(b) Preparation of the Statutory Historical Financial Information

The statutory historical financial information has been extracted from the audited financial statements of the Company for FY18, FY19, and FY20.

Davidson & Company LLP audited and issued an unmodified opinion on the financial statements of the Company for the financial year FY20. Ernst & Young LLP audited and issued an unmodified opinion with an emphasis on matters in relation to going concern on the financial statements of the Company for the financial year FY19. KPMG LLP audited and issued an unmodified opinion on the financial statements of the Company for the financial year FY18.

(c) Preparation of the Pro Forma Historical Financial Information

The pro forma historical financial information has been prepared for the purpose of inclusion in this Prospectus. It has been derived from the statutory historical financial information to illustrate the revenues, net profit, assets, liabilities and cash flows of the Company adjusted for certain transactions and pro forma adjustments described below.

The pro forma adjustments in respect of the statements of profit or loss and cash flows are described in Section 4.3(b) (reconciliation between the Statutory Historical Statements of Profit or Loss and the Pro Forma Historical Statements of Profit or Loss) and Section 4.4(b)(reconciliation between the Statutory Historical Cash Flows and the Pro Forma Historical Cash Flows) of this Prospectus. In particular pro forma adjustments have been made to reflect the following:

- Incremental costs associated with being a public company, listed on the ASX including corporate governance costs and ASX listing fees;
- Capital raising/IPO fees incurred and expensed; and
- Tax impact of the above adjustments.

The Pro Forma Historical Statement of Financial Position is derived from the Statutory Historical Statement of Financial Position of the Company as at 31 December 2020, and is adjusted on the basis of the Completion of the proposed capital raising and the completion of certain other transactions as disclosed in Section 4.5, as if those transactions occurred as at 31 December 2020.

The Pro Forma Historical Statements of Profit or Loss, the Pro Forma Statements of Cash Flows and the Pro Forma Historical Statement of Financial Position are provided for illustrative purposes only and are not represented as being necessarily indicative of Almonty's future financial performance.

(d) Significant Accounting Policies and Application of New Accounting Standards to the Financial Information

The significant accounting policies applied consistently in the preparation of the Financial Information are set out in Appendix A.

Major new accounting standards which came into effect during the historical periods presented were as follows:

- IFRS 9: Financial Instruments, which was adopted in the statutory accounts for FY19;
- IFRS 15: Revenue from Contracts with Customers, which was adopted in the statutory accounts for FY19; and
- IFRS 16: Leases, which the Company adopted in FY20, using the modified retrospective method, where the FY19 comparatives are not restated and the cumulative effect of initially applying IFRS 16 has been recorded on 1 January 2020.

Whilst IFRS 9, IFRS 15 and IFRS 16 resulted in changes to the Company's accounting policies, the impact of the changes on the results of the Company reported for the historical periods presented was not material. Accordingly, no adjustments have been made to the Pro Forma Historical Statements of Profit or Loss.

(e) Explanation for certain non-IFRS financial measures

To assist in Almonty's evaluation of the performance of its business, Almonty uses certain measures to report on its business that are not recognised under AAS or IFRS. These measures are collectively referred in this Section 4 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures".

Although Almonty believes that these measures provide useful information about its financial performance, they should be considered as supplements to the consolidated statement of profit or loss and consolidated statement of cash flow measures that have been presented in accordance with the IFRS and not as a replacement for them. Because these non-IFRS financial measures are not based on IFRS, they do not have standard definitions, and the way Almonty calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures. The principal non-IFRS financial measures that are referred to in this Prospectus are detailed below:

EBITDA and EBITDA margin. EBITDA is earnings or losses before interest (net finance expense), taxation, depreciation and amortisation. EBITDA margin is EBITDA expressed as a percentage of total revenue. Almonty uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation, or as a substitute for, an analysis of the results of Almonty's operations;

EBIT is earnings or losses before interest (net finance expense) and taxation;

Net operating cash flow is EBITDA after the removal of non-cash items in EBITDA (e.g. share based payment expenses and movements in provisions), adjusted for

changes in working capital and tax paid. Almonty uses net operating cash flow as a measure to indicate the level of operating cash flow generated from EBITDA;

Working capital is trade and other receivables and other current assets less trade and other payables, accruals, deferred revenue and other current liabilities;

Net debt represents total loans and borrowings and bank overdrafts, less cash and cash equivalents;

Capital expenditure is primarily related to HPC (high performance compute, storage and data centre infrastructure), which are capitalised in the statement of financial position.

4.3 Statutory and Pro Forma Historical Statements of Profit or Loss

(a) Pro Forma Historical Statements of Profit or Loss

The following table sets out the Company's Pro Forma Historical Statements of Profit and Loss for FY18, FY19 and FY20.

Almonty Industries Inc.
Pro Forma Historical Statements of Profit or Loss
(in 000's of Canadian dollars unless otherwise noted)

	Notes	FY18 Twelve months ended 30 Sep 2018	FY19 Fifteen months ended 31 Dec 2019	FY20 Twelve months ended 31 Dec 2020
Revenue		65,171	54,634	25,095
Cost of sales				
Production costs		36,699	38,194	23,394
Care and maintenance costs		-	-	997
Impairment		15,604	10,112	-
Depreciation and amortisation		11,155	4,487	2,075
(Loss) Income from mining operations		**1,713**	**1,841**	**(1,371)**
Expenses				
General and administrative	1	8,645	10,397	7,183
Share-based compensation		897	68	612
		(7,829)	**(8,624)**	**(9,166)**
Interest expense		2,459	3,049	3,139
Financing fees		-	-	697
Gain on debt settlement		-	(401)	(1,777)
Gain on deconsolidation		-	(4,150)	-
Foreign exchange gain		(95)	(1,785)	(863)
Loss before income taxes		**(10,193)**	**(5,337)**	**(10,362)**
Income tax expense (recovery)				
Current		225	156	81
Deferred		490	13	(1,167)
		715	**169**	**(1,086)**
Net Loss for the period		**(10,908)**	**(5,506)**	**(9,276)**

Adjusted for:			
- Interest expense	2,459	3,049	3,139
- Depreciation and amortisation	11,155	4,487	2,075
- Income tax expense	715	169	(1,086)
EBITDA	**3,421**	**2,199**	**(5,148)**

Notes

1. Refer to Section 4.3(b) for a detailed explanation on pro-forma adjustments.
2. Refer to Section 4.3(c) for an analysis on the Company's Statutory Historical Statements of Profit or Loss.

(b) Pro Forma Adjustments to the Statutory Historical Statements of Profit or Loss

The Pro Forma Historical Statements of Profit or Loss have been derived by applying certain adjustments to the Statutory Historical Statements of Profit or Loss as set out in the tables below:

(in 000's of Canadian dollars unless otherwise noted)

	Note	FY18 Twelve months ended 30 Sep 2018	FY19 Fifteen months ended 31 Dec 2019	FY20 Twelve months ended 31 Dec 2020
Statutory Net Loss for the period		**(10,689)**	**(5,233)**	**(9,057)**
Additional annual cost to be listed on ASX	1	(219)	(273)	(219)
Pro forma loss for the period		**(10,908)**	**(5,506)**	**(9,276)**

Notes

1. Refer to Section 4.3(b) for a detailed explanation on pro forma adjustments.
2. Refer to Section 4.3(c) for an analysis on the Company's Statutory Historical Statements of Profit or Loss.

(c) Statutory Historical Statements of Profit or Loss

The following table sets out the Company's Statutory Historical Statements of Profit or Loss for FY18, FY19 and FY20.

Almonty Industries Inc.
Consolidated Statements of Profit or Loss
(in 000's of Canadian dollars unless otherwise noted)

	Note	FY18 Audited Twelve months ended September 30, 2018	FY19 Audited Fifteen months ended December 31, 2019	FY 20 Audited Twelve months ended December 31, 2020
Revenue	2	65,171	54,634	25,095
Cost of sales				
Production costs	3	36,699	38,194	23,394
Care and maintenance costs	4	-	-	997
Impairment	5	15,604	10,112	-
Depreciation and amortisation	6	11,155	4,487	2,075
(Loss) Income from mining operations		**1,713**	**1,841**	**(1,371)**
Expenses				
General and administrative	7	8,426	10,124	6,964
Share-based compensation	8	897	68	612
		(7,610)	**(8,351)**	**(8,947)**
Interest expense	9	2,459	3,049	3,139
Financing fees	10	-	-	697
Gain on debt settlement	10	-	(401)	(1,777)
Gain on deconsolidation	11	-	(4,150)	-
Foreign exchange gain	12	(95)	(1,785)	(863)
Loss before income taxes		**(9,974)**	**(5,064)**	**(10,143)**
Income tax expense (recovery)				
Current	13	225	156	81
Deferred	13	490	13	(1,167)
		715	**169**	**(1,086)**
Net Loss for the period		**(10,689)**	**(5,233)**	**(9,057)**
Adjusted for:				
- Interest expense		2,459	3,049	3,139
- Depreciation and amortisation		11,155	4,487	2,075
- Income tax expense		715	169	(1,086)
EBITDA		**3,640**	**2,472**	**(4,929)**

Notes

1. As explained in Section 4.1, due to changing its financial year-end from 30 September to 31 December, the Company's 2020 Annual Financial Statements were as at and for the twelve months ended December 31, 2020 with comparatives as at and for the fifteen months ended December 31, 2019 and for the twelve months ended September 30, 2018.

2. Drop in gross revenue from FY19 to FY20 was mainly due to production ceasing during Q1-2020 at the Los Santos Mine and to a decrease of 22.3% at the Company's Panasqueira Mine compared to production during F19 and by 8.4% compared to the twelve months ended December 31, 2019.

   A decreased overall production at the Los Santos Mine was a result of the fact that, during February 2020, the Company made the decision to put the Los Santos Mine in care and maintenance so as to allow the Company to focus its efforts on finalising the proposed project financing for the Sangdong Mine and to assess and complete a restructuring initiative that will involve an approximate €1 million capital expenditure expected to lead to a significant increase in the recovery rate of WO_3 from the processing of the Company's tailings inventory.

   Decreased overall production at the Panasqueira Mine was a result of a lower amount of ore mined and processed during FY20 compared to FY19. Shipment volumes at Panasqueira decreased by 21.9% overall in FY20 when compared to FY19 and by 8.1% compared to the twelve months ended December 31, 2019. Overall revenue at Panasqueira decreased by $9,729 or 28.1% in FY20 when compared to FY19 because of a moderate drop in the selling price of the units shipped when compared to FY19. The average commodity price experienced during FY20 was lower than the average commodity price in FY19.

3. Mine production costs includes direct mining costs, milling costs, tailings costs and waste rock stripping costs.

4. During February 2020, management implemented a planned closure of Los Santos' operations by placing it into care and maintenance. This was done for two main reasons:

   - the Company is planning to reopen operations in late 2021 once it has finalised plans to modify the plant's infrastructure, through a €1 million capital expenditure, which is expected to result in significantly higher recovery rates from the future processing of its tailings inventory; and
   - the Company intends to use the short-term freed-up capital to assist with finalising the Sangdong Mine's project financing.

5. The Wolfram Camp Mine had been in care and maintenance since 2016. During FY19, the Board of Directors of the Company determined that it was in the best interests of the Company to cease expending further funds towards refurbishment and maintenance of WCM and TM and, consequently, the Company caused WCM and TM to be placed into voluntary liquidation with all requisite approvals received. In FY18, the Wolfram Camp Mine CGU was written down to its estimated recoverable amount. The recoverable amount was based on a fair value less cost to sell model. As a result, an impairment loss of $12,757 was recognised during FY18, of which $7,651 was allocated to plant and equipment and $5,106 to mineral property acquisition and development costs.

   Also, during FY18, the Company changed its life of mine plan for the Daytal CGU and planned to complete mining of the remaining ore in the third quarter of FY19 and commence reprocessing of tailings at that time. As a result, the Company recognised an impairment loss of $2,847 for FY18.

6. Depreciation and amortisation expense for FY20 decreased by 53.7%, or $2,412 when compared to FY19 due to a change in the Company's mine plan at Los Santos during the year ended September 30, 2018. Almonty employs a unit-of-production basis for recording depreciation and amortisation.

7. General and administrative costs include employee salaries and employment-related expenses of all non-mining/processing personnel as well as corporate overhead costs,

business development and corporate development costs, listing and transfer agent fees, accounting, legal and other professional fees and travel.

8. Share-based payments relates to the value of stock options granted to employees and consultants.

9. Interest expense increased by 3.0%, or $90, during FY20 when compared to FY19 as a result of an increase in long-term debt during FY20 offset by lower interest rates on the Company's LIBOR based bank loans.

10. The Company negotiated the amendment of various loans with an aggregate principal amount of $45,584, whereby the maturity dates were extended to 2022 and 2023.

11. Upon TM and WCM being placed into voluntary liquidation, the Company determined that it no longer controlled the entities under IFRS 10, *Consolidated Financial Statements* and deconsolidated them at that time. As a result of the deconsolidation of TM and WCM, a deconsolidation gain of $4,150 and reclassification of accumulated foreign currency translation adjustments of $1,348 were recorded in the statement of operations and comprehensive loss for FY19.

12. Foreign exchange gains and losses are mainly due to the revaluation of interest-bearing long-term debt and non-interest-bearing trade payables denominated in United States dollars and Euros.

13. The enacted or substantively enacted tax rates for the Company are 27.0% in Canada (2019 – 27.0%), 25.0% in Spain (2019 – 25.0%), 21.0% in Portugal (2019 – 21.0%) and 22% in Korea (2019 – 22%). The rates applied in the tax provision are based on where the Company's principal subsidiaries operate.

4.4 Statutory and Pro Forma Historical Cash Flows

(a) Pro Forma Historical Statements of Cash Flows

The following table sets out the Pro Forma Historical Statements of Cash Flows for the FY18, FY19 and FY20.

Almonty Industries Inc.
Pro Forma Historical Statements of Cash Flows
(in 000's of Canadian dollars unless otherwise noted)

	FY18 Twelve months ended September 20,2018	FY19 Fifteen months ended December 31,2019	FY20 Twelve months ended December 31,2020
Operating activities			
Net loss for the period (pro forma – per Section 4.3(a)	(10,908)	(5,506)	(9,276)
Add (deduct) non-cash items:	31,551	11,742	5,413
Interest paid	(1,199)	(1,285)	(725)
Net change in non-cash working capital	(5,091)	638	(549)
Change in tailings inventory	(3,632)	(1,708)	206
Other	-	56	(120)
Cash flow provided by operating activities	**10,721**	**3,937**	**(5,050)**
Investing activities			

Cash flow used in investing activities	**(6,023)**	**(7,798)**	**(6,294)**
Financing activities			
Cash flow used in financing activities	**(540)**	**(3,556)**	**11,906**
Effect of foreign exchange on cash	**(129)**	**(81)**	**95**
Net (decrease) increase in cash during the period	**4,029**	**(7,498)**	**657**
Cash at beginning of period	4,473	8,721	1,496
Cash at end of period	**8,721**	**1,496**	**2,372**

Notes

1. Refer to Section 4.3(b) for a detailed explanation on pro forma adjustments.

(b) Pro Forma Adjustments to the Statutory Historical Statements of Cash Flows

The Pro Forma Historical Statements of Cash Flows has been derived by applying certain adjustments to the Statutory Historical Statements of Cash Flows as set out in the table below.

(in 000's of Canadian dollars unless otherwise noted)

	Note	FY18 Twelve months ended Sep 30, 2018	FY19 Fifteen months ended Dec 31, 2019	FY20 Twelve months ended Dec 31, 2020
Statutory net (decrease)/increase during the period		**4,248**	**(7,225)**	**876**
Additional annual cost to be listed on ASX	1	(219)	(273)	(219)
Pro forma (decrease)/increase during the period		**4,029**	**(7,498)**	**657**

Notes

1. Refer to Section 4.3(b) for a detailed explanation on pro forma adjustments.

(c) Statutory Historical Statements of Cash Flows

The following table sets out the Company's Statutory Historical Statements of Cash Flows for FY18, FY19 and FY20.

Almonty Industries Inc.
Statutory Historical Statements of Cash Flows
(in 000's of Canadian dollars unless otherwise noted)

	Notes	Audited FY18	Audited FY19	Audited FY20
Operating activities				
Net loss for the period		(10,689)	(5,233)	(9,057)
Add (deduct) non-cash items:		31,551	11,742	5,414
Interest paid		(1,199)	(1,285)	(725)
Net change in non-cash working capital		(5,091)	638	(549)
Change in tailings inventory		(3,632)	(1,708)	206
Other		-	56	(120)
Cash flow provided by operating activities		**10,940**	**4,210**	**(4,831)**
Investing activities				
Cash flow used in investing activities		**(6,023)**	**(7,798)**	**(6,294)**
Financing activities				
Cash flow used in financing activities		**(540)**	**(3,556)**	**11,906**
Effect of foreign exchange on cash		**(129)**	**(81)**	**95**
Net (decrease) increase in cash during the period		**4,248**	**(7,225)**	**876**
Cash at beginning of period		4,473	8,721	1,496
Cash at end of period		**8,721**	**1,496**	**2,372**

4.5 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

The Pro Forma Statement of Financial Position detailed below includes the pro forma adjustments in respect to the impact of the Offer.

Almonty Industries Inc.
Pro Forma Consolidated Balance Sheets
(in 000's of Canadian dollars unless otherwise noted)

as at	Notes	Audited December 31,2020	Subsequent events	Pro Forma Adjustments	Pro forma after Offer December 31,2020
Assets					
Current Assets					
Cash	3				
Trade receivables		2,372	8,271	21,520	32,163
Recoverable taxes		399	-	-	399
Inventories		534	-	-	534
Prepaid expenses and other current assets		6,141	-	-	6,141
Total Current Assets		393	-	-	393
		9,839	**8,271**	**21,520**	**39,630**
Mining assets		107,465	-	-	107,465
Tailings inventory		27,454	-	-	27,454
Deferred financing costs		3,498	-	-	3,498
Deferred tax assets		2,250	-	-	2,250
Other assets		557	-	-	557
Total Assets		**141,224**	**-**	**-**	**141,224**
		151,063	**8,271**	**21,520**	**180,854**
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities		17,613	-	-	17,613
Current portion of long-term debt	4	49,146	(45,584)	-	3,562
Total Current Liabilities		**66,759**	**(45,584)**	**-**	**21,175**
Long-term debt	4	12,378	47,502	-	59,880
Restoration provision and other liabilities		42,743	-	-	42,743
Deferred tax liabilities		14	-	-	14
		55,135	**47,502**	**-**	**102,637**
Total Liabilities		**121,894**	**1,918**	**-**	**123,812**
Shareholders' Equity					
Share capital	5	92,548	6,425	22,038	121,011
Subscriptions received		1,529	(72)	-	1,457
Equity portion of convertible debentures		1,241	-	-	1,241
Contributed surplus		5,612	-	-	5,612
Accumulated other comprehensive (loss) income	6	1,082	-	-	1,082
Deficit		(72,843)	-	(519)	(73,362)
Total Shareholders' Equity		**29,169**	**6,353**	**21,520**	**57,042**
Total Liabilities and Shareholders' Equity		**151,063**	**8,271**	**21,520**	**180,854**

The Historical and Pro Forma Statements of Financial Position are to be read in conjunction with the notes set out below and in Appendix A.

Details of the subsequent events and pro forma adjustments made to the audited Statutory Historical Statement of Financial Position of the Company as at 31 December 2020 are detailed below.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view on its future financial position.

Notes to and forming part of the Pro Forma Historical Statement of Financial Position

1. Accounting Policies

Significant accounting policies and critical areas of accounting judgments and estimates set out in Appendix A.

2. Preparation of the Pro Forma Historical Statement of Financial Position

The 31 December 2020 Statutory Historical Statement of Financial Position of Almonty has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 31 December 2020:

Subsequent events

(a) 2,050,251 shares issued at $0.75 per share pursuant to the closing of a non-brokered private placement, receiving gross proceeds of $1,538,000;

(b) 2,830,000 shares issued at $0.75 per share pursuant to the closing of a non-brokered private placement, receiving gross proceeds of $2,122,000;

(c) 2,000,000 shares issued at $0.85 per share pursuant to the closing of a non-brokered private placement, receiving gross proceeds of $1,700,000;

(d) 308,333 shares issued at $0.90 per share pursuant to the closing of a non-brokered private placement, receiving gross proceeds of $278,000;

(e) EUR$1,500,000 ($2,310,000) received pursuant to the issuance of a convertible debenture which bears interest at the rate of 10%, is convertible at EUR$0.4875 per share and matures in February 2024;

(f) 719,200 common shares issued in conjunction with the conversion of a EUR250,000-denominated convertible debenture;

(g) 200,000 common shares issued pursuant to the exercise of stock options for proceeds totalling $113,000 and granted stock options enabling the holders to acquire up to 750,000 common shares at an exercise price of $0.75 per share and 50,000 common shares at an exercise price of $1.23 per share;

(h) 80,000 common shares issued pursuant to the exercise of share purchase warrants for proceeds totalling $60,000;

(i) The Company negotiated the amendment of various loans with an aggregate principal amount of $45,584,000 whereby the maturity dates were extended to 2022 and 2023; and

(j) 200,000 warrants at $0.75 per share were exercised.

Pro Forma Adjustments

(a) The Offering pursuant to the Prospectus of 25CDI's at an issue price of A$1.00 per Share to raise A$25,000,000 (CA$23,445,000) before costs;

(b) The payment of an estimated A$2,053,000 (CA$1,925,000) in costs incurred by the Company in relation to the costs of the transaction and the

subsequent allocation of these costs between the retained earnings A$553,000 (CA$519,000) and issued capital A$1,500,000 (CA$1,406,000).

Amounts above are not rounded to the nearest CA$'000.

No material items

There have been no other material items, transactions or events subsequent to 31 December 2010 that have not otherwise been disclosed in this Prospectus and incorporated into the Pro Forma Statement of Financial Position, where appropriate.

COVID-19

In March 2020, the World Health Organisation declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. The Company is committed to protecting the health and safety of its workforce and the communities in which it operates. The Company has developed and implemented a COVID-19 Safety Plan at each of its mine sites to minimise the risk of COVID-19 exposure for its employees, their families and the residents of their respective communities.

To date there have been no significant interruptions to the Company's supply chain or service providers. However, shipping of concentrate has been slowed moderately by the results of COVID-19. The Company will continue to move forward its 2021 mine programs under these challenging conditions while monitoring the situation and ensuring backup plans are in place for potential disruptions. Almonty's health and safety staff have procedures and protocols in place at each location in compliance with local requirements, including daily screening of all workers for symptoms of COVID-19, to ensure that in case a possible exposure to COVID-19 occurs, it will be quickly contained.

3. Cash

(in 000's of Canadian dollars unless otherwise noted)

	Audited as at December 31,2020	Pro forma after Public Offer
Cash	2,372	32,163
Balance as at 31 December 2020		2,372
Subsequent adjustments:		
Share capital raised		5,698
Convertible debenture issued		2,310
Exercise of stock options		263
		8,271
Pro forma adjustments:		
Proceeds from shares issued under the Offer		23,445
Broker fees and other costs related to IPO		(1,925)
		21,520
Pro forma balance		32,163

4. Long Term Debt

(in 000's of Canadian dollars unless otherwise noted)

	Audited as at December 31,2020	Pro forma after Public Offer
Long Term debt	61,524	63,442
Balance as at 31 December 2020		61,524
Subsequent adjustments:		
Convertible debenture issued		2,310
Conversion of convertible debenture		(392)
Pro forma balance		63,442
Current portion of long term debt		3,562
Non-current portion of long term debt		59,880
		63,442

As at 31 December 2020, the Company's Long Term debt comprised the following (refer to Note 8 in the FY20 Financial Statements as disclosed on Almonty's SEDAR profile):

(in 000's of Canadian dollars unless otherwise noted)

	Audited as at December 31, 2020	Pro Forma adjustments	Pro forma after Public Offer
Term loans - Euro	8,954	-	8,954
Term and other loans - US dollar	29,329	-	29,329
Convertible debentures	21,729	1,918	23,647
Lease liabilities	648	-	648
Derivative liabilities	614	-	614
Promissory Note	250	-	250
	61,524	1,918	63,442
Less: Current portion	(49,146)	45,584	(3,562)
	12,378	47,502	59,880

5. Share Capital

(in 000's of Canadian dollars unless otherwise noted)

	Audited as at December 31, 2020	Pro forma after Public Offer
Contributed Equity	92,548	121,011
Balance as at 31 December 2020		92,548
Subsequent adjustments:		
Shares issued pursuant to private placement		5,638
Conversion of convertible debenture		392
Exercise of stock options and warrants		395
		6,425
Pro forma adjustments:		
Proceeds from shares issued under the Offer		22,038
Pro forma balance		121,011

	Audited as at December 31, 2020 (Number)	Pro forma after Public Offer (Number)
Contributed Equity	183,464,470	216,852,254
Balance as at 31 December 2020		183,464,470
Subsequent adjustments:		
Shares issued pursuant to private placement		7,188,584
Conversion of convertible debenture		719,200
Exercise of stock options and warrants		480,000
		8,387,784
Pro forma adjustments:		
Shares issued under Offer		25,000,000
Pro forma balance		216,852,254

6. Deficit

(in 000's of Canadian dollars unless otherwise noted)

	Audited as at December 31, 2020	Pro forma after Public Offer
Contributed surplus	(72,843)	(73,263)
Balance as at 31 December 2020		(72,843)
Subsequent adjustments:		-
Pro forma adjustments:		
Other costs related to IPO		(519)
Pro forma balance		(73,362)

4.6 Cash and Cash Equivalent

The table below sets out the net cash position of the Company as at 31 December 2020 on a statutory basis and on a pro forma basis adjusted for receipt of the net proceeds of the Offer, the funds raised post 31 December 2020 by way of issuing shares, the issuing of convertible debenture and stock options and warrants being exercised, as if these transactions took place as at 31 December 2020.

(in 000's of Canadian dollars unless otherwise noted)

	Note	Audited Statutory at December 31, 2020	Pro Forma adjustments	Pro forma after offer
Cash		2,372	29,791	32,163
Current portion of long-term debt	2	(49,146)	45,584	(3,562)
Long-term debt	2	(12,378)	(47,502)	(59,880)
Net cash/(debt)		(59,152)	27,873	(31,279)

Notes

1. Refer to Section 4.5 for more details on the pro forma adjustments.

2. The Company negotiated the amendment of various loans with an aggregate principal amount of $45,584,000 whereby the maturity dates were extended to 2022 and 2023.

The pro forma cash and cash equivalents as at 31 December 2020 does not reflect the change in cash position between 31 December 2020 and completion of the Offer process, which will occur as a result of various anticipated cash requirements of the business over this period, such as day to day operating activities.

4.7 Liquidity, Capital, Resources and Indebtedness

All amounts disclosed in Section 4.7 are presented in Almonty's functional currency, Canadian dollars (**CA$** or **$**), rounded to the nearest **$'000**.

As at December 31, 2020, the Company had cash and receivables of $2,771 (December 31, 2019 - $2,354) and a working capital deficiency of $56,920 (December 31, 2019 - $40,344). The Company believes that, based on the current price of APT and its forecast production schedule for fiscal 2021, it has the ability to generate sufficient cash flow to meet its current obligations at its producing mine.

The Company will, however, need to refinance various long-term debt facilities that are coming due within the next twelve months (see discussion below) and raise additional capital to complete the development and build-out of the Sangdong Mine. The current price of APT has reached levels where it is sufficient to cover the Company's cash operating costs on existing production volumes. Should the Company no longer be able to produce tungsten concentrate in sufficient quantity, then the Company may not be able to meet its current and long-term obligations. Outside of abiding by (i) Spanish law requirements on minimum capital adequacy at Valtreixal Resources Spain SL and Daytal Resources Spain SL, (ii) Korean law requirements on minimum capital adequacy at Almonty Korea Tungsten, and (iii) Portuguese law requirements on minimum capital adequacy at Beralt Tin, there is no legal restriction on Almonty's ability to repatriate capital from its subsidiaries.

The Company has $61,524 in long-term debt as at December 31, 2020 ($49,499 as at December 31, 2019), of which $49,146 is the current portion ($33,763 as at December 31, 2019), comprised of individual facilities with Spanish domiciled banks, one facility with an Austrian bank, promissory notes owed to a shareholder and convertible loans as at December 31, 2020. However, subsequent to December 31, 2020, approximately $45,584 of the $49,142 current portion of long-term debt was pushed out to fiscal 2022 and 2023 pursuant to various negotiated maturity extensions. See Note 8 in the Company's 2020 annual consolidated financial statements for the year ended December 31, 2020 for additional details regarding each component of long-term debt.

Capital Management

The primary objective of Almonty's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure (composed of shareholders' equity and net debt) and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, Almonty may initiate dividend payments to shareholders, return capital to shareholders, repurchase issued shares or issue new shares. Almonty monitors capital using a gearing ratio, which is net debt, divided by equity plus net debt. Almonty's policy is to maintain the gearing ratio between 5% and 40%. Net debt for this purpose includes interest-bearing loans and borrowings and trade and other payables, less cash and cash equivalents and receivables from government tax authorities. Almonty is not exposed to any externally imposed capital requirements.

	December 31, 2020	December 31, 2019
Accounts payable and accrued liabilities	17,613	16,920
Long-term debt	61,524	49,499
Less: Cash and receivables	(3,305)	(3,276)
Net debt	**75,832**	**63,143**
Shareholders' equity	29,169	33,816
Equity and net debt	**105,001**	**96,959**
Gearing ratio	**72.5%**	**65.1%**

The gearing ratio exceeded the targeted range as at December 31, 2020 and 2019 due to the deterioration in the commodity prices from 2016 to mid-2017 having a negative impact on net income (loss). During the twelve months ended December 31, 2020, while the price environment improved and the Company has raised additional equity, the Company also issued additional debt, resulting in a worsening of the gearing ratio. The Company is working to improve its profitability, raise additional equity capital and /or reduce its outstanding debt levels in order to return the gearing ratio to targeted levels.

4.8 No Forecasts

The industry Almonty operates in is inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues and expenses associated with Almonty's proposed activities.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of Almonty are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

4.9 Dividend policy

Subject to the CBCA, the Board may declare dividends payable to shareholders according to their respective rights and interests in the Company. Dividends may be paid by money or property or by issuing fully paid Shares and/or CDIs of Almonty (as the case may be).

In addition to the above, it is the Board's intention, based on and subject to the future financial performance of Almonty, to annually declare a special dividend. Any such special dividends will only be payable if and when declared by the Board and there will be no entitlement to any dividend prior thereto.

5. Capital Structure

5.1 Current Capital Structure

The rights and liabilities attaching to the Company's CDI's are summarised at Section 9.9 of this Prospectus. The capital structure of Almonty as at the date of this Prospectus is set out in the table below:

Shares on Issue	191,852,254
Options on Issue	8,075,000
Warrants on Issue	1,767,244

5.2 Shares

(a) Shareholders

The Company currently has approximately 88 registered shareholders. Of the Company's registered shareholders, there are a number of 'nominee-type' shareholders (see explanation in the paragraph below regarding beneficial owners) who hold Shares on behalf of approximately a further 1,700 beneficial owners.

The Company has two types of shareholders - registered shareholders and beneficial owners. Registered shareholders are those shareholders shown as the registered holder of Shares on the Canadian share register. Beneficial owners hold their Shares through a 'nominee', which is typically a brokerage firm (who may in turn hold the beneficial owners' Shares registered in the nominee name of the Canadian Central Securities Depository). This means that the number of registered shareholders the Company has is significantly less than the number of actual shareholders. As at the date of this Prospectus, Almonty has 803 non-objecting beneficial owners.

(b) Substantial Shareholders

The table below sets out the Shareholders who hold a substantial interest in Shares on Completion, and also includes their respective interest at the Prospectus Date:

Shareholder	Number of Shares held at Prospectus Date	% of Shares held at Prospectus Date	Number of Shares held on Completion	% of Shares held on Completion
Lewis Black[12]	35,813,871	18.67%	35,813,871	16.52%
GTP	27,562,500	14.37%	27,562,500	12.71%
DRAG[13]	25,401,168	13.24%	25,401,168	11.71%
Total	**88,777,539**	**46.28%**	**88,777,539**	**40.94%**

5.3 Options

(a) Options on issue

The table below provides a summary of the Options currently on issue. The Company currently has 8,075,000 Options on issue which are exercisable in respect to 8,075,000 Shares in aggregate (representing approximately 4.21% of the Company's issued share capital).

The table below contains a summary of the exercise prices, expiry dates and number of Options Almonty currently has on issue. More detailed information regarding the Options is contained in Section 5.3 below.

Exercise Price	Number of Options	Expiry
CA$1.00	650,000	25/09/21
CA$1.02	50,000	18/06/22
CA$1.07	200,000	28/05/23
CA$0.80	100,000	08/11/23
CA$0.65	450,000	07/01/25

[12] Mr Black's shareholding is inclusive of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato. Mr Black individually owns 21,929,951 Shares. Mr Black has agreed to sell 10,587,056 of his shares to The Plansee Group. This sale may or may not close before Completion. GTP is the tungsten powder manufacturer in The Plansee Group.
[13] DRAG is a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe. Current Non-Executive Director Dr Thomas Gutschlag is the CEO of DRAG.

CA$0.69	250,000	10/02/25
CA$0.64	50,000	16/04/25
CA$0.64	250,000	23/06/25
CA$0.50	50,000	09/11/25
CA$0.80	900,000	23/12/25
CA$0.33	1,725,000	17/08/27
CA$0.87	1,275,000	28/06/28
CA$0.49	500,000	07/01/30
CA$0.70	825,000	27/10/30
CA$0.75	750,000	31/01/31
CA$1.23	50,000	22/03/31
	8,075,000	

(b) Option plans

The Board has approved the Second Amended and Restated Incentive Stock Option Plan (**Stock Option Plan or the Plan**) to attract and retain employees, consultants, officers or directors of the Company and to motivate them to advance the interests of the Company by providing them with the opportunity to acquire an equity interest in the Company. Under the Stock Option Plan, the Company may grant Options to purchase Shares to such eligible directors, officers, consultants and employees as the Board deems advisable (**Eligible Persons**).

A summary of the key terms of the Stock Option Plan is provided below.

Term	Description
Eligible Persons	Eligible Persons under the Plan include bona fide employees, consultants, officers or directors or corporations employing or wholly owned by such employees, consultants, officers or directors.
Board Authority	Subject to the limitations of the Plan, the Board shall have the authority to: • grant options to purchase Shares to Eligible Persons; • determine the terms, limitations, restrictions and conditions respecting such grants; • interpret the Plan and adopt administrative guidelines, rules and regulations relating to the Plan that it shall deem advisable; and • make all other determinations and take all other actions in connection with the implementation and administration of the Plan.

Grant of Option	The Board shall, via resolution, specify the number of Shares that should be placed under option to each Eligible Person, the exercise price to be paid for such Shares upon their exercise, any applicable hold period and the period, including any applicable vesting periods during which such option may be exercised.
Written Agreement	Every option granted under the Plan shall be evidenced by written agreement.
Exercise Price	The purchase price for Shares under each option shall be set by the Board and shall not be less than the market price at the time of the grant.
Different Exercise Periods, Prices and Numbers	Subject to the Plan, the Board may, in its absolute discretion, upon granting an option under this Plan specify a particular time period or periods following the date of granting the option during which the Optionee (as is defined in the Plan) may exercise his option to purchase Shares and may designate the exercise price and the number of Shares in respect of which such Optionee may exercise his option during each such time period.
Termination of Employment or Directorship	If the Eligible Person ceases to be engaged by the Company before the expiry date of their option, the option granted to them shall cease and terminate and be of no further force or effect. If the Eligible Person ceases to be engaged by the Company for any reason, other than just cause or death, before the expiry date of their option, that Eligible Person shall have the right to exercise any vested option not exercised prior to such termination within 30 days after the date of their termination or such date as set out in their Option Agreement (as is defined in the Plan).
Assignment	No option granted under the Plan or any right thereunder or in respect thereof shall be transferable or assignable unless otherwise provided for.
Payment	Once vested, options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased on exercise of an option shall be paid for in full in cash at the time of their purchase.
Adjustment in Shares and Exercise Price	The Board may adjust the number of Shares available for option, the Shares subject to any option and the option exercise price in the event that there is a change in share capital of the Company.

Amendment	Subject to obtaining any required approvals, the Board may at any time amend, modify or terminate this Plan. However, shareholder approval shall be required in respect of: • any amendments to the maximum number of Shares reserved on issuance under the Plan; • any amendment which reduces the exercise price of an option; • any amendment extending the term of an option beyond its original expiry date except as otherwise permitted by the Plan; • any amendment which increases the limit on grants of options; • any amendments which grant additional powers to the Board to amend the Plan or option entitlements without shareholder approval; • amendments required to be approved by shareholders under applicable Canadian law.
Rights as a Shareholder	An Optionee shall be entitled to shareholder rights, such as the right to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon exercise of an Option.

5.4 Warrants

(a) Warrants on issue

Almonty also has Warrants on issue.

The table below contains a summary of the Warrants Almonty currently has on issue. More detailed information regarding the Options is contained in Section 5.4 below.

Exercise Price	Number of Warrants	Number of Shares upon Exercise of Warrants	Expiry
CA$0.75	920,000	920,000	09/12/22
CA$0.75	100,000	100,000	17/12/22
CA$0.75	747,244	747,244	19/02/23
Total	**1,767,244**	**1,767,244**	

(b) Warrant plans

Term	Description
Rights of Shareholders	The issue of Warrants do not confer any shareholder rights on the Warrant holder.
Partial Exercise	Warrant holders may subscribe for and purchase less than the full number of Shares entitled to be subscribed for and purchased under the plan.
Adjustment of Subscription and Purchase Rights	The exercise price and number of shares deliverable upon the exercise of the Warrants may be adjusted in the event of a change to Almonty's share capital including in the case of a capital reorganisation or a rights offering.
Reservation of Common Shares	Almonty will at all times before the expiry date of the Warrants keep available and reserve if necessary, out of its authorised shares, the number of Shares as shall be issuable upon the exercise of the Warrants on issue.

6. Risks

Almonty is subject to risks that are both specific to Almonty's business activities and of a more general nature. Each risk set out in this Section 6 may have a material adverse effect on Almonty's business, prospects, operating and financial performance, financial condition and results of operations and the value of the CDIs. This Section describes what Almonty considers to be the most significant risks associated with its business, an investment in Almonty and the general risks associated with an investment in the CDIs. This Section should be read in conjunction with other information disclosed in this Prospectus.

Investors should be aware that the risks listed in this Section should not be considered to be an exhaustive list of every possible risk associated with an investment in Almonty or the CDIs now, or in the future, or the industries in which Almonty operates. The selection of risks in this Section has been based on an assessment of the combination of the probability of the risk occurring and the impact if the risk did occur. The assessment is based on the knowledge of the Directors as at the Prospectus Date.

The types of risks Almonty is exposed to can change over time and vary with changes in economic, technological, environmental, political and regulatory conditions. The occurrence or consequences of some of these risks are partially or completely outside the control of Almonty.

Additional risks that Almonty is unaware of, or that Almonty currently considers not to be material, also have the potential to have a material adverse effect on Almonty's business, prospects, operating and financial performance, financial condition and results of operations and the value of the CDIs.

Investors should also be aware that there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge. Similarly, there is no guarantee that mitigation measures Almonty takes will succeed. There can be no guarantee that Almonty will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate. Any investment in Almonty should be considered in light of these risks.

Before making any decision to invest in Almonty, you should read the entire Prospectus and satisfy yourself that you have a sufficient understanding of the risks in this Section and of all other information set out in this Prospectus. You should consider whether an investment in Almonty is suitable for you, having regard to your own investment objectives, financial situation and particular needs (including financial and tax issues). It is recommended that you seek professional advice from your financial adviser, stockbroker, lawyer, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest in the CDIs.

The risks in this Section 6 have been separated into risk factors specific to Almonty (refer to Section 6.1) and general risk factors (refer to Section 6.2).

6.1 Risks specific to an investment in Almonty

(a) Mineralisation Risks

Potential investors should be aware of the mineralisation risk associated with the Sangdong Mine, Panasqueira Mine and the Valtreixal Project. Mineralisation and development is a high-risk undertaking and the reliability of resource and grade of mineralisation is purely speculative. There can be no assurance that exploration and development will result in the discovery of mineralised deposits. Even if a mineralised deposit is identified, there can be no guarantee that it can be extracted or economically exploited. For example, less than 1/3 of the tungsten deposit identified had been mined out of the Sangdong Mine, at the time of its closure in 1992.

(b) Price Risk

The price of tungsten is volatile and subject to change. While Almonty does have structures in place to counteract any potential drop in prices, potential investors should be aware that the price of commodities may fluctuate.

(c) Exploration and Development Risks

Potential investors should understand that exploration and development is a high risk undertaking, and that exploration and development of mineral properties such as tungsten is speculative. There can be no assurance that exploration of acquired projects or exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

Any future exploration activities of Almonty may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental incidents, native title process, changes to government regulations and many other factors beyond the control of the Company.

Almonty's success will also depend upon it having access to sufficient development capital, being able to maintain rights under the terms of agreements currently in place and its ability to meet all statutory requirements, as may be necessary to preserve underlying tenure. If the mining and exploration programmes prove unsuccessful, this could lead to a diminution in the value of the tenement.

(d) Tenure Risks

The Company has the right to certain minerals. The rights to such minerals are governed by title granted by the relevant regulatory authorities in Korea, Spain and Portugal respectively. Some of the rights pertain to title applications that have not yet been granted. In particular, the extension sought for the investigation permit for the Company's Valtreixal Project has been applied for but has not yet been granted. While no objections to the applications have been lodged, there is no guarantee that grant will be forthcoming and the conditions of grant are at this stage unknown.

(e) Title Risks

Interests in Almonty's projects are governed by the respective state legislation and are evidenced by the granting of permits, licences or leases. Each permit, licence or lease is for a specific term and carries with it annual expenditure, development and reporting commitments, as well as other conditions that require compliance. Consequently, the Company could lose title to, or its interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure and development commitments.

In particular, the Company has been issued with a letter from the relevant regulatory authority in Korea stating that if it fails to satisfy its development obligation, being the production of at least 2 tons of 70% tungsten concentrate, by October 2024, its extraction rights over the Sangdong Mine could be revoked in November 2024 without prior notice. The Company is aiming to have the Sangdong Mine in production in 2022.

(f) Exploration Risks

Potential investors should understand that exploration and development is a high risk undertaking, and that exploration and development of mineral properties such as tungsten is speculative. There can be no assurance that exploration of acquired projects or exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

Any future exploration activities of Almonty may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental incidents, native title process, changes to government regulations and many other factors beyond the control of the Company.

Almonty's success will also depend upon it having access to sufficient development capital, being able to maintain rights under the terms of agreements currently in place and its ability to meet all statutory requirements, as may be necessary to preserve underlying tenure. If the mining and exploration programmes prove unsuccessful, this could lead to a diminution in the value of the mining title.

(g) Various Systems of Mining Title Ownership and Royalties

Almonty has operations in a number of overseas jurisdictions, and is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which Almonty may in the future expand its operations.

As Almonty increases its operations in existing regions or enters new regions there is a risk that Almonty fails to understand the laws, regulations and business customs of these regions. There is also the risk that these regions may have political, legal and economic instability or less sophisticated legal and regulatory regimes than those Almonty currently operates in. This in turn gives rise to risks relating to labour practices, foreign ownership restrictions, changes in tax law including any loss of tax incentives or exemptions, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which Almonty may operate. This could interrupt or adversely affect parts of Almonty's business and may have an adverse effect on Almonty's operations and financial performance.

Refer to Section 3.5 for further information on the jurisdictions Almonty currently operates in.

(h) Reliance on Material Contracts

Almonty relies on a number of material contracts which facilitate its business and the operation of its projects. As at the date of this Prospectus, 2 (one of those comprising the 6 separate Land Use Agreements between AKTC and Yeongwol County) of the Company's material contracts are due to expire within the next 12 months. While the Company anticipates that the contracts will be renewed, there can be no guarantees that Almonty will be able to renew these contracts or any other material contracts upon expiry. Termination or failure to renew its material contracts could impact on parts of Almonty's business, which would be likely to have a material adverse effect on Almonty's operations and financial performance.

The Company currently mitigates this risk by negotiating a potential renewal of the relevant material contract ahead of the expiry date.

For further information on Almonty's material contracts, refer to Section 10.2.

(i) Litigation Risk

Other than as set out in Sections 10.7 and 10.8, as at the Prospectus Date, Almonty is not involved in any material litigation as a defendant and is not aware of any facts or circumstances that may give rise to any material litigation commenced against it. However, given the scope of Almonty's activities and the wide range of parties it deals with, Almonty is currently involved in certain non-material claims and litigation arising out of the ordinary course of business and may continue to be exposed to potential claims or litigation from third parties such as clients, employees and business associates, including funders.

Almonty may be subject to litigation and other claims and disputes in the course of its business, including employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, or criminal or civil proceedings in the course of its business. There is also a risk that Almonty may be subject to regulatory investigations or sanctions or fines by governmental agencies in the event of non-compliance with applicable statutory or regulatory requirements prior to or after the Prospectus Date. Such litigation, claims and disputes, including the cost of settling claims or paying any fines, operational impacts and reputational damage, could materially and adversely affect Almonty's business, operating and financial performance and industry standing of the business.

Additionally, to the extent that these risks are not covered by Almonty's insurance policies, litigation and the costs of responding to any threats of legal action or investigation may have an adverse impact on the financial performance and/or growth of Almonty.

(j) Reliance on Key Personnel

Responsibility for overseeing the day-to-day operations and strategic management of the Company rests entirely with its senior management and key personnel. No assurance can be given that no detrimental impact on the Company will occur if one or more of these employees leaves the Company.

(k) Mining and Exploration Cost Estimates

The mining and exploration costs of Almonty described in this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the assumptions that underlie them will be realised in practice, which may materially and adversely affect Almonty's operations and financial performance.

(l) Disruption or Failure of Technology and Data Security Breaches

Almonty's ability to deliver fast and easy access to its clients depends on the efficient and uninterrupted operation of its operating and technology platforms.

There is a risk that Almonty's technology platform may experience downtime or interruption from system failures, service outages, corruption of information technology network or information systems as a result of computer viruses, bugs, worms, cyberattacks or human error, as well as natural disasters, fire, power outages or other events outside the control of Almonty. Cyber-attacks, data theft, data loss,

human error or malfeasance may also result in data breaches resulting from unauthorised access to, or disclosure of information, including sensitive and/or confidential information, whether malicious or inadvertent.

While Almonty invests significant resources in protecting its technology systems and data, (including having firewalls, encryption, policies to restrict access to data and recovery plans), it is possible that the measures taken by Almonty will not be sufficient or may prove ineffective to prevent factors beyond its control or detect or prevent unauthorised access, with response and recovery arrangements being less effective than planned.

The effect of a systemic failure and/or data breaches could extend to reputational damage, loss of system integrity, regulatory scrutiny and claims from third parties and fines. Such circumstances could affect Almonty's ability to service clients in a timely manner and retain existing clients and generate new clients, resulting in a materially adverse impact on Almonty's business, operating and financial performance, and/or growth.

(m) Failure to Execute Growth Strategies

Almonty's growth strategies include optimising its current portfolio of tungsten mines and bringing its development projects on-line with a view to having four operating mines under its control.

There is no guarantee that all or any of Almonty's growth strategies will be successfully implemented, deliver the expected returns or ultimately be profitable. There is also a risk that the growth strategies may be subjected to aggressive competitor responses, unexpected delays and/or additional implementation costs.

Almonty's pricing strategy may also not result in the level of growth in business volume that it anticipates. Almonty may also fail to adopt and execute growth strategies that will enable it to successfully maintain or improve its product and service offering and match any change in client preferences. Failure to do so could result in clients choosing Almonty's competitors for their requirements, which could have a materially adverse impact on Almonty's business, operating and financial performance, and/or growth.

As a fast-growing company, any change to Almonty's ability to achieve any or all of its growth strategies, or the market’s perception of Almonty's ability to deliver growth to Shareholders, is likely to have a significant impact on Almonty's Share price and impact Almonty's new business volumes and expected returns.

(n) Risks from Competition

The tungsten industry that Almonty is involved in is subject to competition, particularly from China, due to its historical dominance in the industry. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

(o) Damage to Brand or Reputation

Almonty relies on its reputation in day-to-day business activities to attract and retain clients and manage funding arrangements. Almonty's brand, image or reputation may be impacted through negative publicity which could lead to heightened regulatory

focus or negative client experience. Actions or failures by other market participants could also negatively impact the reputation of the industry and/or Almonty.

Any factors which diminish Almonty's brand and reputation may reduce Almonty's ability to execute its growth strategy and any adverse perception on the part of investors, clients, or regulators could have a materially adverse impact on Almonty's business, operating and financial performance, and/or growth.

(p) Economic Risk

General economic conditions, movements in interest and inflation rates, the prevailing global tungsten price and currency exchange rates may all have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) the general economic outlook;

(ii) interest and inflation rates

(iii) changes in investor sentiment;

(iv) the demand for, and supply of, capital; and

(v) terrorism or other hostilities.

(q) Economic Dependency

Almonty has a main customer for the supply of tungsten from its mines. Almonty is economically dependent on the revenue received from the customer in order to be able to meet its current obligations and is subject to the pricing terms set out in the supply agreements. There is no guarantee that Almonty would be able to find an alternative customer or customers on terms similar to its existing supply agreements should the customer cease operations or become unable to pay Almonty under the supply agreements.

(r) Macroeconomic Conditions and Cyclical Nature of the Resource Sector

Macroeconomic factors such as unemployment, underemployment, interest rates, lack of income growth, the amount of consumer spending, business investment, government spending, government policy, the volatility and strength of the global and Australian capital markets, currency value, exchange rates and inflation (particularly of essential items) all affect the business and economic environment and, ultimately, the volume and profitability of Almonty's business. Almonty's clients are exposed to the general economic cycle.

The resource sector is particularly susceptible to macroeconomic conditions such as the pricing of commodities (and factors influencing pricing) and volatility of the commodity market, interest rates, and political climate and government policies. These factors amongst other things impact general supply and demand. When the economic cycle turns negative, Almonty's clients may experience a deterioration in their financial performance which may impact Almonty's ongoing earnings, cash flows and/or financial position. The COVID-19 pandemic and its economic consequences

have additionally had a substantial impact on the resource sector over the past few months. Many companies have experienced operational disruption due to workforce shortages, faced increased supply chain risks and issues regarding demand. These effects have further affected the current price of oil. The economic impacts of the situation on companies operating within the resource sector could also have negative repercussions for those companies servicing the industry, such as Almonty. The global movement toward the increasing use of renewable and cleaner energy sources is another factor that is likely to impact the current and future outlook for the resource sector and those, like Almonty, servicing that sector.

In addition to lower revenue and higher bad debts, adverse economic conditions can constrict funding markets. This may reduce Almonty's access to capital and therefore reduce its ability to grow and/or increase the cost of those funds, which may not be capable of being passed on to clients and which could reduce Almonty's margins.

(s) Currency and Foreign Exchange Risk

The proceeds of the Offer will be received in Australian dollars, while Almonty's functional currency is Canadian dollars. Almonty does not currently hedge against exchange rate risk, and consequently movements in different exchange rates could affect the exchange rate between the pricing of the Offer and the Closing Date until such time as proceeds are exchanged for Canadian dollars.

Further, the CDIs will be listed on the ASX and priced in Australian dollars. As a result, movements in foreign exchange rates may cause the price of Almonty's CDIs to fluctuate for reasons unrelated to Almonty's financial condition or performance. The fluctuations may result in discrepancy between Almonty's actual results of operations and investors' expectations of returns on securities expressed in Australian dollars. This may in turn adversely affect Almonty's business as well as their operating and financial performance.

(t) Future Capital Requirements

As a growing business, Almonty may consider raising additional capital in the future to pursue business objectives and respond to business opportunities, challenges or unforeseen circumstances. Almonty's growth initiatives include project growth, and new tungsten product offerings, which would typically require a significant investment and funding requirement before the offering became cash flow positive. Whilst some of the proceeds raised from this Offer may be utilised for these purposes, further funding may be required in the future. A failure to raise additional capital on a timely basis that aligns with the Company's business strategy, could have a material adverse effect on Almonty's business, financial condition, operating and financial performance and/or growth.

(u) Project Financing Risk

Almonty has certain project financing arrangements in place, including the Sangdong Facility Agreement, under which it must satisfy certain obligations. The construction of the Sangdong Mine is dependent on these project financing arrangements and the proceeds raised under the Offer. Failure to satisfy the obligations under the financing arrangements and/or failure to raise sufficient Offer proceeds may result in Almonty having insufficient capital to satisfy its capital expenditure requirements for the construction of the Sangdong Mine.

(v) Counterparty Risk

Almonty's operations require the involvement of a number of third parties, including suppliers and contractors. Financial failure, default or contractual non-performance on the part of such third parties, including late payment of amounts owing to Almonty or failure to pay such amounts, may have a material impact on the operations and performance of Almonty.

(w) Environmental Risk

The operations and proposed activities of Almonty are subject to various state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities, including the risk of accidental leakages or spills, or other unforeseen circumstances that could subject the Company to extensive liability.

(x) Project Development Risk

Direct project investments tend to be at different stages of development and each stage within the mining exploration and development cycle can carry its own risks. These risks are mitigated by the Company, its Board, senior management and as required, consultants actively working as the operators of projects.

(y) Resource Estimates

Resource estimates are judgements based on knowledge, experience and industry practice. Estimates valid when originally calculated may alter significantly if/when new information or techniques become available. In addition, resource estimates are by their very nature imprecise and depend to some extent on interpretations that may prove inaccurate. As further information becomes available as a result of additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans, which may in turn adversely affect the Company's operations.

(z) Tungsten Market

There is no assurance that a profitable market will continue to exist for the sale of tungsten. Tungsten prices have experienced significant movement over short periods of time and are affected by numerous factors beyond the Company's control, such as international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption and demand patterns, speculative activities and increased production due to improved mining and production methods. Tungsten prices may be negatively affected by any slowing of the global economy, increases in exports from one market economy countries, notably China, and the release of tungsten concentrate onto the market from the United States National Defence Stockpile.

6.2 General risks to an investment in Almonty

(a) Price of CDIs

As a listed entity, Almonty is subject to the general market risk and economic conditions (both domestically and internationally) that is inherent in all securities listed on a stock or securities exchange. This may result in fluctuations in the Share price that are not explained by the fundamental operational activities of Almonty.

The price of the CDIs that are quoted on the ASX (and the price of the Shares listed on the TSX) may increase or decrease due to a range of factors including those which are outside Almonty's control. Factors which may affect the price of the CDIs include:

(i) the number of potential buyers or sellers of CDIs on the ASX at any given time;

(ii) fluctuations in the domestic and international market for listed stocks;

(iii) general economic conditions, including interest rates, inflation rates, exchange rates, credit conditions, unemployment rates, negative consumer and business sentiment, an increase in interest rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation;

(iv) recommendations by brokers or analysts;

(v) inclusion in or removal from market indices;

(vi) the nature of the markets in which Almonty operates; and

(vii) general operational and business risks.

These factors may cause the CDIs to trade at prices below the price at which the CDIs are being offered under this Prospectus and may also affect Almonty's ability to pay dividends. Further, and as summarised in Section 10.9, the CDIs will be listed on the ASX and priced in Australian dollars. However, Almonty's reporting currency is Canadian dollars. As a result, movements in foreign exchange rates may cause the price of Almonty's CDIs to fluctuate for reasons unrelated to Almonty's financial condition or performance and may result in discrepancy between Almonty's actual results of operations and investors' expectations of returns on securities expressed in Australian dollars.

Almonty is unable to forecast the market price for CDIs and they may trade on the ASX at a price that is below the Offer Price. There is no guarantee that the price of the CDIs will increase following the quotation on the ASX, even if Almonty's earnings increase. Any decrease in the price of the CDIs may diminish Almonty's brand reputation, and ability to raise additional capital, all of which may limit Almonty's ability to execute its growth strategy.

In addition to the potential impact on the price of the CDIs, these factors may also impact Almonty's business, operating and financial performance, and/or growth.

(b) Trading in CDIs may not be liquid

Once the CDIs are quoted on the ASX, there can be no guarantee that an active market in the CDIs will develop or that the price of the CDIs will increase. There may be relatively few potential buyers or sellers of the CDIs on the ASX at any time. This

may increase the volatility of the market price of the CDIs and may prevent investors from acquiring more CDIs. It may also affect the prevailing market price at which Shareholders are able to sell their CDIs. This may result in Shareholders receiving a market price for their CDIs that is less than the price that Shareholders paid.

On Completion, CDIs may be freely traded on the ASX. A significant sale of CDIs by a major shareholder, or the perception that such sale has occurred or might occur, could affect the price of CDIs.

These factors combined could affect the prevailing market price at which Shareholders are able to sell their CDIs.

(c) Acquisition and Shareholder dilution

In the future, Almonty may elect to issue CDIs to engage in fundraisings and also to fund, or raise proceeds, for acquisitions Almonty may decide to make, whether in Australia or other jurisdictions, or for other strategic reasons both in its current or other markets. The successful implementation of acquisitions will depend on a range of factors including funding arrangements, cultural compatibility and operational integration. To the extent that any acquisitions are not successfully integrated with Almonty's existing business, the business, operating or financial performance of Almonty could be adversely affected.

Shareholder interests may be diluted, and Shareholders may experience a diminution in value of their equity if Almonty issues CDIs as consideration for acquisitions, if Almonty funds acquisitions through raising equity capital by placing CDIs with new investors or if Almonty engages in fundraisings for any other reason, including the repayment of debt.

(d) Australian Taxation

Tax laws in Australia are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to Australian tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty.

The precise scope of any new or proposed tax laws is not yet known. Any change to the taxation of CDIs (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian tax law, and practice that impacts Almonty, or Almonty's industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by Almonty, which is contrary to that of a revenue authority in Australia, may give rise to additional tax payable.

Additionally, Almonty by virtue of operating in other jurisdictions and having its functional currency in Canadian dollars, is exposed to other jurisdiction specific taxation laws, which may prove onerous and complex. In order to minimise this risk, in areas of uncertainty, Almonty obtains external expert advice on the application of the tax laws to its operations (as applicable). However, there is no certainty that the interpretations of tax revenue authorities will accord with that advice.

An investment in CDIs involves tax considerations which differ for each Shareholder dependent on their individual financial circumstances. Each prospective investor is encouraged to seek independent financial advice about the consequences of acquiring CDIs, pursuant to the Offer, from a taxation viewpoint and generally.

The Australian tax summaries discussed in this Prospectus do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise Australian tax implications of ownership or disposal of the CDIs will depend upon each Shareholder's specific circumstances.

To the maximum degree permitted by law, Almonty, its officers and each of its respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for CDIs under this Prospectus.

(e) Force Majeure Events

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of Almonty and the price of the CDIs. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for Almonty's goods and services and its ability to conduct business. COVID-19 and the consequences of the pandemic may trigger force majeure provisions in Almonty's existing contracts, leading to delays or termination of contracts Almonty has on foot with suppliers or clients. Almonty has only a limited ability to insure against some of these risks.

(f) Risks affecting the General Economy and Share Market

The performance of Almonty and the price at which its CDIs may trade on the ASX may be impacted by a range of factors including movements in inflation, interest rates, exchange rates, general economic conditions and outlooks, changes in government, fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities and acts of terrorism. Certain of these factors could affect the trading price of the Options and CDIs, regardless of its operating performance. Almonty will attempt to mitigate these factors by implementing appropriate safeguards and commercial actions but these factors are largely beyond its control.

(g) COVID-19 and Future Pandemics

The outbreak of COVID-19 is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share price. As such, Almonty's share price may be adversely affected by the economic uncertainty caused by COVID-19.

Further, any such measures to limit the transmission of the virus implemented by governments around the world may adversely impact the Company's operations. These include increasing the number of employees that may need to work from home. This may have an impact on productivity and Almonty's business, operating and financial performance. Additionally, restrictions on supply chains and international travel that may result in delays for both Almonty and the companies and projects it invests in, and the potential that the companies and projects Almonty invests in may be required to shut down operations for a period of time could result in Almonty experiencing adverse financial impacts.

(h) Speculative Nature of Investment

An investment in the Company should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which CDIs, Options, Warrants or Convertible Debentures will trade.

(i) Insurance Risk

Insurance coverage of all risks associated with Almonty and production is not always available and, where it is, the cost can be high. The Company will have in place insurance considered appropriate for the Company's needs. Almonty will not be insured against all possible losses, due either to the unavailability of cover or the Directors' belief that the premiums are excessive relative to the benefits that would accrue. The Directors believe that the insurance they will have in place will be appropriate. Nonetheless, the Directors will continue to review the insurance cover in place to ensure that it is adequate.

(j) No guarantee in respect of investment

The above risks, and others not specifically referred to above, may materially affect the financial performance of Almonty and the value of the CDIs under the Offer. The CDIs issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX. Furthermore, there is no guarantee that the CDIs will remain continuously quoted on the ASX, which could impact the ability of prospective Shareholders to sell their CDIs.

7. Key People, Interests and Benefits

7.1 Board of Directors

The Board comprises six members: 2 Executive Directors, 5 Non-Executive Directors. The Board has a broad range of experience in tungsten mining and the mining of other metal ores as well as financial, management and corporate governance experience. A biography of each Director is set out below.

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a Non-Executive Director or Executive Director (and employee) (as the case may be) of the Company without constraint from other commitments.

The composition of Almonty's Board Committees and details of the key corporate governance policies, including Directors independence is in Appendix B.

Director	Experience
Lewis Black (Director, President and Chief Executive Officer)	Refer to Section 3.4.
Daniel D'Amato (Executive Director)	Daniel D'Amato is currently a Partner of Almonty Partners LLC and has extensive experience in the finance industry specialising in portfolio management and private equity. He began his career on Wall Street with Bear Stearns where over nearly a decade he became Managing Director. In 2005, with business partner Lewis Black, Mr. D'Amato co-founded Almonty. From June 2005 to June 2007, he served on the board of directors of Primary Metals Inc., a TSX-V listed tungsten mining company, of which Almonty was the majority owner. Mr D'Amato is an Executive Director of the Company.
Dr Thomas Gutschlag (Non-Executive Director)	Dr Thomas Gutschlag is the CEO of DRAG, a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe, with a focus is on the development of oil and gas opportunities within the United States, as well as metals such as gold, copper, rare earth elements, tungsten and tin. Dr Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim. Dr Gutschlag is a Non-Executive Director of the Company.
Michael Costa (Non-Executive Director)	Michael Costa serves as Vice President and Portfolio Manager at Goodman & Company Investment Counsel Inc. In this role, he acts as Portfolio Manager, managing a portfolio of opportunistically invested assets, with a core focus on Canadian capital markets. From 2010 to 2012, Mr Costa served as director with UBS Securities Canada and was responsible for managing the Fundamental Investment Group's Canadian investment portfolio. Prior to joining UBS, Mr Costa served as Vice President at both Goldman Sachs & Co. in New York and Goldman Sachs Canada Inc., in Toronto. From 2005 to 2010, Mr Costa was a member of the Goldman Sachs Special Situations Group (**GSSSG**), a multi-strategy principal investment platform within Goldman Sachs. During this time, he successfully sourced, structured and executed both public and private debt and equity principal investments on behalf of the firm. In 2006, Mr Costa moved to Toronto to become one of three founding members of the Canadian Special Situations Group (**CSSG**) within GSSSG. Michael was promoted to Co-Head of CSSG. Michael began his career at Goldman Sachs in 2003 on the distressed/high

Director	Experience
	yield desk. He graduated cum laude with honours in Economics from Colgate University in Hamilton, New York. Mr Costa is a Non-Executive Director of the Company. Mr Costa is considered to be an independent Director.
Mark Trachuk (Non-Executive Director)	Mark Trachuk is a corporate director. Mr Trachuk was previously the General Counsel and Corporate Secretary of Entertainment One Ltd. which is a global entertainment studio that specialises in the development, acquisition, production, financing, distribution and sales of entertainment content. Entertainment One was listed on the Premium List of the London Stock Exchange (LSE:ETO) and was a member of the FTSE 250 prior to being acquired by Hasbro Inc. in December 2019. Prior to joining Entertainment One, Mr Trachuk was a Senior Partner in the Business Law Group at Osler, Hoskin & Harcourt LLP in Toronto where he practiced corporate and securities law with an emphasis on mergers, acquisitions and strategic alliances. Mr Trachuk has chaired Osler's International Practice Group, Corporate Practice Group and Corporate Finance Practice Group. Mr Trachuk holds a B.A. in Economics from Carleton University, an LL.B. from the University of Ottawa and an LL.M. from the London School of Economics. He also holds the ICD.D designation from the Institute of Corporate Directors. Mr Trachuk is called to the bar in Ontario and British Columbia and is a solicitor in England and Wales. Mr Trachuk is a Non-Executive Director of the Company. Mr Trachuk is considered to be an independent Director.
James Kim (Non-Executive Director)	James Kim is the current Chairman and CEO of the American Chamber of Commerce Korea and was previously the Head of Operations for General Motors Korea, managing some 17,000 employees. This followed Mr Kim's role as CEO of Microsoft Korea. Mr Kim is a Non-Executive Director of the Company. Mr Kim is considered to be an independent Director.
Andrew Frazer (Non-Executive Director)	Andrew Frazer has over 30 years of capital markets experience and is the founder and managing director of Lazarus Corporate Finance Pty Ltd, Australian Financial Services Licence 403684, who is also acting as Lead Manager for the Offer. Prior to running Lazarus Corporate Finance, Mr Frazer was a consultant at Azure Capital, focused on equity capital market transactions with clients both locally and internationally. Mr Frazer started his career as a stockbroker with Hartley Poynton. He then went on to establish Hartleys' office in Sydney before joining Patersons Securities. Mr Frazer then moved to Morgan Stanley in 2010. Mr Frazer graduated from the University of Western Australia with a Bachelor of Commerce – Honours, Bachelor of Jurisprudence and a Bachelor of Laws. Mr Frazer also has obtained his CFA Charter, along with a Diploma from the Securities Institute of the Australian Stock Exchange. Mr Frazer is a Non-Executive Director of the Company.

7.2 Chief Financial Officer

Refer to Section 3.4.

7.3 Company Secretary

The current Company Secretary of the Company is Marion McGrath. Ms McGrath has been actively engaged in the securities industry for over 30 years specialising in corporate governance and compliance of issuers listed on the TSX Venture Exchange. Ms McGrath is the owner of iO Corporate Services Ltd., which provides corporate and accounting services to various publicly-traded Canadian companies. Prior to organising iO Corporate, Ms McGrath was a senior paralegal with a Vancouver-based securities law firm.

7.4 Leadership Team

Almonty has a highly experienced senior management team. Refer to Section 3.4 for more information.

7.5 Interests and Benefits

This Section 7 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

(i) Director or proposed Director of an Offeror;

(ii) person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(iii) promoter of an Offeror,

holds as at the Prospectus Date, or has held in the two years before the Prospectus Date, an interest in:

(i) the formation or promotion of an Offeror;

(ii) property acquired or proposed to be acquired by Almonty in connection with its formation or promotion or the Offer; or

(iii) the Offer,

and no amount (whether in cash, CDIs or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of an Offeror or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of an Offeror.

7.6 Interests of Advisors

Almonty has engaged the following professional advisers in relation to the Offer:

(a) Lazarus has acted as Lead Manager to the Offer and the fees payable to the Lead Manager are described in Section 10.4. Current Director Andrew Frazer is also the managing director of Lazarus.

(b) Clayton Utz has acted as Australian legal adviser to Almonty in relation to the Offer. Almonty has paid, or agreed to pay, approximately A$390,000 (excluding disbursements and GST) for the services up to the Prospectus Date. Further amounts may be paid to Clayton Utz in accordance with its normal time-based charges.

(c) Caravel Law Professional Corporation has acted as Canadian legal adviser to Almonty in relation to the Offer. Almonty has paid, or agreed to pay, approximately CA$25,000 (excluding disbursements and GST) for the services up to the Prospectus Date. Further amounts may be paid to Caravel Law Professional Corporation in accordance with its normal time-based charges.

(d) Felipe Rodriguez Cascon has acted as Spanish legal adviser to Almonty in relation to the Offer and has performed work in relation to its Solicitor's Report in Appendix H. Almonty has paid, or agreed to pay, approximately €2090 (excluding disbursements and GST) for the services up to the Prospectus Date.

(e) Serra Lopes, Cortes Martins has acted as Portuguese legal adviser to Almonty in relation to the Offer and has performed work in relation to its Solicitor's Report in Appendix J. Almonty has paid, or agreed to pay, approximately €11,530 (excluding disbursements and GST) for the services up to the Prospectus Date.

(f) Kim & Chang has acted as Korean legal adviser to Almonty in relation to the Offer and has performed work in relation to its Solicitor's Report in Appendix I. Almonty has paid, or agreed to pay, approximately US$62,000 (excluding disbursements and GST) for the services up to the Prospectus Date.

(g) Adam Wheeler has acted as the Competent Person on, and has performed work in relation to the Independent Technical Assessments in Appendix D, Appendix E, Appendix F, and Appendix G. Almonty has paid, or agreed to pay, approximately GB£13,600 (excluding disbursements and GST) for these services up to the Prospectus Date.

(h) Davidson and Company LLP has been appointed to act as auditor to the Company.

(i) Nexia Perth Corporate Finance Pty Ltd has acted as the Investigating Accountant on, and has performed work in relation to the Financial Information in relation to the Offer and the Investigating Accountant's Report in Appendix C. Almonty has paid, or agreed to pay, approximately A$15,000 (excluding GST) for these services up to the Prospectus Date. Further amounts may be paid to Nexia Perth Corporate Finance Pty Ltd under time-based charges.

These amounts, and other expenses of the Offer, will be paid by Almonty out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 9.

7.7 Interests and Remuneration

(a) Stock Option Plan

The Directors and Officers are entitled to receive remuneration through stock options granted by the Board on an ad hoc basis. For further information about the material terms of the Stock Option Plan, refer to Section 5.3.

(b) Cash Bonuses

The Company may pay discretionary cash bonuses to its Directors and Officers, which are intended to reward individual contributions to corporate performance over the course of the Company's most recently completed fiscal year.

Bonuses are paid at the discretion of the Board, and the Board has not established any particular trigger or formula for determining when an award will be paid, nor the quantum of any award that is made. Rather, the Board will consider all aspects of a Non-Executive Director's personal contribution to corporate performance and general objectives when making a decision to award a cash bonus.

(c) Executive Directors

(i) President, Director and Chief Executive Officer

Lewis Black is employed as President, Director and Chief Executive Officer, and has entered into an employment agreement with Almonty. Mr Black is entitled to participate in the Stock Option Plan and to be awarded the discretionary cash bonuses as detailed in Section 7.7 above. Details of Mr Black's remuneration and employment arrangements are as follows:

Term	Description
Salary	USD$360,000 increased annually by USD$20,000.
Term	The term of the agreement shall be in effect from 1 January 2020 for a period of 3 years.
Benefits	Mr Black is eligible to participate in the Company's benefits plan (including health and life insurance in the sum of USD$23,000) (**Benefits Plan**). This plan provides for worldwide health insurance and a life insurance policy.
Notice	Subject to the Ontario *Employment Standards Act 2000*, the Company may terminate Mr Black's employment, without providing advance notice of the termination if Mr Black retires, is terminated for cause or dies.
Termination benefits	If the Executive is terminated by the Company without cause (as defined in the Agreement), the Company must provide the Executive with the accrued but unpaid base salary and vacation pay to the termination date and a separation package of 12 months base salary (**Separation Package**). As part of the Separation Package, the Executive shall also be provided with a continuation of the Benefits Plan (noted above), the Paris Lease and the Automobile Leases (as are defined in the Agreement) for 12 months following the termination date. A Change of Control shall be deemed to be a termination without cause and the Executive shall be entitled to the Separation Package and certain benefits.
Restraints	Mr Black shall not engage in any activities in Canada which would compete with the activities of the Company for 12 months without prior consent of the Company.

(ii) Director

Daniel D'Amato is a director of the Company and is engaged as a consultant by the Company. Mr D'Amato has entered into a consulting agreement with Almonty to provide independent consulting services to the Company to assist with various business development, financing and operational initiatives related to the business of mining tungsten (**Consulting Agreement**). Mr D'Amato is entitled to participate in the Stock Option Plan and to be awarded discretionary cash bonuses as detailed in Section 7.7 above. Details of Mr D'Amato's remuneration and employment arrangements are as follows:

Term	Description
Remuneration and other benefits	Monthly fee of USD$15,000 plus GST.
Term	The term of the Consulting Agreement shall terminate on 30 November 2022 unless terminated earlier. The term of the Consulting Agreement may be renewed by both parties in writing.
Independent Contractor	Mr D'Amato is not an employee of the Company and shall not represent himself in any other way other than as an independent contractor and director. Mr D'Amato is not entitled to participate in any employment related benefits, group benefit plans or pension plans made available by the Company to its employees.
Restraints	Mr D'Amato may perform other services for other third parties during the term of the Consulting Agreement provided that such other services do not interfere with the efficient and timely performance of Mr D'Amato's obligations under the Consulting Agreement and Mr D'Amato has no financial or other interest in such services that may give rise to a conflict of interest.

(d) Non-Executive Directors

Non-Executive Directors of the Company do not have a formal remuneration arrangement in place but are entitled to receive stock options and cash bonuses as detailed in Section 7.7 above. For further information on number of options held by each Non-Executive Director, refer to Section 7.12.

(e) Chief Financial Officer

Mark Gelmon is Chief Financial Officer of the Company. Mr Gelmon does not have a formal arrangement in place but is entitled to receive stock options and cash bonuses as detailed in Section 7.7 above. All compensation paid by the Company in connection with Mr Gelmon's services is paid to iO Corporate Services Ltd, a Corporation which provides secretarial and accounting services. The Company has the discretion to award cash bonuses to Mr Gelmon.

(f) Corporate Secretary

Marion McGrath is Corporate Secretary of the Company. Ms McGrath does not have a formal arrangement in place but is entitled to receive stock options and cash bonuses as detailed in Section 7.7 above. All compensation paid by the Company in connection with Ms McGrath's services is paid to iO Corporate Services Ltd. The Company has the discretion to award cash bonuses to Ms McGrath.

7.8 Non-Executive Directors Appointment Letters

Each of the Non-Executive Directors has entered into appointment letters with Almonty, confirming their roles and responsibilities as Directors of a public listed entity, and Almonty's expectations of them as Non-Executive Directors including the requirement to keep the Board informed of any other interests considered by the Company or which may lead to a conflict of interest, the requirement to comply with the Company's corporate governance policies, the requirement to comply with the applicable requirements by virtue of the Company being a "Reporting Issuer" in certain provinces of Canada and by having its securities listed on the TSX, the entitlement of Directors to be covered by liability insurance and ongoing confidentiality obligations.

Non-Executive Directors may resign at any time, by giving notice to the Company. They will also cease to be a Director if they are not re-elected at the annual general meeting, or if any of the disqualifying events prescribed in the By-Laws (and its ancillary documents) or as prescribed by law occur.

7.9 Directors Disclosures

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a Director without constraint from other commitments. The Directors will continually evaluate their other commitments, including the number of boards on which they serve and any potential or actual conflicts of interest, to ensure that proper time and attention is given to their appointment, and role, as a Director.

Directors may have business interests other than those of the Company, and are expected to declare any conflict (or potential conflict) of interest or material personal interests at appointment, or as soon as apparent. The conflict (or potential conflict) of interest or material personal interest may require them to not be present at a Board or Board Committee meeting or vote on a matter which concerns the conflict or material personal interest.

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director, or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

7.10 Indemnity Arrangements

Under its By-Laws, Almonty shall indemnify Directors or executive officers, past and present, against all liabilities that arise from their position as an officer of Almonty to the extent permitted by law. Almonty shall meet the full amount of any such liabilities, including all costs, charges and expenses including reasonable amounts paid to settle an action or satisfy a judgment in respect of any investigative or other proceeding in which the individual is involved because of that director and officers association with the Company.

Almonty may not indemnify a Director or Officer unless that individual has:

(a) acted honestly and in good faith with a view to the best interests of the Company;

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful.

Almonty has entered into indemnity arrangements with each of its Directors and Officers (**Relevant Officer**). Under these arrangements, Almonty agrees to indemnify each Relevant Officer against any liability arising as a result of the Relevant Officer acting as an officer of the Company. Almonty is also required to obtain insurance for its current and former Relevant Officers and provide access to certain information including books and records of the Company.

7.11 Other Information about Directors Interests and Benefits

Directors may also be reimbursed for travel and other expenses reasonably incurred in attending to the Almonty's affairs. Non-Executive Directors may be paid additional or special remuneration as the Directors decide is appropriate, where a Non-Executive Director performs extra work or services which are not in their capacity as Non-Executive Director of Almonty or a subsidiary of Almonty. These amounts are in addition to the fees set out in Section 7.7. There are no retirement benefit schemes for Directors, other than employer contributions to the Canada Pension Plan in respect of remuneration paid to Directors.

7.12 Directors' and Officers' Interests

The table below sets out the Directors' and CFO's expected interests in Shares (including CDIs) in Almonty as at the Prospectus Date and on Completion. Final Directors' shareholdings will be notified to the ASX following Completion.

Director / CFO	Number of Shares held at Prospectus Date	% of Shares at Prospectus Date	Number of Shares held on Completion	% of Shares on Completion
Lewis Black[14]	35,813,871	18.67%	35,813,871	16.52%
Daniel D'Amato[15]	15,966,220	8.32%	15,966,220	7.36%
Dr Thomas Gutschlag[16]	26,393,668	13.76%	26,393,668	12.17%
Michael Costa	Nil	Nil	Nil	Nil
Mark Trachuk	860,000	0.45%	860,000	0.40%
James Kim	Nil	Nil	Nil	Nil
Andrew Frazer	Nil	Nil	Nil	Nil
Mark Gelmon	10,000	0.005	10,000	0.0046

[14] Mr Black's shareholding is inclusive of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato. Mr Black individually owns 21,919,951 Shares. Mr Black has agreed to sell 10,587,056 of his shares to The Plansee Group. This sale may or may not close before Completion. GTP is the tungsten powder manufacturer in The Plansee Group.
[15] Mr D'Amato's shareholding is inclusive of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato. Mr D'Amato individually owns 2,072,300 Shares.
[16] Current Non-Executive Director Dr Gutschlag is the CEO of DRAG. DRAG owns 25,401,168 Shares and holds convertible debentures in Almonty that, if converted, would result in an additional 8,700,000 Shares being issued to DRAG. Dr Gutschlag also owns 955,000 Shares directly and 42,500 indirectly through Kooiker Investment GmbH.

Total[17]	**65,149,839**	**33.96%**	**65,149,839**	**30.04%**

Directors are entitled to apply for CDIs under the Offer. The Directors are not required under the By-Laws to hold any Shares (including CDIs).

Except as indicated above, Share (including CDIs) numbers exclude any CDIs that may be acquired by Directors, the Leadership Team and employees (or any of their controlled entities) under the Offer.

The following table sets out the number of Options and Warrants held by each Director and the CFO of the Company as at the Prospectus Date.

Director / CFO	Number of Options held at Prospectus Date	Number of Warrants held at Prospectus Date
Lewis Black	1,250,000	47,244
Daniel D'Amato	1,100,000	Nil
Dr Thomas Gutschlag	500,000	250,000
Michael Costa	300,000	Nil
Mark Trachuk	600,000	Nil
James Kim	250,000	Nil
Andrew Frazer	Nil	Nil
Mark Gelmon	100,000	Nil
Total	**4,100,000**	**297,244**

7.13 Related Party Transactions

As at the Prospectus Date, other than as described below, Almonty is not party to any arrangements with related parties (as defined in the Corporations Act) which are not described in this Prospectus. In particular, Section 7 summarises the arrangements between Almonty and its Directors.

(a) Intercompany Loans

Almonty is a party to a number of intercompany loan arrangements with its subsidiaries, including:

(i) Almonty has intercompany loans receivable from Daytal for an amount of approximately €7,630,758. These loans are made up of loan advances to Daytal and quarterly management fees that Almonty charges to Daytal. There is no formal loan agreement documentation in place between Almonty and Daytal. These arrangements are facilitated on a discretionary basis.

[17] The total figures reflected are less than the sum of each Directors' and Officer's individual shareholdings because Lewis Black and Daniel D'Amato's individual holdings include the full holdings of the shares held by Almonty Partners, which is controlled on a 50/50 basis by Mr Black and Mr D'Amato.

(ii) There are several intercompany loans between Almonty's subsidiaries, with BVI, as lender and BTW, as borrower. These arrangements have been in place since 2019, 2020 and 2021 with varying maturity dates. The loans are for amounts ranging from of €1,450,000 to €10,859,779 and US$7,600 to US$361,156.

(iii) Almonty has a number of intercompany loans with AKTC for an amount of approximately KRW55,724,795,313 (US$48,967,307). This amount is made up of loans advanced to AKTC in the amount of approximately KRW39,996,288,964 (US$35,146,124) as well as the value of shares issued in the past on behalf of AKTC and expenditures incurred by Almonty on behalf of AKTC totalling approximately KRW15,728,506,349 (US$13,821,183). These are denominated in various currencies including USD, CAD, KRW and AUD.

(b) DRAG Debt

Almonty also has certain debt owing to DRAG. DRAG is a related party of Almonty as Non-Executive Director, Dr Thomas Gutschlag serves as CEO of DRAG. For further information relating to the debt owing to DRAG, refer to Section 3.9.

(c) Underwriting Agreement

Current Director Mr Andrew Frazer is also the managing director of Lazarus, the Lead Manager for the Offer. The Lead Manager will be paid the fees in relation to the Offer as set out in Section 10.4. For a summary of the terms of the Underwriting Agreement, refer to Section 10.4.

8. Corporate Governance

Please refer to the Corporate Governance Statement annexed at Appendix B.

9. Details of the Offer

9.1 The Offer

This Prospectus relates to an IPO of up to 25,000,000 CDIs by Almonty at an Offer Price of A$1.00 per Share. The Offer will raise up to A$25 million.

At Completion, the Company will have an aggregate of 216,852,254 Shares on issue (including Shares and CDIs).

All CDIs will, once issued, rank equally with each other. A summary of the rights attaching to the CDIs is set out in Section 9.9.

(a) Is the Offer Underwritten?

The Offer is partially underwritten by the Lead Manager.

The Company is seeking to raise up to A$25 million in the IPO, of which A$15 million will be underwritten by the Lead Manager.

(b) Purpose of the Offer

The purpose of the Offer is to provide:

(i) strength to Almonty's balance sheet to facilitate the construction of the Sangdong Mine;

(ii) a secondary liquid market for CDIs and an opportunity for a larger number foreign investors to invest in Almonty;

(iii) Almonty with access to a secondary listed capital market to improve capital management flexibility and to access funds for future acquisitions and other expansion opportunities; and

(iv) funds to pay the transaction costs associated with the Offer.

The Offer is expected to raise up to A$25 million.

(c) Use of funds

The proceeds of the Offer will be applied as follows:

Uses	CA$m	A$m	%
Planned capital expenditures for the construction of the Sangdong Mine Tungsten Project	18.52	19.75	79
Other expenditures relating to the Sangdong Mine Tungsten Project refurbishment prior to capital expenditure	3.52	3.75	15
General corporate and administrative expenses and payable reduction	1.41	1.5	6

Uses	CA$m	A$m	%
Total	**23.45**	**25**	**100**

The above table is a statement of Almonty's current intentions as at the Prospectus Date. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, and market and general economic conditions. Almonty reserves its right to alter the way the funds are applied. In addition, as the Prospectus Offer will be in Australian dollars and the expenditure will be in Canadian dollars, the actual amount of the proceeds used for each of the items above will depend on the A$:CAD$ exchange rate at the time the funds are converted to Canadian dollars.

The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

(d) Potential effect of the fundraising on the future of Almonty

The Board believes that on Completion, Almonty's cash reserves, its cash flow from existing operations, plus the net proceeds of the Offer will be sufficient to fund Almonty's stated business and growth objectives as set out in Section 3.8.

(e) Ownership structure

The details of the ownership of Almonty at the Prospectus Date, and immediately following Completion of the Offer are set out below:

Shareholders	Interests in Shares held at Prospectus Date	% of Shares held at Prospectus Date[18]	Interests in Shares held on Completion	% of Shares held on Completion[19]
Directors and Leadership Team	65,149,839	34%	65,149,839	30.04%
Other Employees	Nil	Nil	Nil	Nil
Other Existing Owners	126,702,415	66%	126,702,415	58.43%
New Shareholders	-	-	25,000,000	11.53%
Total	**191,852,254**	**100%**	**216,852,254**	**100%**

[18] Assumes 191,852,254 Shares at Prospectus Date.
[19] Assumes of 216,852,254 Shares on Completion.

Almonty's free float for the purposes of ASX Listing Rule 1.1 Condition 7 will not be less than 20%.

(f) Substantial shareholders and control implications of the Offer

Refer to Section 5.2(b).

9.2 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	CDIs over fully paid ordinary Shares in Almonty. The CDIs being offered all rank *pari passu* and are offered to applicants free of any and all charges, liens and encumbrances.
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 9.9.
What is the consideration payable for each security being offered?	Successful applicants under the Offer will pay the Offer Price, being A$1.00 per CDI.
What is the Offer period?	The key dates, including details of the Offer period are set out on page 3. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in AWST. Almonty, in consultation with the Lead Manager, reserves the right to vary both of the above times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without prior notice). If the Offer is cancelled or withdrawn before the allocation of Shares, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens. No CDIs will be issued on the basis of this Prospectus later than the Expiry Date of 13 months after the Prospectus Date.
What are the cash proceeds to be raised?	Up to A$25 million will be raised under the Offer.
Is the Offer underwritten?	The Company is seeking to raise up to A$25 million in the IPO, of which A$15 million will be underwritten by the Lead Manager.
What is the allocation policy?	Almonty and the Lead Manager have absolute discretion regarding allocation of CDIs to applicants under the Offer and may reject an Application or allocate a lesser number of CDIs than applied for. Almonty and the Lead Manager also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. Refer to Section 9.4 for further details on Almonty's allocation policy.

Topic	Summary
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements and allotment confirmation advices will be sent on or about 16 July 2021.
Will the CDIs be quoted on ASX?	Almonty will apply to the ASX for admission to the Official List and quotation of CDIs on the ASX (which is expected to be under the code AII) Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Almonty will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Almonty from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit Almonty to the Official List is not to be taken as an indication of the merits of Almonty or the Offer.
When are the CDIs expected to commence trading?	20 July 2021
Are there any escrow arrangements?	No.
Has any ASIC relief or ASX waiver been obtained or been relied on?	Almonty has sought and obtained various waivers from the ASX Listing Rules. Refer to Section 10.13 for the list of waivers sought.
Are there any taxation considerations?	You may be subject to Australian income tax or withholding tax on any future dividends paid. Tax consequences of any investment in CDIs will depend upon your particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. For further general information, refer to Section 10.14.
Are there any brokerage, commission or Australian stamp duty considerations?	No brokerage, commission or Australian stamp duty is payable by applicants on acquisitions of CDIs under the Offer. However, the Company will pay to the Lead Manager 5% of the total amount raised under the Prospectus as a capital raising fee.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 219 448 (toll free within Australia) or on +61 3 9415 4327 (from outside of Australia) from 6.30am to 3.00pm AWST, Business Days during the Offer period. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

9.3 Offer Structure

The Offer is comprised of:

- **The Institutional Offer**, which consists of an offer to institutional investors in Australia and a number of other eligible jurisdictions to apply for CDIs;
- **The Broker Offer**, which is open to Australian resident retail clients of the Lead Manager who receive a firm allocation of CDIs from the Lead Manager;
- **The Chairman's List Offer**, which is open to investors who have received an invitation from the Company to participate in the Chairman's List Offer; and
- **The General Offer**, which is open to members of the general public with registered addresses in Australia and New Zealand.

(a) Institutional Offer

The Institutional Offer consists of an invitation prior to or after the Prospectus Date to certain institutional investors (also known as Sophisticated or Professional Investors) in Australia and New Zealand to apply for CDIs under this Prospectus. Application procedures for institutional investors have been, or will be, advised to the institutional investors by the Lead Manager.

(b) Broker Offer

The Broker Offer is open to investors with a registered address in Australia or New Zealand who have received an allocation from their broker. Applications may only be made on an Application Form attached to or accompanying this Prospectus. If you are an investor applying under the Broker Offer, you should complete the application procedure advised to you by your broker. Please contact your broker for further instructions.

(c) Chairman's List Offer

The Chairman's List Offer is open to investors in an eligible foreign jurisdiction who have received an invitation from the Company to participate in the Chairman's List Offer. If you have been invited by the Company to participate in the Chairman's List Offer, you be treated as an applicant under the Chairman's List Offer in respect of those CDIs allocated to you.

If you have received an invitation to participate in the Chairman's List Offer from the Company, you will be separately advised of the application procedures under the Chairman's List Offer.

(d) General Offer

The General Offer is open to members of the general public with registered addresses in Australia and New Zealand.

Applications may only be made on an Application Form attached to or accompanying this Prospectus or by submitting an online Application.

9.4 Application for CDIs

(a) How to apply

If you wish to apply for CDIs under the Offer, you may:

(i) complete a paper-based Application using the relevant Application Form attached to or accompanying this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus. The completed Application Form should be mailed to the relevant address shown on the Application Form so it is received before 5.00pm AWST on the Closing Date; or

(ii) apply online using an online Application Form (available via https://almontyipo.thereachagency.com)and pay the application monies electronically.

By making an Application, you declare that all details and statements made by you are complete and accurate and that you have been given access to this Prospectus (or any replacement or supplementary prospectus), together with the Application Form. The Corporations Act prohibits any person from passing an Application Form to another person until it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application under the Offer is 2000 CDIs and thereafter in multiples of 500 CDIs and payment for CDIs must be made in full at the Offer Price. Almonty and the Lead Manager reserve the right to aggregate Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications.

If you require assistance in completing an Application Form, please contact the Share Registry.

(b) How to pay

(i) **Payment by BPAY**

For payment by BPAY®, please follow the instructions on the Application Form. You will be given a BPAY biller code and unique customer reference number, once you have completed your online Application Form.

BPAY payments must be made from an Australian dollar account of an Australian financial institution. Your bank, credit union or building society may impose a limit on the amount you can transact on BPAY and payment cut off times may vary between financial institutions.

It is your responsibility to check with your financial institution about their BPAY closing time, to ensure your payment will be received together with your Application Form prior to 5.00pm AWST on the Closing Date.

(ii) **Payment by cheque**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “x” and crossed “Not Negotiable”.

Your completed Application Form and cheque must reach the Share Registry at the addresses below no later than 5.00pm AWST on the Closing Date.

Computershare Investor Services
GPO Box 52
MELBOURNE VIC 3001

(c) Allocation policy

Almonty and the Lead Manager have absolute discretion regarding the allocation of CDIs to applicants under the Offer and may reject an Application, or allocate a lesser number of CDIs than applied for. If the number of CDIs allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable after the Closing Date.

No Applicant under the Offer has any assurance of being allocated all or any CDIs applied for. The allocation of CDIs by Directors will be influenced by factors including:

(i) number of CDIs applied for;

(ii) overall level of demand for the Offer;

(iii) desire for spread of investors, including institutional;

(iv) timeliness of the bid by applicants;

(v) investors and the desire for an informed and active market for CDIs following Completion; and

(vi) any other factors that Almonty and the Lead Manager considers appropriate.

Almonty will not be liable for any person not allocated CDIs or not allocated the full amount applied for.

9.5 Underwriting Arrangements

The Company is seeking to raise up to A$25 million in the IPO, of which A$15 million will be underwritten by the Lead Manager.

Lazarus is acting as Lead Manager in relation to the Offer.

For further information, refer to Section 10.4.

9.6 Restrictions on Distribution

Canadian securities laws restrict the trading of Shares in Canada for a period of four months and a day from the date of issuance. This will not prevent subscribers from being able to trade CDIs on the ASX once the Company is admitted to the Official List of the ASX. However, it will prevent holders of CDIs converting their CDIs into Shares tradeable on the TSX during the restriction period. After the initial four-month restriction period CDI holders will be able to convert their CDIs into Shares.

No action has been taken to register or qualify this Prospectus, the CDIs or the Offer or otherwise to permit a public offering of the CDIs in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to apply for CDIs in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the US, and may only be distributed to persons outside the US to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

In particular, the CDIs have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the US and may not be offered or sold, directly or indirectly, in the US, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

9.7 Discretion regarding the Offer

Almonty may withdraw the Offer at any time before the issue or transfer of CDIs to successful applicants under the Offer. If the Offer (or any part of it) does not proceed, all relevant application monies will be refunded (without interest).

Almonty and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any applicant or bidder fewer CDIs than applied or bid for. Almonty may accept Applications in its discretion, and the Offer remains open for it to do so, under this Prospectus until admission of Almonty to the Official List.

9.8 ASX listing, registers and holding statements, deferred settlement trading

(a) Application to the ASX for listing and quotation of CDIs

Almonty will apply to the ASX within seven days of the Prospectus Date for Admission and quotation of the CDIs on the ASX. Almonty's ASX code is expected to be AII.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit Almonty to the Official List is not to be taken as an indication of the merits of Almonty or the CDIs offered for subscription under the Offer.

If permission is not granted for the Official Quotation of the CDIs on the ASX within three months after the Prospectus Date (or any later date permitted by law), all application monies received by Almonty will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

On Admission, Almonty will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Almonty from time to time.

(b) CHESS and issuer sponsored holdings

Almonty will apply to participate in the ASX's CHESS and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form. Refer to Section 10.9 for more information on CHESS and CDI's.

9.9 Rights and Liabilities Attaching to CDIs

The rights and liabilities attaching to the ownership of CDIs arise from a combination of the Company's By-Laws, Articles, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to CDIs and a description of other material provisions of the By-Laws is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that Almonty is admitted to the Official List.

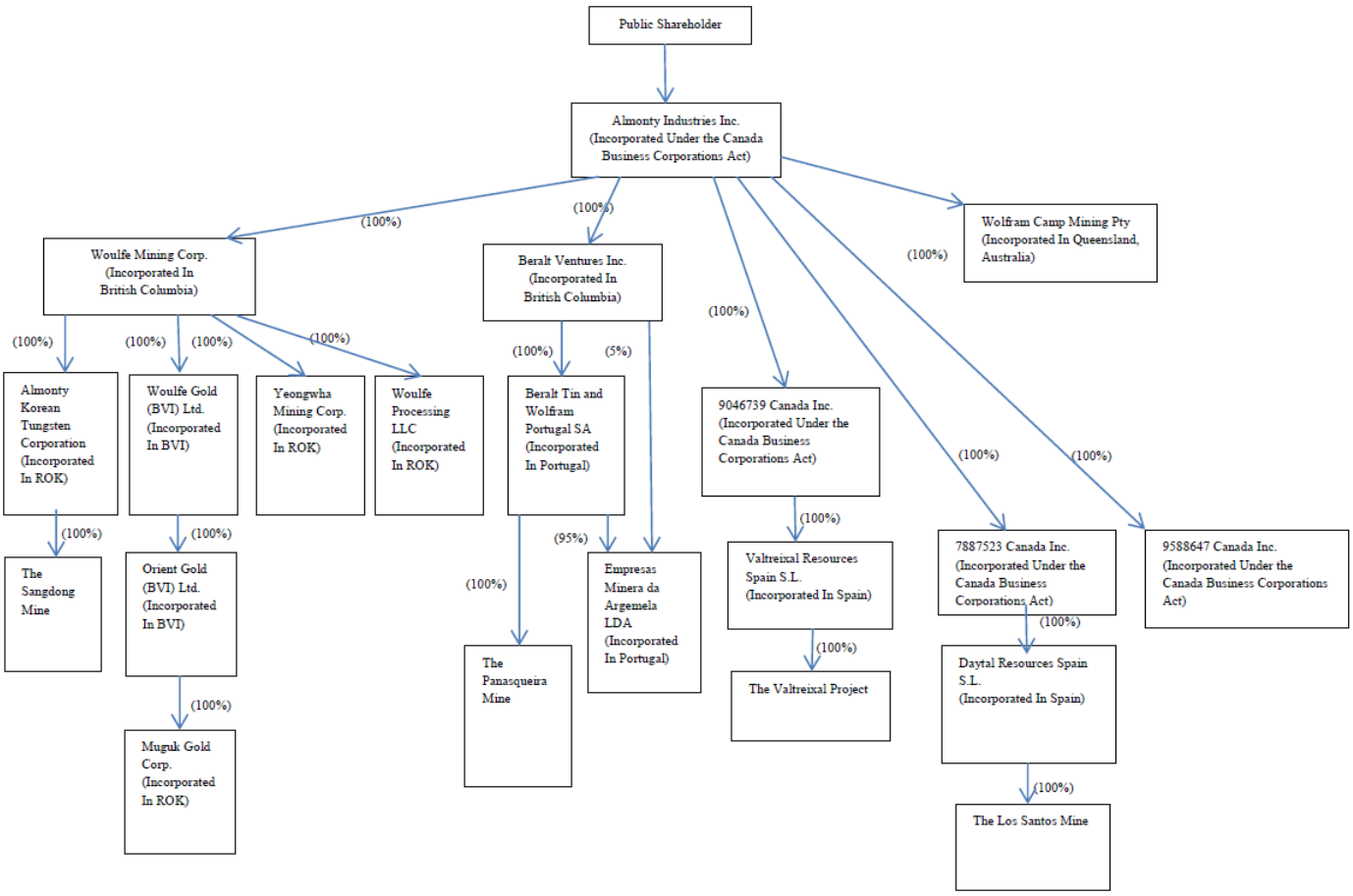
Term	Summary
Voting at a general meeting	At an annual general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each Share held.
Meetings of members	Each Shareholder is entitled to receive notice of, attend, and vote at, annual general meetings of Almonty and to receive all notices, accounts and other documents required to be sent to Shareholders under the By-Laws, the CBCA and the Listing Rules. Every Shareholder must be given notice of an annual general meeting of the Company not less than 21 days before the time when the meeting is to be held. Shareholders are also entitled to receive all notices, accounts and other documents required to be sent to Company Shareholders under the By-Laws, the CBCA and the Listing Rules.
Dividends	Subject to insolvency tests prescribed by the CBCA, the Board may declare and Almonty may pay dividends. Almonty may also pay any dividend required to be paid under the terms of issue of a CDI, and fix a record date for a dividend and method of payment.
Authority to capitalise profits	The directors may declare and authorise the distribution from the profits of the Company of dividends, to be distributed to Shareholders according to their rights and interests. The directors may determine the property to constitute the dividend and fix the time for distribution. Each holder of CDIs is entitled to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, any such dividends declared by the Company.
Transfer of CDIs	Generally, CDIs are freely transferable, subject to formal requirements and to the registration of the transfer not resulting in a contravention of or failure to observe the provisions of applicable law, including the CBCA. Applicable securities laws and rules of any stock exchange on which the CDIs may be quoted may also impose hold periods on such shares and certain shareholders or other restrictions on transfer.
Issue of further CDIs	Subject to the CBCA and the By-Laws, and without affecting the special rights of any holders of securities, the Board may decide to issue and allot, or dispose of, CDIs on terms determined from time to time by the Directors at an issue price that the Directors determine from time to time and to Shareholders whether in proportion to their existing owners or otherwise, or to such other persons as the Directors may determine from time to time. Almonty is authorised to issue an unlimited number of CDIs without par value for such consideration determined by the Directors. CDIs are non-assessable and may only be issued if consideration for such CDIs is fully paid.

Term	Summary
Winding up	In the event of a winding up, once all the liabilities of the Company have been met subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, Shareholders shall receive the remaining property of the Company in equal rank with the holders of all other Shares in the Company.
Non-marketable parcels	Subject to certain restrictions and procedures, Almonty may, after giving written notice to a CDI holder, sell a CDI holder's CDIs if the CDI holder holds less than a non-marketable parcel (a parcel of securities that is less than a marketable parcel within the meaning of the ASX Operating Rules Procedures). These rights exist only under ASX Settlement Operating Rules, rather than under Canadian law.
Proportional takeover provisions	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CDN to do so. These rights exist only under ASX Settlement Operating Rules, rather than under Canadian law.
Variation of class rights	The CBCA provides that rights attaching to a class of shares may only be varied by an amendment to the Articles approved by special resolution and if there is more than one class, by a special separate resolution of such class.
Reduction of share capital	Subject to certain exceptions, under the CBCA, a corporation may, with the approval of its shareholders by special resolution, reduce its stated capital for any purpose including, to extinguish or reduce a liability in respect of an amount unpaid on any share, to distribute to a Shareholder an amount not exceeding the stated capital of the Shares, or, to declare its stated capital to be reduced by an amount that is not represented by realisable assets.
Dividend reinvestment plan	The Company may establish a dividend reinvestment plan to provide to its shareholders the option to use cash dividends paid on Shares held by them to acquire additional Shares.
Directors – appointment and rotation	Under the Articles, the minimum number of Directors that may comprise the Board is three Directors and a maximum of ten Directors. Directors are elected or re-elected at annual general meetings.
Directors – voting	Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. Any question at a meeting of the Board shall be decided by a show of hands unless a ballot is required or demanded.
Directors – remuneration	Each Director is entitled to remuneration out of the funds of the Company as the Directors determine. The Company also may pay all reasonable and documented expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or participation in special committees.

Term	Summary
Indemnities	Almonty shall indemnify, to the extent permitted by the By-Laws and the CBCA, each current and former Director, or executive officer of Almonty or its related bodies corporate against any losses or liability incurred by that person as a Director or officer of Almonty or of a related body corporate of Almonty and for reasonable legal costs on a full indemnity basis. Almonty also may indemnify its employees, agents and such other persons as the Directors may determine. Almonty may, to the extent permitted by the By-Laws and the CBCA, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each current and former Director or executive officer of Almonty or Almonty's related bodies corporate against any liability incurred by that person as a Director or officer of Almonty, or related bodies corporate and for legal costs.
Amendment	The By-Laws may be only amended in accordance with the CBCA, which requires approval by the Directors, subject to confirmation by Shareholders by ordinary resolution passed at the next meeting of Shareholders.

10. Additional Information

10.1 Corporate Structure[20]



[20] Wolfram Camp Mining Pty Ltd is currently under administration and/or controller appointed.

10.2 Material Contracts

In addition to the executive employment and consultant agreements set out in Section 7.7 and the Underwriting Agreement set out in Section 10.4, the Company has the following material contracts:

(a) Off-take / Supply Agreements

Almonty has entered into certain off-take and supply agreements with GTP for the supply and delivery of tungsten concentrates. As detailed in Section 5.2, GTP is a substantial holder of shares in the Company. The material terms of these agreements are set out below.

Sangdong Offtake Agreement dated 12 March 2018 (Sangdong Offtake Agreement)	
Purpose	Under the agreement, Sangdong Mining Corp. (**Sangdong**) will supply and deliver certain quantities of tungsten concentrate from the Sangdong Mine to GTP. 'Tungsten concentrate' refers to scheelite mined and processed at the Sangdong Mine in accordance with the prescribed quality specifications (**Material**).
Term	The term of the Sangdong Offtake Agreement will expire at the later of: (a) 10 years from the date of first delivery of Material; (b) to be effective during the tenure of the project financing loans and for 12 months post repayment of project financing loans; or (c) delivery of the total final quantity of Materials under the agreement.
Pricing	The Material is priced in accordance with one of two options, which shall be agreed annually: (a) Option A: The price of the Material depends on market conditions as reflected in the Tungsten APT European free market USD$ per MTU as published by the LMB and by Metal Pages. (b) Option B: The parties may agree upon a fixed price.
Assignment	Almonty and Sangdong may not assign or transfer any rights, obligations or interests pertaining to this Agreement to any other person or entity without prior written consent. GTP may assign all or part of its rights and obligations to a third party.
Right of First Issue	GTP has the right to purchase additional containers according to the pricing and subject to the specifications set during the term of the agreement.
Termination	GTP has the right to terminate this agreement: (a) if Almonty defaults under the agreement, provided that the default is not cured within 30 business days; or

	(b) in the event of a force majeure event that prevents either party from meeting their obligations under the agreement for more than 90 consecutive days to 180 days cumulatively.

Executed Supply Agreement between GTP and Almonty dated 6 January 2016 (Panasqueira Supply Agreement)	
Purpose	Under the agreement, Beralt Tin (a subsidiary company of Almonty) and Almonty agree to sell tungsten concentrate to GTP. 'Tungsten concentrate' refers to wolframite mined and processed at the Panasqueira Mine in accordance with the prescribed quality specifications (**Material**).
Term	The initial term of the Panasqueira Supply Agreement was for 5 years from the commencement date of 6 January 2016. An additional 5-year term commenced after the initial term. The Panasqueira Supply Agreement now has a final termination date of 6 January 2023 (with no further option to extend).
Pricing	The price of the Material is subject to market conditions as reflected in the Tungsten APT European free market US$ per MTU as published by the LMB and by Metal Pages.
Assignment	Neither party may assign or transfer any rights, obligations or interests under this agreement to any other person or entity without prior written consent.
Right of First Issue	GTP has the right to purchase additional containers according to the pricing and subject to the specifications set during the term of the agreement.
Termination	GTP has the right to terminate this agreement: (a) if Almonty defaults under the agreement, provided that the default is not cured within 30 business days; or (b) in the event of a force majeure event that prevents either party from meeting their obligations under the agreement for more than 90 consecutive days to 180 days cumulatively.

Supply Agreement between GTP and Almonty dated 23 September 2011 (GTP Supply Agreement)	
Purpose	Under the agreement, Daytal (a subsidiary company of Almonty) and Almonty agree to sell tungsten concentrate to GTP. 'Tungsten concentrate' refers to wolframite or scheelite mined and processed at the Los Santos Mine in accordance with the prescribed quality specifications (**Material**).
Term	The initial term of the GTP Supply Agreement was for 5 years from the commencement date of 23 September 2011. An additional 5-year term commenced after the initial term. The GTP Supply Agreement now has a final termination date of 23

	September 2021 (with no further option to extend). The Company will not be renewing this Agreement.
Pricing	The price of the Material is subject to market conditions as reflected in the Tungsten APT European free market USD$ per MTU as published by the LMB.
Assignment	Neither party may assign or transfer any rights, obligations or interests under this agreement to any other person or entity without prior written consent.
Right of First Refusal	GTP has the right to purchase additional containers according to the pricing and subject to the specifications set during the term of the agreement.
Termination	Either party has the right to terminate this agreement in the event of a force majeure event that prevents either party from meeting their obligations under the agreement for more than 90 consecutive days to 180 days cumulatively.

Almonty, through its wholly owned subsidiary Beralt Tin, has entered into spot offtake agreements with Japanese manufacturers, Sumitomo for the years of 2018 and 2019, and Sojitz Corporation for the year 2020, for the sale of wolframite concentrates from its Panaqueira Mine. These agreements are entered into on an annual basis at differing price and quantity specifications. Set out below are the standard terms of these annual offtake agreements. Almonty is currently negotiating a further spot offtake agreement for the year 2021 on similar terms as detailed below.

Offtake Agreement between Beralt Tin and Sojitz Corporation dated 19 February 2020	
Purpose	The purpose of the contract is to serve as an agreement between Beralt Tin (**Seller**) and Sojitz Corporation (**Buyer**) for the sale of wolframite concentrate produced at the Seller's Panasqueira Mine in Portugal.
Term	The term of the agreement is 1 year.
Assignment	Neither party may assign their rights or obligations under the agreement without prior written consent of the other party.
Termination	Each of the following events shall form an Event of Default: (a) either party is in breach of an obligation under the agreement and has failed to remedy such a breach within 7 days; (b) either party becomes insolvent or bankrupt or goes into liquidation or receivership; (c) either party suspends or ceases to carry on a material part of their business. The party not responsible for the Event of Default may terminate the agreement in the event of an Event of Default.

Almonty, through its wholly owned subsidiary Beralt Tin, has entered into certain offtake agreements for the sale of products from its Panasqueira Mine. Set out below are the material terms of these agreements.

Offtake Agreement between Beralt Tin and Thailand Smelting and Refining Co. Ltd. dated 1 December 2020	
Purpose	The purpose of the contract is to serve as an agreement between Beralt Tin (**Seller**) and Thailand Smelting and Refining Co. Ltd (**Buyer**) for the sale of tin concentrates produced at the Seller's Panasqueira Mine in Portugal (**Material**).
Term	The term of the agreement is until 31 December 2021. The Company plans to renew the agreement upon expiry. For information on the risks associated with failure to renew this agreement, refer to Section 6.
Pricing	The price of the Material shall be based on the lowest of the four London Metal Exchange Cash official bid / offer prices.
Termination	In the event of a force majeure, which event prevents the Seller from forwarding, shipping and / or delivering the Material to the Buyer, the shipments and / or deliveries due may suspended until such conditions cease to exist. Other than the force majeure rights, there are no other termination rights detailed in the contract.

Contrato Cobre ate Dezembro 2023 - Almina Minas do Alentejo S.A. dated 3 November 2020	
Purpose	The purpose of the contract is to serve as an agreement to sell to Almina Minas do Alentejo S.A. copper concentrate with monthly deliveries of 50 to 100 tons (**Material**).
Term	The term of the agreement is for 3 years with the last delivery month being, December 2023.
Pricing	The price of the Material shall be based on the Monthly Average Settlement Price of the London Metal Exchange in the pricing period (as is defined in the agreement).
Termination	Either party may terminate the contract at any time by written notice sent to the other party at least 2 months in advance.

Redacted copies of certain Supply Agreements are filed under Almonty's SEDAR profile at www.sedar.com.

(b) AKTC Contracts

Almonty, through its wholly owned subsidiary AKTC, previously named Sangdong Mining Corp., is a party to a number of contracts which facilitate the construction of the Company's Sangdong Mine. The material terms of these contracts are set out below.

Contract for Sangdong Tungsten Project of Almonty Korea Tungsten Corporation between AKTC, S-Material Handling Co., Ltd. and Dongwon Construction Industrial Co., Ltd. dated 20 May 2021 (EPC Contract)	
Purpose	The purpose of the Contract is to serve as an EPC contract under which S-Material Handling Co., Ltd. and Dongwon Construction Industrial Co., Ltd. (jointly referred to as **Contractor**) agrees to perform engineering, procurement, civil works, erection and installation of various equipment, detailed design and to supply ancillary services required for the construction of the Sangdong Mine.
Effective Date	20 May 2021
Scope of Works	The Contractor shall engineer, design, procure, construct, install and perform the relevant activities for the process plant and surface infrastructure (**Facilities**). This includes, amongst other things: (a) designing and supplying all the civil works, pilings, roads, buildings for operation of the Facilities; (b) providing detailed engineering and procurement of the equipment; (c) assuming overall responsibility for project management, permitting, design coordination and general management and security of the work; (d) obtaining, paying for and maintaining all the required permits in connection with the construction of the Facilities and performance of the work; and (e) assuming responsibility for remedying any defective equipment and cooperating with AKTC in the event of any Performance Tests (as is defined in the Contract).
Pricing	The contract price is made on a fixed lump sum basis, the total sum being KRW 44,141,800,000. 10% of the contract price shall be paid to the Contractor as an advance payment within 14 days after the delivery of the written pre-notice in respect of a Full Notice to Proceed issuance (as those terms are defined in the Contract). The advance payment shall be repaid through percentage deductions in the Contractor's invoice.
Assignment	Neither party can assign the contract to any third party without express prior written consent of the other party unless expressly contemplated by the contract. AKTC (**Employer**) may assign the contract without the consent of the Contractor to any affiliate or any transferee of its ownership interest in the Sangdong Mine.

Termination	The Employer may terminate the Contract for any reason subject to providing the Contractor with proper notice of such termination. The Contractor may terminate the Contract if: (a) the Contractor does not receive the amount due under the Payment Certificate (as is defined in the agreement) within the time prescribed; (b) where the Employer substantially fails to perform his obligations under the Contract including in the event of a force majeure; (c) a prolonged suspension affects the whole of the works; (d) the Employer becomes bankrupt, insolvent or goes into liquidation; (e) a Force Majeure where the Contract is substantially prevented, hindered or delayed for a single period of more than 60 days or an aggregate period of 120 days.

Engineering and Equipment Supply Agreement between AKTC and Upgrade Mining Solutions (UpMS) dated 7 October 2020	
Purpose	The purpose of the contract is to serve as a supply agreement under which UpMS (**Contractor**) agrees carry out the Scope of Works detailed below.
Effective Date	8 April 2020
Scope of Works	The Contractor shall engineer, procure, construct and commission a Pastefill System at the Sangdong Mine (comprising pre-dewatering stage, a transfer pipeline from the first stage dewatering infrastructure to the Paste plant and one Paste plant (together, **Project**). The Project shall be in three phases including a Basic Engineering Project, Detail Engineering Project and Procurement.
Pricing	The value of each of the phases shall be as follows: (a) Basic Engineering Project - €114.000,00 (b) Detail Engineering Project - €258.500,00 (c) Procurement - Charged at daily rates.
Liability	The aggregate liability of UpMS to AKTC under the agreement is limited to 10% of the contract price.
Force Majeure	The agreement is subject to a force majeure clause. UpMS shall not be liable for eventual delay or non-delivery of projects for normal force majeure conditions.
Termination	In the case that event financing does not occur, the contract will be automatically cancelled.

Water Treatment Facilities Agreement between AKTC and DH Tech Co. Ltd dated 23 September 2020	
Purpose	The purpose of the contract is to serve as an agreement under which DH Tech Co. Ltd. (**Contractor**) will build water treatment facilities for AKTC at the Sangdong Mine.
Effective Date	The Effective Date of the agreement shall occur when the following conditions have been met: (a) upon due execution of the agreement; (b) an instruction or order to proceed has been issued by AKTC to the Contractor; and (c) the Advance Payment Guarantee Bond and Performance Guarantee Bond (as is defined in the agreement) has been issued and submitted to AKTC.
Scope of Works	The Contractor shall build water treatment facilities for the Employer at the Sangdong Mine. This includes manufacturing, procuring and supplying the equipment and installing, erecting and commissioning the Water Treatment Facilities (as is defined in the agreement).
Pricing	The contract price for the work is KRW 3,600,000,000. 85% of the total price will be paid in milestone payments upon the achievement of key milestones (as is defined in the agreement) on a monthly basis. The remaining 15% of the contract price is payable as an advance payment due within 14 days of the submission of an Advance Payment Guarantee Bond (as is defined in the agreement).
Termination	Each party is entitled to terminate the agreement by written notice in the event of: (a) bankruptcy or insolvency; (b) force majeure event; (c) failure by AKTC to pay any amount owing to the Contractor under the Agreement within 60 days; or (d) any other material breach of the agreement.

Mine Development Agreement between Sangdong Mining Corporation and Gangwon Mining Co. Ltd. dated 23 April 2018	
Purpose	The purpose of the contract is to serve as an agreement under which Gangwon Mining Co., Ltd. (**Contractor**) agrees to perform underground mine (gallery) development works for the Sangdong Mine.
Term	The Contractor is obliged to execute the works that were required within a maximum period of 18 months from the commencement of works. The works required have not yet commenced.

Scope of Works	The scope of the Contractor's works include mine (gallery) development and reinforcement of the gallery in accordance with the form and specifications detailed in the agreement.
Pricing	Monthly progress payments are to be made in accordance with the Details of Quotation and Work Specifications (as those terms are defined in the agreement). The Company shall pay advance payment totalling 15% of the contract amount. 50% of the advance payment will be paid within 14 days from the date of the 'Notification of Work Commencement (as is defined in the agreement) and the remaining 50% of the advance payment amount will be paid in 14 days from the date of work commencement.
Termination	The agreement shall be terminated upon: (a) full compliance of the terms of the contract; (b) by withdrawal of the Company or the Contractor; (c) the event of a force majeure that lasts more than 3 months uninterrupted; or (d) by resolution due to a material and incurable breach of the terms of the agreement by either party.

Land Use Agreements between AKTC and Yeongwol County dated between 8 October 2016 to 21 August 2020

Date of Agreements		Covered Lands	Date of Agreement
	Contract 1	114-5 Gurae-ri (137m^2); 112Gurae-ri (1,860m^2)	21 August 2020
	Contract 2	114-5 Gurae-ri (2,033m^2)	12 April 2018
	Contract 3	San 64 Gurae-ri (29,440m^2); 114-4 Gurae-ri (14,381m^2); 114-5 Gurae-ri (2,15m^2)	8 October 2016
	Contract 4	San 65-1 Gurae-ri (625m^2); San 65-2 Gurae-ri (148m^2); San 65 Gurae-ri (4m^2);	20 December 2019
	Contract 5	San 64 Gurae-ri (35,134m^2); 114-4 Gurae-ri (21,278m^2); 114-5 Gurae-ri (215m^2); 114-6 Guara-ri (996m^2)	13 July 2018
	Contract 6	112 Gurae-ri (130m^2); 109 Gurae-ri (844m^2);	26 December 2019

	106 (4,539m^2); 110-2 (861m^2); 110-1 (1,021^2); 110 (1,543^2)
Purpose	The purpose of each contract is as follows: **Purpose** Contract 1: Mine and associated use, including galleries and entrance routes) Contract 2: Parking lot Contract 3: Auxiliary facilities for the mine Contract 4: Relocation and installation of waterways Contract 5: Auxiliary facilities for the mine (mine head, slip road, office, etc.) Contract 6: Others & Auxiliary lands for the mine
Term	Contracts 1, 2, 4, 5 and 6 expire on 31 December 2021. Contract 3 expires on 9 October 2021. The Company plans to renew these contracts. For information on the risks associated with failure to renew these agreements, refer to Section 6.
Rent	The sum of rent is set in accordance with the relevant local ordinances of Yeongwol County. The total rents payable under all the Land Use Agreements for 2021 are KRW 57,373,720. However, AKTC received a 50% reduction pursuant to the Foreign Investment Promotion Act and Yeongwol county ordinances relating to foreign-owned corporations.
Termination	Yeongwol County may terminate the lease at any time on a number of grounds, including: (a) where termination is required for public works. (b) where AKTC fails to implement the purpose of the lease within 1 year of the date of the agreement, or Yeongwol County determines that the purpose of the lease cannot be achieved. AKTC may terminate the lease by serving one-month prior notice.

Consulting and Service Agreement between Almonty and AKTC dated 10 May 2021 (Consulting and Service Agreement)	
Purpose	Under the agreement, Almonty provides Consulting Services being, advisory services with respect to Key Economic and Technical Issues (as is defined in the agreement) and various other items including profitability, potential, establishing/reviewing sales policy, and expanding and improving AKTC's operations to AKTC.
Term	The term of the Consulting and Service Agreement commenced 10 May 2021 and is automatically renewed annually, unless terminated by either party by written notice.
Compensation	Under the agreement, Almonty charges AKTC approximately US$600,000 per year. Payment conditions shall be discussed and determined between the parties. The annual compensation fee shall be reviewed at the end of every December, with the first such review to be completed in the first December after the commissioning of the processing plant by the EPC contractor, S-Material Handling Co., Ltd. and Dongwon Construction Industrial Co. Ltd.
Termination	Either party may terminate the agreement by providing written notice to the other party no longer than 30 days prior to the current calendar year.

Equipment Supply Agreement between AKTC and Metso Outotec USA Inc. dated 30 March 2021	
Purpose	Under the agreement, Mesto Outotec USA Inc. (**Supplier**) agrees to provide SAG Mill, Ball Mill and other equipment and services to AKTC (**Purchaser**).
Effective Date	The Effective Date of Order defines the start of the project and occurs once the following conditions are satisfied: (a) Contract document signed by both parties; (b) Down payment duly received by Metso Outotec; (c) Letter of credit as security for milestone payments (if applicable); and (d) Acknowledgement of acceptable purchase order by Metso Outotec USA Inc.
Delivery	All delivery times are from the Effective Date of Contract and shall take place in accordance with the Time Schedule and Detailed Milestones as those terms are defined in the agreement.
Pricing	Subject to milestone payments, index, and currency adjustments, the total fixed price under the agreement (exclusive of any value added, sales, or similar tax) will not exceed the Contract Price (as is defined in the contract).

	Payment is conditional upon the Supplier's completion of milestones.
Termination	Each party is entitled to terminate the Contract by written notice to the other party: (a) upon bankruptcy, insolvency, suspension of payments, seizure, or similar proceeding or in case of dissolution of, the other party; (b) upon force majeure existing for a continuous period of more than six months; (c) upon failure by Purchaser to pay any amount owing under the agreement within 60 days from its due date subject to the Supplier having notified the Purchaser in writing of the payment default and granting the Purchaser 10 days to rectify such failure; or (d) upon any other material breach of the Contract by the other Party, which failure has not been rectified within reasonable time from the receipt of a written notice from the non-breaching party.

10.3 Company Financial Year

Almonty's financial year ends on 31 December annually.

10.4 Underwriting Agreement

The Offer is partially underwritten and lead managed by the Lead Manager pursuant to an underwriting agreement dated 4 June 2021 between the Company and the Lead Manager. The material terms of the Underwriting Agreement are set out below.

Fees and Costs	On settlement of the Offer, which is expected to occur on the Settlement Date, the Company must pay the Lead Manager: (a) a capital raising fee of 5% of the Offer proceeds; and (b) a management fee of 1% of the Offer proceeds. The Offer proceeds are calculated by the total number of CDIs issued under this Prospectus multiplied by the Offer Price. Any fees payable to any co-lead manager, co-managers, sub-underwriters in relation to the Offer are payable to the Lead Manager. The Company has agreed to reimburse the Lead manager for reasonable costs of, and incidental to, the Offer.
Termination events	At any time from the date of the Underwriting Agreement until 4:00pm on the Settlement Date, or any other earlier time specified below, the Lead Manager may terminate the Underwriting Agreement (without any cost or liability to the Lead Manager) if any of the following events has occurred or occurs: (a) (**disclosures in the Prospectus**) a material statement in the Prospectus is or becomes misleading or deceptive or a material matter required to be included is omitted from the Prospectus;

(b) (**new circumstances**) there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus;

(c) (**supplementary prospectus**) the Company is required to issue a supplementary prospectus to comply with section 719 of the Corporations Act or lodges a supplementary prospectus with ASIC that has not been approved by the Lead Manager;

(d) (**market fall**) at any time the S&P/ASX 200 Index or the S&P/ASX 300 Metals and Mining Index falls to a level that is 90% or less of the level as at the close of trading on the day immediately before the date of this agreement and is at or below that level:

(i) for 2 consecutive Business Days after the date of this agreement; or

(ii) on the Business Day immediately prior to the Settlement Date;

(e) (**forecasts**) there are not or there cease to be reasonable grounds (in the reasonable opinion of the Lead Manager) for any statement or estimate in the Offer documents (including the Prospectus) which relates to future matters or a future matter which (in the reasonable opinion of the Underwriter) is unlikely to be met in the projected timeframe (including in each case financial forecasts);

(f) (**fraud**) the Company or any of their Directors or Officers engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;

(g) (**listing and quotation**) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:

(i) the Company's admission to the official list of ASX; or

(ii) the quotation of all of the Company's CDIs on Completion on ASX or for the Lead Manager CDIs on Completion to be traded through CHESS on or before the Quotation Date,

or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(h) (**notifications**) any of the following notifications are made in respect of the Offer:

(i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act, in relation to the Offer or the Prospectus or ASIC prosecuting or commencing proceedings in relation to the Offer or the Prospectus;

(ii) ASIC holds a hearing under section 739(2) of the Corporations Act;

(iii) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Prospectus or the Pathfinder or ASIC commences any investigation or hearing

	under Part 3 of the ASIC Act in relation to the Offer or Prospectus or the Pathfinder; (iv) any person (other than the terminating Lead Manager) who has previously consented to the inclusion of its name in the Prospectus or the Pathfinder withdraws that consent; or (v) any person (other than the terminating Joint Lead Manager) gives a notice under section 730 of the Corporations Act in relation to the Prospectus; (i) (**certificate not provided**) the Company does not provide a closing certificate as and when required by the Underwriting Agreement; (j) (**withdrawal**) the Company withdraws the Prospectus or the Offer or indicates that it does not intend to proceed with the Offer; (k) (**insolvency events**) the Company or its subsidiaries becomes insolvent, or there is an act or omission which is likely to result in the Company or its subsidiaries becoming insolvent; (l) (**timetable**) an event specified in the timetable up to and including the Settlement Date is delayed by more than 2 Business Day (other than any delay agreed between the Company and the Lead Manager or a delay as a result of an extension of the exposure period by ASIC); (m) (**unable to issue or transfer**) the Company is prevented from allotting and issuing new CDIs within the time required by the timetable, the Prospectus, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, an order of a court of competent jurisdiction or a Governmental Authority; (n) (**change to Company**) except as disclosed in the Prospectus, the Company: (i) alters the issued capital of the Company or its subsidiaries (other than pursuant to an employee share or option plan or other issue described in the Prospectus); or (ii) disposes or attempts to dispose of a substantial part of the business or property of the Company or its subsidiaries, without the prior written consent of the Lead Manager; (o) (**regulatory approvals**) if a regulatory body withdraws, revokes or varies any regulatory approvals required for the Company to perform their obligations under the Underwriting Agreement or to carry out the transactions contemplated by the Prospectus; (p) (**legal proceedings**) any regulatory body commences any enquiry or public action against the Company or any of its subsidiaries.
Termination events subject to reasonableness	At any time from the date of the Underwriting Agreement until 4:00pm on the Settlement Date, or any other earlier time specified below, the Lead Manager may terminate the Underwriting Agreement (without any cost or liability to the Lead Manager) if any of the following events has occurred or occurs

but only if, in the reasonable opinion of the Lead Manager, the event:

- has, or is likely to have, a materially adverse effect on:
    - the success, settlement, marketing or outcome of the Offer, or on the ability of the Lead Manager to market or promote or settle the Offer; or
    - the willingness of investors to subscribe for the CDIs under the Offer; or
- will, or is likely to, give rise to a liability of that Lead Manager under, or give rise to, or result in, a contravention by that Lead Manager or any of its affiliates of, or the Lead Manager or any of its affiliates being involved in a contravention of, any applicable law.

These events are:

(a) (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Governmental Agency which makes it illegal for the Lead Manager to satisfy an obligation under this document, or to market, promote or settle the Offer;

(b) (**prosecution**) any of the following occur:

(i) a Director or proposed Director named in the Prospectus is charged with an indictable offence;

(ii) any Governmental Agency commences any public action against the Company (or any of its subsidiaries) or any of their respective officers; or

(iii) any Director or proposed Director named in the Prospectus is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;

(c) (**disclosures in the Due Diligence Committee Report and any other information**) the Due Diligence Committee Report (as that term is defined in the Underwriting Agreement) is misleading or deceptive, including by omission;

(d) (**adverse change**) an event occurs which is, or is likely to give rise to, an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or its subsidiaries, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or its subsidiaries from those respectively disclosed in the Prospectus;

(e) (**change of law**) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, the United States, the United Kingdom or any State or Territory of Australia a new law, or New Zealand, or any Commonwealth or State authority (but excluding a policy of the Reserve Bank of Australia or ASIC), adopts or announces a proposal to adopt a new policy

	(other than a law or policy which has been announced before the date of this agreement); (f) (**compliance with law**) any of the Prospectus or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation; (g) (**breach**) the Company defaults on one or more of its undertakings or obligations under this agreement; (h) (**debt covenants**) a subsidiary is in breach of any debt covenant; (i) (**hostilities**) hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, Canada, the Republic of Korea, the United Kingdom, the People's Republic of China, Hong Kong, Singapore or any member state of the European Union, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries; (j) (**legal proceedings**) the commencement of legal proceedings against the Company, or any of its subsidiaries, or against any Director of the Company or any its subsidiaries in that capacity; or (k) (**certificate incorrect**) a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect (including by way of omission); and (l) (**general moratorium**) a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries.
Representation, warranties and undertakings	The Underwriting Agreement contains certain conventional representations and warranties provided by the Company to the Lead Manager. The representations and warranties relate to matters such as powers and capacities to enter into and perform the necessary obligations under the Underwriting Agreement, conduct of the Company (including in relation to its compliance with applicable laws, approvals authorisations and Listing Rules, status, due diligence and disclosure), certain documents issued by the Company in connection with the Offer (which includes this Prospectus and the associated offer documents), the information provided to the Lead Manager, insolvency, conduct of the Offer, litigation and eligibility for listing. The Company's undertakings include that it will notify the Lead Manager of any breach or termination event, keep the terms of the agreement confidential and not from the date of the Underwriting Agreement until before 120 days following Completion alter the capital structure of the Company, amend the Company's By-Laws or dispose of any of the subsidiaries business or property in whole or substantial part without prior written consent from the Lead Manager. The Company also

	undertakes to keep the Lead Manager informed of any material adverse changes to its financial position or prospects until Completion.
Indemnity	The Company agrees to keep the Lead Manager and certain of its related entities indemnified from losses related, directly or indirectly, to the Offer, subject to conventional exclusions including fraud, recklessness, wilful misconduct, gross negligence or illegality of the Lead Manager or its related entities.

10.5 Disclosure and Reporting Obligations

In deciding what information should be included in this Prospectus, the Directors have had regard to, amongst other things, the matters which investors (or their professional advisors) may reasonably be expected to know. As a TSX-listed company, the Company is subject to the TSX Company Manual which requires it to immediately make public disclosure of any information concerning the Company of which it is or becomes aware if that information would lead to a significant movement in the price of its TSX securities, subject to certain exceptions.

The Company will provide to any person, on request and free of charge, a copy of each of the following documents:

(a) the Annual Information Form; and

(b) any documents used to notify TSX of information relating to the Company in the period from lodgement of the Annual Information Form.

10.6 Legal Proceedings Relating to Almonty

Other than as set out below at Sections 10.7 and 10.8, as at the Prospectus Date, so far as the Directors are aware, there is no current or threatened litigation, arbitration or administrative appeal or criminal or governmental prosecution in which Almonty or any of its subsidiaries is directly or indirectly concerned, which would be likely to have a material adverse effect on their business, financial condition, or the results of their operation. However, Almonty is currently a party to a number of non-material litigations.

10.7 Superannuation Litigation

Third party claims are currently on foot against Almonty, Lewis Black and Daniel D'Amato by Darcy Milburn, a former director of WCM. Mr Black and Mr D'Amato also served as directors of WCM as detailed in Section 3.3.

On 8 January 2019, the ATO commenced proceedings against Mr Milburn seeking director penalties for WCM's allegedly unpaid superannuation guarantee charge for the periods between 1 July 2015 and 31 March 2017. The current amount sought as per the amended statement of claim dated 11 March 2019 is $413,846.31 plus interest and costs.

On 6 June 2019, Mr Milburn commenced third party claims against:

(a) Almonty under an alleged deed of indemnity, and misleading and deceptive conduct; and

(b) Mr Black and Mr D'Amato for contribution as co-directors pursuant to Sections 269-45 of Schedule 1 of the *Taxation Administration Act 1953* (Cth). Mr Milburn also claims misleading and deceptive conduct by Mr Black.

Mr Milburn's third party claim seeks any amounts he is required to pay the ATO plus interest and costs. Each of Almonty, Mr Black and Mr D'Amato dispute Mr Milburn's claims and have filed defences. Mr Milburn filed his reply on 2 September 2020. The parties subsequently exchanged Lists of Documents. So far as the Directors are aware, no party has taken any steps in the proceedings since then. The matter remains on foot.

Any further legal and other costs involved in this dispute will depend upon the steps the plaintiff and Mr Milburn take in progressing this proceeding. Given the parties have not indicated a course of action that they intend to take, the Directors are not in a position to estimate any amount of any future costs of this litigation.

10.8 Spanish Appeal Proceedings

Two related appeals in Spain are currently pending resolution which may have a direct effect on the quantification of the reclamation guarantee for 2020. The State Administration considers that the guarantee should be €6,258,449 while the Company claims that it should be set at €2,074,440 and this is the reason that the Company requires the approval of a request to waive an authorisation for direct dumping of piled tailings inside the already exhausted pit of its mining concession. The Company currently has a €2.4 million reclamation insurance policy in place.

On 6 March 2020, the Company requested an authorisation for the direct dumping of piled tailings within the already exhausted hole within its mining concession. On 21 July 2020, the Company was notified of the resolution where the guarantee of reclamation was approved in the sum of €6,258,449 for the year of 2020.

On 17 August 2020, a written waiver of the direct discharge authorisation was submitted. On 20 August 2020, the Company filed an appeal against the resolution requesting that the reclamation guarantee be set at €2,074,440. By resolution dated 21 October 2020, the request for the waiver was rejected. The Company lodged an appeal against this resolution on 1 November 2020. The matter remains on foot and there is potential that once the appeals are resolved, that the Company will file a contentious-administrative proceeding.

10.9 CHESS Depositary Interests (CDIs)

Almonty will apply to participate in ASX's CHESS system and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form such as CDIs.

Each CDI represents one underlying Share. The main difference between holdings CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title. CDN, a subsidiary of ASX, will hold the registered title to the underlying Shares on the Canadian share register.

Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the underlying Shares. CDIs are trading in a manner similar to shares of Australian companies listed on ASX. CDIs will be held in uncertified form and settled/transferred through CHESS. No share certificates will be issued to CDI holders. Existing Shareholders cannot trade their Shares on ASX without first converting their Shares into CDIs, which is subject to Canadian law.

The Shares underlying the CDIs will be registered in the name of CDN on the Canadian share register and will be held on behalf of and for the benefit of the CDI holder. CDN will receive no

fees for acting as the depositary for the CDIs. CDIs will be CHESS-approved from the date of Official Quotation in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. The Shares underlying the CDIs will rank equally with the Shares the Company has previously issued.

(a) Who is the depositary nominee and what do they do?

Almonty will appoint CDN, an approved general participant of ASX Settlement, to act as its Australian depositary.

CDN will hold registered title to the Shares on behalf of CDI holders. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by the CDI holders. CDN will receive no fees for acting as the depositary for the CDIs.

(b) What registers will be maintained by recording your interests?

Almonty will operate a book-entry (i.e. uncertificated) and certificated principal register of Shares in Canada, and in Australia an uncertificated issuer sponsored sub-register of CDIs and an uncertificated CHESS sub-register of CDIs.

The Company's uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESS sub-register of CDIs will be maintained by the Share Registry. The Canadian Share Register is the register of the legal title, and will reflect legal ownership by CDN of the Shares underlying the CDIs with the Shares held by CDN. The two uncertificated sub-registers of CDIs combined will make up the register of beneficial title of the Shares underlying the CDIs.

If investors have questions in relation to the Almonty register of Shares in the Canada, they may contact Almonty at its address.

(c) How is local and international trading in CDIs effected?

CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.

(d) How do CDI holders convert from a CDI holding to a direct holding of Shares?

CDI holders wishing to convert their CDIs to Shares being held on the Canadian register, can do so any time:

(i) by contacting the Share Registry directly, if the CDIs are held though the issuer sponsored sub-register upon which, the CDI holder will then receive an applicable request form; or

(ii) if the CDIs are held on the CHESS sub-register, by contacting their sponsoring participant (usually a stockbroker) who will arrange for the request form to be completed. Upon the receipt of a request form, the CDIs subject to the form will be cancelled, Shares will be transferred on the Canadian Share Register from CDN to the CDI holder and the Shares

registered in the name of the former CDI holder, either in book-entry (i.e. uncertified) or certificate form in accordance with the requests. Trading on the ASX will no longer be possible.

Holders of Shares are also able to convert their Shares into CDIs, should they wish to do so. Shareholders can contact their stockbroker if the Shares are held within the Canadian Central Securities Depository, or if they are a registered shareholder they can contact the Canadian Share Registry. The Shares will then be transferred from the Shareholder's name to CDN, CDIs issued and a holding statement will be despatched to the holder's registered address. The CDIs will be tradeable on the ASX.

(e) What are the voting rights of a CDI Holder?

If holders of CDIs wish to attend and vote at the Company's general meetings, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, any holder of CDIs must be allowed to attend meetings of the holders of Shares unless relevant Canadian laws at the time of the meeting prevents CDI holders from attending those meetings.

CDI holders will be available to vote at Almonty's general meetings by:

(iii) instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the CDI voting close off for the meeting; or

(iv) informing the Company, on the voting instruction form, that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or

(v) converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on the ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken. As each CDI represents one Share, a CDI holder will be entitled to one vote for every CDI they hold.

CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company. Since CDN is the legal holder of the applicable Shares and the holders of CDIs are not themselves the legal holder of their applicable Shares, the holders of CDIs do not have any directly enforceable rights under the Company's By-Laws.

(f) What dividend and other distribution entitlements do CDI holders have?

Despite legal title to the Shares being vested in CDN, ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares, these include dividends and other

entitlements which attach to the underlying Shares. These rights exist only under ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the CBCA.

If Almonty declares dividends, it will declare any dividends in CAD as that is its main functional currency, with holders on the CDI register paid in Australian dollars. As such, an investor whose principle currency is not CAD will be exposed to foreign currency exchange rate risk.

(g) What corporate action entitlement (such as rights issues and bonus issues) do CDI holders have?

CDI holders receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include entitlement to participate in rights issues, bonus issues and capital reductions. These rights exist only under ASX Settlement Operating Rules, rather than under the CBCA.

(h) What rights do CDI holders have in the event of a takeover?

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CDN to do so.

These rights exist only under ASX Settlement Operating Rules, rather than under the CBCA.

(i) What notices and announcements will CDI holders receive?

CDI holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from Almonty. These rights exist under ASX Settlement Operating Rules and Almonty's By-Laws, rather than under the CBCA.

(j) What rights do CDI holders have on liquidation or winding up?

In the event of Almonty's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit on their CDIs as holders of Shares. These rights exist only under ASX Settlement Operating Rules, rather than under the CBCA.

(k) Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?

A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.

(l) Where do I find further information about transferring CDIs?

If your CDIs are held on the CHESS sub-register, contact your sponsoring participant (usually your broker). If your CDIs are held on the issuer sponsored sub-register, contact the Share Registry.

The transfer of CDIs may be effected by a proper transfer (defined as a Proper ASTC Transfer in the ASX Listing Rules). Upon receipt of a proper transfer and subject to ASX Listing Rules and ASX Settlement Operating Rules, the Company will approve registration of a transferee named in the transfer as a holder of CDIs. The transferor will be deemed to remain the holder of the CDIs until a proper transfer has been effected or the name of the transferee is entered in the CHESS sub-register or the issuer sponsored sub-register (as applicable) as the holder of the CDIs.

The Company may suspend the registration of transfers of CDIs at the times and for the periods they determine, but only as permitted by ASX Settlement Operating Rules.

(m) Divestment of non-marketable parcel of CDIs

Subject to certain restrictions and procedures, Almonty may, after giving written notice to a CDI holder, sell a CDI holder's CDIs if the CDI holder holds less than a non-marketable parcel (a parcel of securities that is less than a marketable parcel within the meaning of the ASX Operating Rules Procedures).

(n) Where can further information be obtained?

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled:

(vi) "Understanding CHESS Depositary Interests" at: http://www.asx.com.au/documents/settlement/CHESS_Depositary_Interests.pdf

(vii) ASX Guidance Note 5 at: http://www.asx.com.au/documents/rules/gn05_chess_depositary_interests.pdf

10.10 Comparison of Relevant Australian and Canadian Laws

Almonty is a public company incorporated under the federal laws of Canada. Almonty's Shares are currently quoted on TSX.

As the Company is not incorporated in Australia, its general corporate activities, including the rights of Shareholders in respect of its Shares (and CDIs) (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the CBCA, Almonty's Articles and By-Laws, Canadian securities laws and Canadian common law, as may be applicable.

A comparison of some of the material provisions of Australian law and Canadian law as they relate to Almonty is set out below, along with a description of certain securities laws and securities exchange rules where applicable.

References to "Australian law" where they appear in this Section are references to the Corporations Act, the ASX Listing Rules and Australian common law, as applicable. It is worth noting that some rules under the Corporations Act for a public company are replaceable, and a company may choose to adopt a new set of rules or modify the replaceable rules for their constituent documents.

References to "Canadian law" are references to the CBCA, Canadian securities laws, regulations and rules issued under such laws, and the published regulations, rules, policy statements, orders, instruments, notices and rules of the securities commissions or equivalent securities regulatory bodies in Canada.

You should rely on the actual provisions of those documents since the terms of Almonty's Articles, By-Laws and Canadian law are more detailed than the general information provided below. The information provided below is an overview of the general terms of the CBCA as they relate to public companies. Note that a number of these general terms may be amended by a company's articles of association. A copy of the By-Laws can be found under the Company's SEDAR profile.

Relevant law	Australian law	Canadian law
Shareholder meetings		
Notices of meetings	The Corporations Act requires at least 28 days' notice of a general meeting of a listed company. A listed public company is required to give notice only to shareholders entitled to vote at the meeting as well as its directors and auditors.	Almonty must provide at least 21 days' notice of the date, time and location of all shareholder meetings to registered shareholders of the Company entitled to vote at the meeting, to each director and to Almonty's auditors. As a "reporting issuer" under Canadian securities law, Almonty must also give notice to beneficial shareholders (including CDI holders) who elect to receive such shareholder material. Management proxy circulars, in a required form must be provided in connection with any solicitation of proxies by management. The notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. A notice of a meeting at which special business is

Relevant law	Australian law	Canadian law
		to be transacted must state the nature of that business in sufficient detail to permit the Shareholder to form a reasoned judgment thereon, as well as the text of any special resolution to be submitted to the meeting. Any business, other than the election of Directors, reappointment of the incumbent auditor and consideration of the financial statements and auditor's report, is deemed to be special business. National Instrument 54-101 of the Canadian Securities Administrators *Communication with Beneficial Owners of Securities of a Reporting Issuer*, requires a reporting issuer that is required to give notice of a meeting to fix a date for the meeting and, a record date for notice for the meeting which shall be no fewer than 30 and no more than 60 days before the meeting date and, if required or permitted by corporate law, fix a record date for voting at the meeting. The reporting issuer is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date. The CBCA provides that if a meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting. Almonty's By-Laws provide that a quorum for a meeting of shareholders is present if the holders of 25% of the shares entitled to vote at the meeting are present or represented by proxy, provided that quorum shall not be less than two persons.
Voting requirements	Unless the Corporations Act or a company's constituent document (e.g. constitution, articles of association or by-laws) requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by the company if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. In order to pass, a special resolution requires approval of at least 75%	Unless the CBCA requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the CBCA, in general, ordinary resolutions are required for matters that do not significantly affect a company or its value. Special resolutions are required to approve matters with significant consequences to a company or its stakeholders, primarily shareholders.

Relevant law	Australian law	Canadian law
	of the votes cast by shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by special resolution, including: (a) change of the company's name; (b) a selective reduction of capital or selective share buyback; (c) the conversion of the company from one type or form to another; (d) a decision to wind up the company voluntarily; and (e) a decision to modify or repeal a public company's constituent document.	The CBCA requires certain matters to be approved by special resolution, including: (a) an amendment to the company's articles, in any material respect; (b) an amalgamation with an unaffiliated company; (c) a continuance under the laws of another jurisdiction; and (d) the sale, lease or exchange of all or substantially all of the property of the company other than in the ordinary course of business.
Voting rights	Under Australian law, one share in a public company typically confers a right to vote at all general meetings. On a show of hands, each shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every share held at the record date of the meeting.	The CBCA provides that, unless a company's articles provide otherwise, each share of a company entitles the holder to one vote at a meeting of shareholders. Except in certain circumstances, a vote may be held on a show of hands. On a show of hands, each holder of Almonty shares present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of Almonty shares present in person or by proxy will have one vote for each Almonty share held. The CBCA also provides that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the articles that affect the rights of such holders, whether or not such shares carry the right to vote. Every shareholder of the Company entitled to vote at a meeting of the Company may appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.
Shareholders' rights to bring a resolution before a meeting	The Corporations Act requires the directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the	The CBCA as well as Almonty's By-Laws provide that the Company may call a meeting of shareholders at any time. The CBCA further provides that the holders of not less than 5%

Relevant law	Australian law	Canadian law
	general meeting or at least 100 shareholders who are entitled to vote at a general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.	of the issued capital of the Company that carry the right to vote at a general meeting may requisition the directors of the Company to call a meeting of the Company shareholders for the purposes stated in the requisition so long as such purposes are permitted under the CBCA. Under Canadian law, a shareholder proposal is a document setting out a matter that the submitter proposes to have considered at the next annual general meeting of the Company. The CBCA entitles a registered or beneficial holder of Shares eligible to be voted at a meeting of Shareholders to submit to the Company notice of any matter that the person proposes to raise at the meeting (**Shareholder Proposal**) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Shareholder Proposal. If the Company receives notice of a Shareholder Proposal and is soliciting proxies, it would then be required to set out the Shareholder Proposal in its management proxy circular (and, if requested by the person submitting the Shareholder Proposal, include or attach the Shareholder Proposal and a statement in support of the Shareholder Proposal). However, a Shareholder Proposal for the nomination for the election of directors is required to be signed by the holders of at least 5% of the outstanding shares entitled to vote at such meeting. The CBCA provides exemptions from the requirements to include a proposal in a company's management proxy circular in circumstances including where: (a) the Proposal is not submitted to the corporation by at least the prescribed number of days before the anniversary date of the notice of meeting that was sent to shareholders in connection with the previous annual general meeting; (b) it clearly appears that the primary purpose of the Proposal is to enforce a personal claim or

Relevant law	Australian law	Canadian law
		redress a personal grievance against the company or its directors, officers or security holders; (c) it clearly appears that the Proposal does not relate in a significant way to the business or affairs of the company; (d) substantially the same Proposal was submitted to shareholders in a management proxy circular or a dissident's proxy circular relating to a meeting of shareholders held not more than the prescribed period before the receipt of the Proposal and did not receive the prescribed minimum amount of support at the meeting; or (e) not more than the prescribed period before the receipt of a Proposal, a person failed to present, in person or by proxy, at a meeting of shareholders, a Proposal that at the person's request, had been included in a management proxy circular relating to the meeting.
Shareholders		
Substantial Shareholders	The Corporations Act provides that a shareholder has a "substantial holding" if that person's (and that person's associates) have a relevant interest in 5% or more of the voting shares in the company. The Corporations Act requires a shareholder who is a substantial holder in a listed company to give written notice in the prescribed form to the company and ASX within 2 business days or, if there is a takeover bid for the company, by 9:30am on the next trading day of the ASX, after the person becomes aware that they have become a substantial shareholder. Similar notification requirements apply in the event that a shareholders substantial holding increases or decreases by more than 1% of the total votes in a company or where a person ceases to have a substantial holding.	Under applicable Canadian securities law, a person who acquired beneficial ownership and control, directly or indirectly, of more than 10% of the outstanding shares will be required to publicly disclose their holdings, and to file an early warning report with the applicable Canadian securities regulator. The early warning report discloses the person's name, address, and certain details of surrounding their ownership of shares and securities of the Company convertible into or exercisable for shares. Similar notification requirements apply in the event that such a shareholder's holding increases or decreases by more than 2% of the total number of shares of the Company or where a person ceases to own, or control, directly or indirectly, more than 10% of the outstanding shares. In addition, shareholders that become a "control person" of the Company (generally defined as a

Relevant law	Australian law	Canadian law
		shareholder, alone or in combination with other shareholders acting in concert, that holds more than 20 per cent of the voting rights attached to all voting securities of the Company) are subject to additional requirements including a requirement to effect a public filing prior to distributing securities of the Company.
Shareholder right of dissent	There is no shareholder right of dissent under Australian law.	The CBCA provides shareholders with dissent rights in connection with certain corporate matters, generally including amalgamations, arrangements, the sale, lease or exchange of all or substantially all of property of the company and the continuance into another jurisdiction, which dissent rights entitle dissenting shareholders to receive payment of fair value for their shares from the company, provided they comply with the strict requirements set out under the CBCA.
Directors and officers		
Directors' management of the business of the Company	Under a public company's constituent document, the business of the company is typically to be managed by or under the direction of the public company's board. The directors may exercise all of the power of the company except any powers that the Corporations Act or the public company's constituent document requires the company to exercise in general meeting. The Corporations Act contains a number of statutory duties which are imposed on directors, including the duty of care and diligence, good faith and avoidance of improper use of position.	Under the CBCA and the By-Laws, the directors of the Company must manage or supervise the business and affairs of the company and may appoint and remove officers and specify their duties, subject to the CBCA. Under the CBCA, Directors of the Company are subject to the duty to act honestly and in good faith with a view to the best interests of the corporation and in exercising their powers and discharging their duties, must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Almonty's By-Laws provide that the directors may, for each officer: (a) determine the functions and duties of the officer; and (b) delegate to the officer the powers to manage the business and affairs of the Company.

Relevant law	Australian law	Canadian law
Number and election of directors	Under a public company's constituent document, the company typically must have no less than three or more than "x" number of directors, unless the company in a general meeting determines otherwise. Casual vacancies between annual general meetings may be filled by the public company's board, and the board has the power to appoint additional directors, but so that the total number of directors does not at any time exceed the maximum permitted number.	Under the CBCA, public companies must have a minimum of three directors. At least 25% of the directors of a company governed by the CBCA must be resident Canadians unless the company has fewer than four directors in which case one director must be resident Canadian. Vacancies on the Almonty Board between annual meetings may be filled by the Almonty Board and the Almonty Board has the power to appoint additional directors above and beyond the number of directors elected at an Annual General Meeting by up to one-third of the number of directors elected at the previous Annual General Meeting.
Remuneration of directors and officers	Under a public company's constituent document, the directors typically determine the amount of remuneration received by each director. However, the maximum amount to be paid to directors for their services as directors is not to exceed the amount approved by shareholders in general meeting. At an annual general meeting, the shareholders of a listed company must vote approval or otherwise of the remuneration report. A strike against the company occurs when a company's remuneration report receives a 'no' vote of 25% or more. Where this occurs, the company's subsequent remuneration report must explain whether shareholders' concerns have been taken into account, and either how they have been taken into account or why they have not been taken into account. A 'second strike' occurs against a listed company where the company's subsequent remuneration report receives a 'no' vote of 25% or more. Where this occurs, shareholders will vote at the same annual general meeting to determine whether the directors will need to stand for re-election within 90 days. If this resolution passes with 50% or more of eligible votes	There is no "two-strikes" rule under the CBCA. Under the CBCA, the Board determines the remuneration of the directors. Additional remuneration may be paid above this fixed amount to directors providing professional or other services to the Company outside the ordinary duties of directors. Under applicable Canadian Securities law, a report on executive compensation is required to be filed annually, within six months of the year end and is typically included in the Management Information Circular for the annual meeting of Shareholders.

Relevant law	Australian law	Canadian law
	cast, then a 'spill meeting' will take place within 90 days. At the spill meeting, those individuals who were directors when the report was considered at the most recent annual general meeting will be required to stand for re-election (other than the managing director, who is permitted to continue to run the company).	
Transactions involving directors, officers or other related parties	The Corporations Act prohibits a public company from giving a related party financial benefit unless it: (a) obtains the approval of shareholders and gives the benefit within 15 months after the approval; or (b) the financial benefit is exempt. A related party is defined to include any entity which controls the public company, directors of the public company, directors or any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms. The Corporations Act generally requires a director who has a material personal interest in a matter that relates to the affairs of the company to give the other directors notice of that interest. That director must not be present at a meeting where the matter is being considered or vote on the matter unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure to disclose a material personal interest, or voting despite having a material personal interest, does not affect the validity of a contract in which the director has an interest. When entering into transactions with a	The CBCA obligates directors of the Company to disclose to the corporation conflicts of interest between the director and the Company. Under the CBCA, a director who discloses a conflict of interest must refrain from voting on any resolution to approve the contract or transaction giving rise to such conflict of interest, subject to certain exceptions. In addition, conflict of interest transactions involving the Company are subject to the regulatory regime set out in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**). MI 61-101 applies to a broad range of transactions between the issuer and a related party of the issuer, which includes, directors, officers, significant shareholders and other related parties. Subject to various exceptions (of which the most common is where the value of the transaction does not exceed 25% of the issuer's market capitalisation), in the case of a related party transaction subject to MI 61-101, the issuer is required to obtain: (a) A formal valuation by an independent valuator of the non-cash transaction consideration, and (b) Approval of the transaction by a simple majority of minority shareholders. Related party transactions also are subject to enhanced disclosure requirements, including a detailed summary of the background to the transaction as well as prior valuations and offers within the previous two years.

Relevant law	Australian law	Canadian law
	public company, directors are subject to the common law and statutory duties to avoid a conflict of interest.	Oversight of a related party transaction by a special committee of independent directors, while not strictly required, is recommended.
Dealing with Shares (CDIs)		
Variation of class rights	Rights attaching to a class of shares in a public company usually may only be varied by special resolution of shareholders, by either: (a) a special resolution passed at a meeting of the shareholders holding shares in that class; or (b) with the written consent of shareholders with at least 75% of the votes in that class.	In accordance with the CBCA, amendments to the special rights and restrictions attached to any issued shares require the approval by special resolution of the holders of the class or series of shares affected.
Amendments to constituent documents and right to inspect		
Amendments to constituent documents (By-Laws)	Any amendment to a public company's constituent document must be approved by a special resolution passed by shareholders present and voting on the resolution.	Under the CBCA, in general, ordinary resolutions are required for matters that do not significantly affect a company or its value. Special resolutions are required to approve matters with significant consequences to a company or its stakeholders, primarily shareholders. In accordance with the CBCA, any amendment to Almonty's By-Laws must be approved by the Directors, subject to approval by the Shareholders by ordinary resolution at the next annual meeting of Shareholders.
Other		
Protection of minority shareholders and the oppression remedy	Under the Corporations Act, any shareholder of a public company can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders can also bring an action if it relates to the	Under the CBCA, on the application of a "complainant" (defined under the CBCA to include shareholders, former shareholders, directors and officers, former directors and officers, the director appointed under the CBCA to carry out duties and exercise powers under the CBCA, and any other persons who, in the discretion of the court, are proper persons to bring an action), the court may grant leave to prosecute or defend a legal proceeding in the

Relevant law	Australian law	Canadian law
	circumstances in which they ceased to be a shareholder. A statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder of the company. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that: (a) it is probable that the company will not itself bring the proceedings or properly take responsibility for them or for the steps in them; (b) the applicant is acting in good faith; (c) it is in the best interests of the company that the applicant is granted leave; (d) if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and (e) either at least 14 days before making the application, the applicant gave written notice to the company of the interest to apply for leave and the reasons for applying, or it is otherwise appropriate to grant leave.	name and on behalf of the company to enforce a right, duty or obligation owed to the company or to obtain damages for a breach of such a right, duty or obligation. In certain circumstances, the CBCA allows for a shareholder to apply to court to have an investigator appointed to investigate the company's affairs. The CBCA, to a large extent, has supplemented the Canadian common law and equity rules on the availability of actions. In addition to allowing complainants to bring actions in the name and on behalf of the Company or any of its subsidiaries, the statutory provisions of the CBCA also allow complainants to intervene in existing proceedings, either for prosecuting or defending it, or to bring about its discontinuation on behalf of the company. Certain substantive and procedural requirements must be met, including the court being satisfied that the complainant is acting in good faith and that the derivative action appears to be in the interests of the company or its subsidiary. To bring a derivative action, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave if: (a) the complainant has given notice to the Directors of Almonty or its subsidiary of the complainant's intention to apply to the court not less than 14 days before bringing the application, or as otherwise ordered by the court, if the directors of Almonty or its subsidiary do not bring, diligently prosecute or defend or discontinue the action; (b) the complainant is acting in good faith; and (c) it appears to the court that it is in the interests of Almonty or its subsidiary for the legal proceeding to be brought, prosecuted, defended or discontinued. In addition, a shareholder or other person whom the court considers appropriate may apply to the court

Relevant law	Australian law	Canadian law
		for an order on the grounds that the affairs of the company are being or have been conducted or the powers of the directors are being or have been exercised in a manner that is oppressive to one or more shareholders or that some act or proposed act of the company or resolution of the shareholders is unfairly prejudicial to one or more shareholders. The court has the power to make any order it thinks fit to remedy the oppressive behaviour, including prohibiting or directing any act, appointing or removing directors or directing that the company be liquidated and dissolved.
Takeover bids	The Corporations Act contains a general rule that a person must not acquire a "Relevant Interest" in issued voting shares of a company if, because of the transaction, a person's voting power in the company: (a) increases from 20% or below to more than 20%; or (b) increases from a starting point, which is above 20% but less than 90%. Generally, a person will have a relevant interest in securities if they are the holder of the securities, they have the power to exercise, or control the exercise of, a right to vote attached to the securities or they have the power to dispose of, or control the exercise of a power to dispose of, the securities. Certain exceptions apply, such as acquisitions of Relevant Interests in voting shares made under takeover bids or made with shareholder approval, or that results from a rights issue or creeping acquisitions of 3% per six months. A bidder under a takeover bid may compulsorily acquire any remaining securities in the bid class if the bidder and their associates have relevant interests in at least 90% of the securities in the bid class and acquired at least 75% of the securities that the bidder offered to acquire under the bid.	Under applicable Canadian securities legislation, a "takeover bid" occurs when there is an "offer to acquire" outstanding voting or equity securities made to any person in any province or territory where the securities subject to the offer, together with the securities owned or controlled by the offeror and its affiliates and associates, constitute 20% or more of the outstanding securities, but does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganisation or arrangement that requires approval in a vote of security holders. Unless an exemption is available, a takeover bid must be made to all holders of each class of voting or equity securities being purchased, at the same price per security – that is, identical consideration must be offered to each holder of securities. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. Takeover bids must treat all security holders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. A bid must remain open for 105 days, unless the issuer elects for a shorter period and, among other things, issues a news release providing for a shorter period at the time or after the bid is made. Such a shorter period must be no less than 35 days.

Relevant law	Australian law	Canadian law
		For the protection of target security holders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and with withdrawal, amendments or suspension of offers, Securities regulators also retain a general "public interest jurisdiction" to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids. Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the CBCA. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority security holders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining shareholder approval. Dissent rights are available for objecting shareholders who fulfil certain statutorily prescribed procedural requirements. Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class, the consideration paid does not exceed the market price at the date of acquisition and no acquisitions are made outside of the exemption over the 12 month period. A de minimis exemption also exists in circumstances where less than 50 beneficial shareholders are subject to the bid, and those shareholders collectively represent less than 2% of a class of securities. The Canadian securities regulatory authorities (**CSA**) have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management

Relevant law	Australian law	Canadian law
		and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of the Canadian securities legislation to be the protection of the bona fide interest of the shareholders of the target company. As certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights. Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include: (a) The issuance of or granting of an option on or the purchase of, securities representing a significant percentage of the outstanding securities of the target company; (b) The sale or acquisition or granting of an option, on or agreeing to sell or acquire assets of a material amount; and (c) The entering into of a contract or taking corporate action other than in the normal course of business. Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.

10.11 Foreign Selling Restrictions

This document does not constitute an offer of CDIs in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the CDIs may not be offered or sold in the Offer, in any country outside Australia except to the extent permitted below.

(a) New Zealand

This Offer to New Zealand investors is a regulated offer made under the mutual recognition provisions in Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the *Corporations Regulations 2001* (Cth). In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* (NZ) and Part 9 of the *Financial Markets Conduct Regulations 2014* (NZ).

This Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. The Corporations Act and the Corporations Regulations set out how the Offer must be made.

There are differences in how securities and financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australia financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial market regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (https://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not in New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

(b) United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the FSMA, as amended) has been published or is intended to be published in respect of the CDIs.

The CDIs may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the FPO, (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

(c) Canada

Prospective Canadian investors are advised that the information contained within this Prospectus has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisors concerning the information contained within the Prospectus and as to the suitability of an investment in the Shares in their particular circumstances.

The offer and sale of the Shares in Canada will only be made in the provinces of Alberta, British Columbia, Ontario and Quebec or to residents thereof and not in, or to the residents of, any other province or territory of Canada (**Relevant Canadian Provinces and Territories**). Such offers and sales will be made only under exemptions from the requirement to file a prospectus with the securities regulators in the Relevant Canadian Provinces and Territories and will be made only by authorised dealer representatives that are properly registered under the laws of the Relevant Canadian Provinces and Territories or, alternatively, are entitled to rely on exemptions from the dealer registration requirements in the Relevant Canadian Provinces and Territories.

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain of the Relevant Canadian Provinces and Territories may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

(d) Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(e) Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the CDIs be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of CDIs in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

10.12 Privacy

By filling out an Application Form to apply for CDIs, you are providing personal information to Almonty and the Share Registry, which is contracted by Almonty to manage Applications. Almonty, and the Share Registry on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out

appropriate administration. If you do not provide the information requested in the Application Form, Almonty and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the CDIs you hold) to be included in Almonty's Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

Almonty and the Share Registry may disclose your personal information from time to time to inform you about other products and services offered by Almonty which they consider may be of interest to you. Your personal information may also be provided to Almonty's agents and service providers on the basis that they deal with such information in accordance with Almonty's privacy policy. The members, agents and service providers of Almonty may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared include those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

(a) the Share Registry for ongoing administration of the Share register;

(b) the Lead Manager in order to assess your Application;

(c) brokers for the purpose of providing their services;

(d) printers and other companies for the purpose of preparation and distribution of statements and for handling mail;

(e) market research companies for the purpose of analysing the Shareholder base and for product development and planning; and

(f) legal and accounting firms, auditors, contractors, management consultants and other advisers for the purpose of administering, and advising on, the CDIs and for associated actions.

Information contained in Almonty's Share register is also used to facilitate corporate communications (including Almonty's financial results, annual reports and other information that Almonty may wish to communicate to its Shareholders) and compliance by Almonty with legal and regulatory requirements.

An applicant has a right to access, correct and update his or her personal information that Almonty and the Share Registry hold about that person, subject to certain exemptions under law. A reasonable fee may be charged for access. Access requests must be made in writing or by telephone call to Almonty's registered office or the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus. Almonty will aim to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact Almonty or the Share Registry if any of the details you have provided change.

Applicants can obtain a copy of Almonty's privacy policy by visiting the Almonty website (https://almonty.com/privacy-policy/). By submitting an Application you agree that Almonty and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer.

10.13 ASX Waivers

The Company has been granted a number of in-principle waivers and in-principle determinations, as described below.

(a) **ASX LR 1.1 (Condition 2) (Constituent Documents - Preference Shares)** - ASX has granted Almonty an in-principle waiver from Listing Rule 1.1 condition 2 to the extent necessary to permit Almonty's Certificate of Continuance and By-Laws (not to comply with Listing Rules 6.3, 6.4, 6.7 and 6.9 in respect of preference shares on condition that the Company undertakes not to issue any preference shares on terms inconsistent with the Listing Rules without ASX approval while the Company remains an ASX listed entity.

(b) **ASX LR 1.1 (Condition 2) (Constituent Documents - Registration Charges) -** ASX has granted Almonty an in-principle waiver from Listing Rule 1.1 condition 2 to the extent necessary to permit the Constituent Documents not to comply with Listing Rule 8.14.

(c) **ASX LR 1.1 (Condition 2) (Constituent Documents - Directors' fees) -** ASX has granted Almonty an in-principle waiver from Listing Rule 1.1 condition 2 to the extent necessary to permit the Constituent Documents not to comply with Listing Rule 10.17.

(d) **ASX LRs 1.1 (Condition 6), 2.4 and 2.8 (CDIs) -** ASX has granted Almonty an in-principle waiver from Listing Rules 1.1 condition 6, 2.4 and 2.8 to the extent necessary to permit Almonty to apply for quotation on ASX of only those Almonty shares represented by CDIs.

(e) **ASX LRs 5.1, 4.2A, 4.2B, 4.3A and 4.3B (Reporting requirements) -** ASX has granted Almonty an in-principle waiver from the quarterly, half-yearly and annual reporting requirements imposed on mining producing entities under the Listing Rules on condition that Almonty complies with the interim and annual reporting requirements imposed on Almonty as a result of its status as a “reporting issuer” in certain provinces of Canada (**Reporting Issuer Status**) and its primary listing on the TSX.

(f) **ASX LR 4.10.9 (Top 20 shareholders) -** ASX has granted Almonty an in-principle waiver from the requirement, pursuant to Listing Rule 4.10.9, to include in its annual reports, the names and the number and percentage of securities attributable to each of the 20 largest shareholders in each class of quoted securities.

(g) **ASX LR 6.10.3 (Specified Time)** - ASX has granted Almonty an in-principle waiver from Listing Rule 6.10.3 to the extent necessary to permit the Company to set the "specified time" to determine whether a shareholder is entitled to vote at a shareholder's meeting in accordance with the requirements of the relevant Canadian legislation. This in-principle waiver is likely to only apply to 15 May 2021.

(h) **ASX LRs 6.16, 6.19, 6.21, 6.22, 6.23 (Options and warrants) -** ASX has granted Almonty an in-principle waiver to the extent necessary to permit Almonty to have and implement the terms in the following plans and to issue options and warrants and have options and warrants on issue under the Stock Option Plan and Warrant Certificate (**Plans**) on condition that Almonty releases the Plans to the market as pre-quotation disclosure and undertakes to obtain ASX approval for the implementation of any future option plans and undertakes to not issue any further options that do not comply with Chapter 6 of the Listing Rules.

(i) **ASX LR 7.1 (New issues of CDIs) -** ASX has granted Almonty a waiver from Listing Rule 7.1 to the extent necessary to allow Almonty to issue new securities without shareholder approval under Listing Rule 7.1, on the conditions that the Company

remains subject to, and complies with, the requirements imposed on Almonty as a result of its primary listing on the TSX, that the Company certifies to ASX on an annual basis that it remains subject to, and continues to comply with the requirements of the TSX with respect to the new issue of securities and that the Company notifies the ASX immediately of any changes to the application of the TSX rules to the issue of new securities (or if the Company is no longer in compliance with the TSX Listing Rules in respect to the issue of new securities).

(j) **ASX LRs 10.11 and 10.14 (Issue of securities to a related party) -** ASX has granted Almonty an in-principle waiver from the shareholder approval requirements imposed under Listing Rules 10.11 and 10.14 on the condition that Almonty remains subject to, and complies with the requirements imposed on Almonty as a result of its primary listing on the TSX, the Company does not count the votes of a related party (and its associates) when seeking shareholder approval for the issue of securities to a related party (and a voting exclusion statement be included in the notice of meeting), and that the Company certifies to ASX on an annual basis that it remains subject to, and continues to comply with the requirements of the TSX with respect to the new issue of related party securities, and that the Company notifies the ASX immediately of any changes to the application of the TSX rules to the issue of new securities (or if the Company is no longer in compliance with the TSX Listing Rules in respect to the issue of new related party securities).

(k) **ASX LR 10.18 (Termination benefits) -** ASX has granted Almonty an in-principle waiver from the prohibition, pursuant to Listing Rule 10.18, against the provision of termination benefits to officers of Almonty to the extent necessary to allow Almonty to pay termination benefits to existing Almonty employees pursuant to the terms of Almonty's existing employment contracts.

(l) **ASX LR 14.2.1 (Requirement for proxy form) -** ASX has granted Almonty an in-principle waiver from Listing Rule 14.2.1 to the extent necessary to permit Almonty not to provide in its proxy form to holders of CDIs to vote against a resolution to elect a director or to appoint an auditor on the condition that:

(i) the waiver forms part of the pre-quotation disclosure;

(ii) Almonty complies with the relevant Canadian laws generally and as to the content of the proxy forms; and

(iii) the notice to CDI holders gives clear directions as to voting options.

(m) **ASX LR 14.3 (Election of directors - nominations) -** ASX has granted Almonty a waiver from Listing Rule 14.3 to the extent necessary to permit Almonty to accept nominations in accordance with the shareholder proposal provisions of section 137 of the CBCA on condition that:

(i) the waiver forms part of the pre-quotation disclosure; and

(ii) the terms of the waiver are set out in the management proxy circular provided to all CDI holders.

(n) **ASX LR 15.7 (Announcements) -** ASX has granted Almonty a waiver from Listing Rule 15.7 to the extent necessary to permit Almonty to provide announcements simultaneously to both ASX and TSX.

(o) **ASX LR 9.1 (ASX escrow regime) -** ASX has granted Almonty a waiver to the extent, that upon listing, the requirements in Listing Rule 9.1 will not apply to Almonty on the basis that the ASX escrow regime provided in Listing Rule 9.1 is aligned with the escrow regime imposed on Almonty as a result of its primary listing on the TSX (if any).

10.14 Costs of the Offer

The costs of the Offer are expected to be CA$1,930,116 (A$2,058,132) (pre-GST) based on the Offer Price. These costs will be borne by Almonty from the proceeds of the Offer. These costs of the Offer include adviser fees as referred to in Section 7.6.

10.15 Taxation Implications

This Section provides a general summary of the Australian tax implications for Australian tax resident Shareholders who participate in the Offer of CDIs in Almonty.

This summary considers only Australian tax resident individuals, trusts (other than managed investment trusts and attribution managed investment trusts), partnerships and complying superannuation entities, each of whom will hold CDIs on their capital account. The summary also applies to Australian resident corporate Shareholders (other than life insurance companies or banks), holding less than a 10% (direct or indirect) holding in the Company (further, this summary only addresses the position for such corporate Shareholders who hold their CDIs on capital account). This information is on the basis that the Company is a Canadian tax resident.

This summary does not consider the consequences for Shareholders:

- holding their CDIs on revenue account or as trading stock or carrying on a business of trading in securities;
- who are exempt from Australian tax;
- who acquired their CDIs in return for services (including under an employee share or option scheme);
- subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth); or
- subject to the Controlled Foreign Company rules contained in Part X of the *Income Tax Assessment Act 1936* (Cth).

This summary is based on Australian law in force, applicable case law and published rulings, determination and statements of administrative practice of the relevant Australian tax authorities as at the date of issue of this Prospectus and does not consider the laws of countries other than Australia. This summary is general in nature and is not intended to provide a comprehensive account of all applicable laws. The precise implications of a Shareholder's ownership and/or disposal of CDIs will depend on the individual circumstances of such Shareholder. We recommend Shareholders obtain independent advice on the taxation implications of holding or disposing of CDIs, taking into account their specific circumstances.

(a) Dividends on CDIs

Where the Company chooses to distribute dividends on a CDI, those dividends will generally constitute assessable income of an Australian tax resident Shareholder. Such income should be included in the Shareholder's assessable income in the year the dividend is derived for taxation purposes (including under a dividend reinvestment

plan as relevant). As the Company is a Canadian tax resident, franking credits will not be attached to any dividends paid by the Company on a CDI.

The Double Tax Agreement between Australia and Canada provides for a Canadian dividend withholding tax of no more than 15%. Shareholders should seek their own advice in relation to this. If Canadian dividend withholding tax is withheld on a dividend payment to Australian tax resident Shareholders, there may be a foreign income tax offset available to the shareholder (subject to the relevant criteria being satisfied). Shareholders should seek their own advice in relation to this.

(b) Disposal of CDIs

Disposing of a CDI will be a CGT event in Australia.

A capital gain will arise where the capital proceeds received (or deemed to be received) on the disposal of the CDI exceed the cost base of the CDI (broadly, the amount paid to acquire the CDI plus any transaction costs incurred in relation to the acquisition or disposal of the CDI). In the case of an arm's length on-market cash sale, the capital proceeds will generally be the cash proceeds received from the sale of the CDI.

A capital loss will arise where the reduced cost base of the CDI (broadly, the amount paid to acquire the CDI plus any transaction costs incurred in relation to the acquisition or disposal of the CDI) exceeds the capital proceeds received (or deemed to be received) on the disposal of the CDI. In the case of an arm's length on-market cash sale, the capital proceeds will generally be the cash proceeds received from the sale of the CDI. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income.

Generally, all capital gains and losses made by a Shareholder for an income year, plus any net capital losses carried forward from an earlier income year, will need to be aggregated to determine whether the Shareholder has made a net capital gain or net capital loss for the year. A net capital gain is included in a Shareholder's assessable income whereas a net capital loss is carried forward and may be available to be offset against capital gains of later years (subject to the satisfaction of the loss recoupment rules for companies).

A "CGT discount" may generally be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee of a trust, and the CDI has been held (for income tax purposes) for at least 12 months (excluding the date of acquisition and date of disposal for CGT purposes) prior to the CGT event. Where the "CGT discount" applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any net capital gain may be reduced by one-third, after offsetting current year or prior year capital losses. The reduced amount is included in assessable income.

Where the Shareholder is the trustee of a trust that has held (for income tax purposes) the CDI for at least 12 months before disposal, the "CGT discount" may flow through to the beneficiaries of the trust if those beneficiaries are not companies and are Australian tax residents. Shareholders that are trustees (and the beneficiaries of any corresponding trust) should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for the "CGT discount".

No CGT discount applies to a company which holds CDIs.

(c) Stamp Duty

No duty should be payable by a Shareholder on the issue or acquisition of CDIs pursuant to the Offer. Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

(d) Goods and Services Tax

No GST should be payable by Shareholders in respect of the acquisition or disposal of their CDIs regardless of whether or not the Shareholder is registered for GST.

Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition or disposal of the CDIs. Separate GST advice should be sought by Shareholders in respect to their particular circumstances.

No GST should be payable by Shareholders on receiving dividends distributed by the Company on the CDIs.

10.16 Consents

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

(a) Lazarus has given its consent to being named in this Prospectus as the Lead Manager to the Offer and has not withdrawn its consent before the date of this Prospectus. The fees payable to the Lead Manager are described in Section 10.4;

(b) Clayton Utz has given its consent to being named in this Prospectus as the Australian legal advisors to Almonty in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Almonty estimates that it will pay Clayton Utz approximately A$390,000 (exclusive of GST and disbursements) for the work undertaken in connection with this Prospectus;

(c) Caravel Law Professional Corporation has given its consent to being named in this Prospectus as the Canadian legal advisors to Almonty in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Almonty estimates that it will pay Caravel Law Professional Corporation approximately CA$25,000 for the work undertaken in connection with this Prospectus;

(d) Felipe Rodriguez Cascon has given its consent to:

  (i) being named in this Prospectus as the Spanish legal advisors to Almonty in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Almonty estimates that it will pay Felipe Rodriguez Cascon approximately €2090 for the work undertaken in connection with this Prospectus; and

  (ii) the inclusion of its solicitors report in Appendix H.

(e) Serra Lopes, Cortes Martins & Associates has given its consent to:

(i) being named in this Prospectus as the Portuguese legal advisors to Almonty in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Almonty estimates that it will pay Serra Lopes, Cortes Martins approximately €11,530 for the work undertaken in connection with this Prospectus; and

(ii) the inclusion of its solicitors report in Appendix J.

(f) Kim & Chang has given its consent to:

(i) being named in this Prospectus as the Korean legal advisors to Almonty in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Almonty estimates that it will pay Kim & Chang approximately US$62,000 for the work undertaken in connection with this Prospectus; and

(ii) the inclusion of its solicitor's report in Appendix I.

(g) Adam Wheeler has given his consent to:

(i) being named in this Prospectus as the competent person to Almonty in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Almonty estimates that it will pay Adam Wheeler approximately GB£13,600 for the work undertaken in connection with this Prospectus; and

(ii) the inclusion of the Independent Technical Assessment Reports in Appendix D, Appendix E, Appendix F and Appendix G;

(h) Davidson and Company LLP has given its consent to being named in this Prospectus as the auditor of Almonty, in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus.

(i) Nexia Perth Corporate Finance Pty Ltd has given its consent to:

(i) being named in this Prospectus as Investigating Accountant to Almonty, in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Almonty estimates that it will pay Nexia Perth Corporate Finance Pty Ltd approximately A$15,000 (exclusive of GST) for the work undertaken in connection with this Prospectus; and

(ii) the inclusion of the Investigating Accountant's Report in Appendix C.

(j) Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has any interest or has had any interest during the last two years, in Almonty or its investments. In addition, no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person for the services provided by the person to Almonty in connection with the promotion of Almonty.

10.17 Documents Available for Inspection

The following documents are available for inspection during normal business hours at the Registered Office of Almonty:

(a) this Prospectus; and

(b) the By-Laws.

10.18 Further Information

Further information on Almonty can be found at the Company's website: https://almonty.com.

10.19 Statement of Directors

The Directors have unanimously given (and not withdrawn) their consent to lodgement of this Prospectus with ASX.

Signed for and on behalf of the directors and the proposed directors of Almonty.



Lewis Black
Director, President and Chief Executive Officer

11. Glossary

In this Prospectus (excluding the Appendices), unless the context requires otherwise:

€ means the euro or euros, being the official currency of the European Union.

A$ or AUD means Australian dollars.

ACN means Australian Company Number.

AKM Project means the Almonty Korea Moly Project.

AKTC means Almonty Korea Tungsten Corporation.

Almonty means Almonty ARBN 648 673 714.

Application means an application made to acquire CDIs offered under this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus in either paper or electronic format.

APT means ammonium para-tungstate.

Articles means the Articles of the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

ASX Settlement Operating Rules means the rules of the ASX Settlement.

ATO means Australian Taxation Office.

Australian Lawyers means the Australian lawyers advising Almonty in relation to its application to list on the ASX.

AWST means Australian Western Standard Time.

Beralt Tin means Beralt Tin and Wolfram.

BVI means Beralt Ventures Inc.

Board means the board of Directors of Almonty.

Business Corporations Act means the Canada Business Corporations Act (British Columbia), as amended from time to time.

Business Day means a day which is not a Saturday, Sunday or public holiday in Australia.

By-Laws means the By-Laws of the Company.

CA$ or CAD means Canadian dollars.

Canadian lawyers means the Canadian lawyers advising Almonty in relation to its application to list on the ASX.

Canadian Share Registry means Computershare Investor Services Inc**.**

CBCA means the Canada Business Corporations Act as amended from time to time.

CFO means Chief Financial Officer.

CGT means capital gains tax.

CDI means CHESS Depositary Interest(s).

CDN means CHESS Depositary Nominees Pty Limited.

CHESS means the Clearing House Electronic Sub-Register System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the Key Dates (subject to Almonty reserving the right to extend the Closing Date or close the Offer early).

Company or **Almonty** means Almonty Industries Inc.

Competent Person has the meaning given to the term in the JORC Code.

Completion means the completion of the Offer, being the date on which all of the CDIs are issued to successful applicants in accordance with the terms of the Offer.

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time.

COVID-19 means coronavirus disease.

Daytal means Daytal Resources Spain S.L.

Director means the Company's directors as detailed in Section 7.1.

DRAG means Deutsche Rohstoff AG.

EPC means engineering, procurement and construction.

EPC Contract means the engineering, procurement and construction contract between the S. Material Handling Co. Ltd. and Almonty dated 30 May 2021.

Exposure Period means the seven-day period commencing after the lodgement of this Prospectus with ASIC during which no Applications may be accepted, which may be extended by ASIC by up to an additional seven days.

Financial Information has the meaning given in Section 4.1 of this Prospectus.

FPO means the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.

FSMA means the Financial Services and Markets Act 2000, as amended.

FY18 means the financial year ended 30 September 2018.

FY19 means the financial year ended 31 December 2019.

FY20 means the financial year ended 31 December 2020.

GB£ or £ means British pound sterling.

Governmental Authority means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency, bureau, municipal, board, stock exchange (including ASX), instrumentality or entity in any jurisdiction relevant to the Offer, the Offeror or the Group and includes without limitation ASIC, ATO, ACCC and the Takeovers Panel.

Group means Almonty Industries Inc. and its subsidiaries and associated entities.

GST means Australian goods and services tax as imposed under the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

GTP means Global Tungsten & Powders Corp.

IASB means the International Accounting Standards Board.

IFRS means the International Financial Reporting Standards.

Indicative Market Capitalisation means Offer Price multiplied by the total number of Shares on Completion.

Indicated Resources has the meaning given to that term in the JORC Code.

Inferred Resources has the meaning given to that term in the JORC Code.

Investigating Accountant means Nexia Perth Corporate Finance Pty Ltd.

Investigating Accountant's Report means the report prepared by the Investigating Accountant in Appendix C.

IPO means initial public offering.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources.

KOR means South Korean won.

kT means thousand tonnes.

Lead Manager or Lazarus means Lazarus Corporate Finance Pty Ltd ACN 149 263 543.

Leadership Team includes the people identified at Section 3.4.

Los Santos Mine means the Los Santos tungsten mine located near Salamanca, Spain.

Listing Rules or LR means the official listing rules of the ASX or the official listing rules of TSX, as the context requires.

LMB means the London Metal Bulletin.

Measured Reserves has the meaning given to that term in the JORC Code.

Mineral Resources has the meaning given to that term in the JORC Code.

Mineral Resource Estimate has the meaning given to that term in the JORC Code.

MTU means metric ton unit.

Offer means the offer of CDIs under this Prospectus.

Offerors means Almonty.

Offer Information Line means 1300 219 448 (from within Australia) or +61 3 9415 4327 (from outside of Australia).

Offer Price means A$1.00.

Official List means the official list of securities admitted to ASX.

Official Quotation means quotation on the Official List.

Ore Reserves has the meaning given to that term in the JORC Code.

OTCQX means OTCQX Best Markets as part of the OTC Markets Group.

Other Existing Owners means existing owners who are not employees, Directors or members of the Leadership Team.

Panasqueira Mine means the tin and tungsten mine located in Covilha, Castelo Branco, Portugal.

Prospectus means this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document.

Prospectus Date means the date this Prospectus was lodged with ASIC, being 8 June 2021.

Registered Office means the offices located at Suite 1, 295 Rokeby Road, Subiaco, WA 6008, Perth, Western Australia.

Sangdong Facility Agreement means the facility agreement provided by KfW IPEX-Bank GmbH to Almonty in the sum of USD$75,100,000 to finance the development and operation of the Sangdong Mine.

Sangdong Mine or Sangdong Tungsten Project means the Sangdong mine located in Gangwon Province, South Korea.

Section means a section of this Prospectus.

SEDAR means the System for Electronic Document Analysis and Review in Canada, which can be located at www.sedar.com.

Settlement means Settlement in respect of the Shares which are subject of the Offer.

Share means a common share in the capital of the Company traded on the TSX.

Shareholder means a registered holder of Shares (including CDIs) in the Company.

Share Registry means Computershare Investor Services Pty Limited ABN 48 078 279 277.

Stock Option Plan means the Second Amended and Restated Incentive Stock Option Plan.

Sumitomo means Sumitomo Electric Industries Ltd.

T means tonnes.

TM means Tropical Metals Pty Ltd ACN 061 766 265.

TSX means the Toronto Stock Exchange.

TSX-V means the Toronto Stock Venture Exchange.

UK means the United Kingdom of Great Britain and Northern Ireland.

Underwriting Agreement means the underwriting agreement dated 4 June 2021 between the Company and the Lead Manager.

US means the United States of America.

US$ means US dollars.

Valmin Code means the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets.

Valtreixal means Valtreixal Resources Spain S.L.

Valtreixal Project means the investigation and exploitation permits Almonty holds over mining grids in North Western Spain.

W means tungsten.

WO_3 means tungsten trioxide.

WCM means Wolfram Camp Mining Pty Ltd ACN 108 254 315.

Woulfe means Woulfe Mining Corporation.

Appendix A - Key Accounting Policies

The significant accounting policies and critical areas of accounting judgments and estimates adopted in the preparation of the Financial Information included in Section 4 are set out below.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with a maturity of three months or less at the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company currently does not have any cash equivalents.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated future sales price of the product based on prevailing metal prices at the reporting date, less estimated costs to complete production and bring the product to sale.

The cost of stores and fuel inventory is determined on a weighted average acquisition cost basis.

Cost of ore stockpiles is determined on a weighted average cost basis and includes the costs of mining the ore including the cost of stores and fuel inventory used in the mining process, direct labour, depreciation and amortisation and an appropriate portion of variable and fixed overheads. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the amount of contained tungsten tri-oxide (**WO_3**) based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

WO_3 in concentrate ("**WO_3 concentrate**") and WO_3 in circuit are physically measured or estimated. Cost of WO_3 concentrate and WO_3 in circuit is determined on a weighted average production cost basis and comprises cost of stock-piled ore processed, processing costs including the cost of stores and fuel inventory used, direct labour, and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into finished concentrate.

Tailings inventory represents stockpiles of low-grade tailings that has been mined and processed and is available for reprocessing. As not all tailings inventory will be reprocessed within one year of the date of these financial statements, a portion of the carrying amount related to the tailings inventory has been classified as a non-current asset in the consolidated balance sheets. The allocation of costs to WO_3 in concentrate inventory and tailings inventory is determined based on the relative amounts of recoverable WO_3 contained in the concentrate and tailings produced.

Mining assets

1. Mineral property, plant and equipment

Mineral property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation and, for qualifying assets, borrowing costs. The capitalisation of certain mine construction costs ceases when a mine construction project moves into the production stage. When parts of mineral property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of mineral property, plant and equipment.

The cost of replacing plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognised. The costs of the day-to-day servicing of plant and equipment are expensed.

Accumulated mine development costs and property plant and equipment that is directly related to the production of tungsten concentrate and that has a useful life that is equal to or in excess of the estimated life-of-mine, are depreciated on a unit-of-production basis over the economically recoverable resources of the mine ("**ROM**"). The unit of account for the ROM costs are tonnes of ore whereas the unit of account for post-ROM costs are recoverable MTUs of WO_3. Rights and concessions are depleted on the unit-of-production basis over the total resources. The unit-of-production rate for the depreciation of mine development costs takes into account expenditures incurred to date.

Other plant and equipment such as mobile mine equipment is generally depreciated on a straight-line basis over their estimated useful lives of 3 to 10 years. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

2. Exploration and evaluation assets

Exploration and evaluation costs relate to the initial search for a mineral deposit, the cost of acquisition of a mineral property interest or exploration rights and the subsequent evaluation to determine the economic potential of the mineral deposit. The exploration and evaluation stage commences when the Company obtains the legal right or license to begin exploration and subsequently exploration and evaluation expenses are capitalised as exploration and evaluation assets. Costs incurred prior to the Company obtaining the legal rights are expensed.

When the exploration and evaluation of a mineral property indicates that development of the mineral property is technically and commercially feasible, the future economic benefits are probable, and the Company has the intention and sufficient resources to complete the development and use or sell the asset, the related costs are first assessed for impairment and then transferred from exploration and evaluation assets to mineral property, plant and equipment.

Management reviews the carrying value of capitalised exploration costs for indicators that the carrying value is impaired in each reporting period. The review is based on the Company's intentions for further exploration and development of the undeveloped property, results of drilling, commodity prices and other economic and geological factors. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a property does not prove viable, all non-recoverable costs associated with the project, net of any previous impairment provisions, are written off.

3. Deferred stripping expenditures

Pre-production costs of removing overburden to access ore in open pit mines and developing access headings in underground mines are capitalised as pre-production stripping or development costs respectively and are included within mineral property, plant and equipment.

Advanced stripping costs incurred during the production stage of operations are deferred as part of mining assets and amortised on a unit-of-production basis over the life of the related ore body components. Stripping costs are capitalised only if (1) it is probable that the future economic benefit associated with the activity will flow to the Company; (2) the Company can estimate the mineral reserve of the ore body for which access has been improved; and (3) the costs relating to the activity associated with that mineral reserve can be measured reliably. Stripping costs are capitalised if the strip ratio in the reporting period exceeds the average life of mine strip ratio based on the ratio of the actual strip ratio for the period relative to the average life of mine strip ratio.

Mine rehabilitation and restoration provisions

The Company records the present value of estimated costs of legal and constructive obligations related to mine rehabilitation and restoration in the period in which the obligation occurs. Mine rehabilitation and

restoration activities include facility decommissioning and dismantling; removal and treatment of waste materials; site and land rehabilitation, including compliance with and monitoring of environmental regulations; and related costs required to perform this work and/or operate equipment designed to reduce or eliminate environmental effects. The provision is adjusted each period for new disturbances, and changes in regulatory requirements, the estimated amount of future cash flows required to discharge the obligation, the timing of such cash flows and the pre-tax discount rate specific to the liability. The unwinding of the discount is recognised in profit or loss as interest expense.

When the provision is initially recognised, the corresponding cost is capitalised by increasing the carrying amount of the related asset, and is amortised to profit or loss on a unit-of-production basis. Changes to estimated future costs are recognised in the consolidated balance sheet by either increasing or decreasing the rehabilitation asset and liability. Any reduction in the rehabilitation liability and therefore any deduction from the rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to income.

Other provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current discount rate that reflects the time value of money and the risks specific to the liability.

Leases - *IFRS 16 (effective January 1, 2020)*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

Financial instruments

1. Financial assets

Financial assets are initially recorded at fair value and after initial recognition are either measured at amortised cost or at fair value, as Fair value through profit or loss ("**FVTPL**") or at Fair value through other comprehensive income ("**FVOCI**") as either Certain Debt Instruments or Certain equity instruments. Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognised through operations.

Financial assets are classified and subsequently measured at amortised cost based on meeting the following criteria of (i) Hold to collect business model test – the asset being held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows and (ii) Solely payments of principal and interest ("**SPPI**") contractual cash flow characteristics test – the contractual terms of the financial asset give rise to cash flow that are SPPI on the principal amount outstanding on a specified date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

2. Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as either at amortised cost or at FVTPL. Financial liabilities are measured at amortised cost unless either the financial liability is held for trading and is therefore measured at FVTPL, or the Company elects to measure the financial liability at FVTPL.

3. Classification

The Company has classified financial assets and liabilities as follows:

Asset/Liability	Category/Measurement
Cash	Amortized cost
Trade receivables	Amortized cost
Trade receivables related to provisional pricing	FVTPL
Restricted cash	Amortized cost
Promissory note and deposits	Amortized cost
Bank indebtedness	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

4. Compound Financial Instruments

The Company evaluates the terms of its financial instruments to determine whether they are compound financial instruments containing a liability and equity component. Such components are classified separately by their nature as either financial liabilities or equity instruments. The initial carrying amounts of the financial liability component of a compound financial instrument is recognised at the fair value of a similar financial liability that does not have an equity component and the residual value is allocated to equity component. Transaction costs related to compound financial instruments are allocated between liability and equity components in proportion to their initial carrying amounts. Liability components are subsequently measured at amortised cost using the effective interest method. Equity components are not re-measured subsequent to initial recognition. On conversion or expiry, the equity component is transferred to share capital or contributed surplus as applicable.

5. Derivative financial instruments

From time to time, the Company holds derivative financial instruments to mitigate risks related to changes in commodity prices or to change the interest rates of its loans and borrowings. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially recognised at their fair value and the attributable transaction costs are recognised in profit or loss when incurred. After initial recognition, derivatives are measured at fair value and their changes are recorded in profit or loss.

6. Embedded derivatives

Derivatives may be embedded in other financial instruments (the "**host instrument**"). Embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is not held for trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognised in gains or losses on derivative instruments in the statement of operations and comprehensive loss.

Impairment of assets

1. Financial assets

The Company recognizes an allowance for expected credit losses ("**ECLs**") for financial instruments not held at fair value through profit or loss. Expected losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating expected credit losses, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime expected credit loss at each reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. Non-Financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For purposes of impairment testing, assets are grouped at the lowest levels that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**cash-generating unit**").

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.
Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment charge is reversed through profit or loss only to the extent that the asset or cash generating unit's carrying amount does not exceed the carrying amount that would have been determined, net of any applicable depreciation, if no impairment loss had been recognised.

Revenue recognition

The Company is principally engaged in the business of producing WO_3 concentrate.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

For most WO_3 concentrate sales, the enforceable contract is a long-term supply agreement. For the remaining WO_3 concentrate sales, the enforceable contract is each purchase order, which is an individual, short-term contract.

Revenue from the sale of WO_3 concentrate is recognised when control has been transferred to the purchaser. The significant risks and rewards of ownership are deemed to be transferred to the purchaser generally when product is physically transferred onto a third-party vessel, train, ship or other delivery mechanism, depending on the mode of transport, and Almonty has paid all costs of shipping, freight and insurance to the destination specified by the purchaser.

A portion of WO_3 concentrate allow for price adjustments based on the market price at the end of the settlement period stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for WO_3 concentrate is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the settlement period. The period between provisional invoicing and the end of the settlement period is typically three months or less. Effective December 1, 2019 the Company no longer has provisional pricing arrangements.

Income taxes

Current income tax assets and liabilities are estimated as the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Almonty and its subsidiaries operate and generates taxable income. Current income tax is recognised in profit or loss except for income taxes relating to items recognised directly in other comprehensive income or equity, in which case the related current tax is also recognised in other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. Deferred income tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable income or loss, differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future and taxable differences arising from the initial recognition of goodwill.

A deferred income tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income (loss) per share

Income (loss) per share is based on the weighted average number of common shares outstanding for the period.

Diluted income (loss) per common share is calculated by adjusting the weighted average number of common shares outstanding for the effect of conversion of all potentially dilutive share equivalents, such as stock options and warrants, and assumes that the receipt of proceeds upon exercise of the options are used to repurchase common shares at the average market price during the period. The net effect of the shares issued less the shares assumed to be repurchased is added to the basic weighted average shares outstanding. For convertible instruments, the common shares to be included in the diluted per share calculation assumes that the instrument is converted at the beginning of the period (or the issue date if later). The profit or loss attributable to common shareholders is adjusted to eliminate related interest costs recognised in profit or loss for the period.

In a period when the Company reports a loss, the effect of potential issuances of shares under options and warrants outstanding would be anti-dilutive and, therefore basic and diluted loss and comprehensive per share are the same.

Employee Benefits

Short-term employee benefit obligations are recognised as personnel expenses as the corresponding service is provided. Liabilities are recognised at the amount that is expected to be paid if Company has a

present legal or constructive obligation to pay that amount based on past services rendered by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

Employees, directors and service providers of the Company may receive a portion of their compensation in the form of share-based payments.

Share-based payments to non-employees are recognised based on the fair value of the services received. If the fair value of the goods or services received cannot be reliably estimated, share-based payments are measured based on the fair value of the equity instruments. Share-based payments to employees are recognised based on the fair value of the equity instruments issued.

The costs of share-based payments are measured by reference to the fair value of the equity instrument at the date on which they are granted and are recognised, together with a corresponding increase in contributed surplus, over the period in which the performance and/or service conditions are fulfilled which typically is the date on which the relevant employees become fully entitled to the award (vesting period). The cumulative expense recognised reflects the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance or service conditions are satisfied.

Acquisitions, business combinations and goodwill

At the time of acquisition, the Company determines whether what is acquired meets the definition of a business, in which case, the transaction is considered a business combination, and otherwise it is recorded as an asset acquisition.

For an asset acquisition, the fair value of the consideration paid is allocated to the net identifiable assets and liabilities acquired based on their relative fair values at the acquisition date. Acquisition related costs are included in the consideration paid and capitalised. No goodwill is recorded and no deferred tax asset or liability arising from the assets acquired or liabilities assumed are recognised upon the acquisition of the assets.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value, and the amount of any non-controlling interest acquired. The Company measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets which is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in general and administrative expenses.

Any contingent consideration is recognised at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

Critical judgments

The preparation of financial statements requires management to make judgments, estimates and form assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

1. Functional currency

The functional currency of the Company and each of its subsidiaries is the currency of the primary economic environment in which the entities operate. Assessment of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

2. Stage of exploration

Upon achieving technical feasibility and when commercial viability is demonstrated, capitalised exploration and evaluation assets are transferred to mineral properties and plant and equipment.

3. Tailings inventory

The valuation of tailings inventory at the Company's Los Santos Mine requires management to make judgements regarding the ability to reprocess the tailings inventory and the recoverability of the tungsten contained in the tailings inventory.

4. Going concern

The preparation of audited consolidated financial statements requires management to make judgments regarding its ability to continue as a going concern as discussed in Note 1 of the annual financial statements or Section 4.7 of the Prospectus.

Appendix B - Corporate Governance Statement

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial returns, and sustaining the growth and success of Almonty. With these objectives in mind, the Board is concerned to ensure that Almonty is properly managed to protect and enhance Shareholder interests and that Almonty, its Directors, officers and employees, operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing Almonty including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for Almonty's business and which are designed to promote the responsible management and conduct of Almonty.

At Completion, Almonty will be an entity listed on the ASX (and the TSX). The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptions, but guidelines. Under the ASX Listing Rules, Almonty will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where Almonty does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not doing so.

The ASX Corporate Governance Council has released a 4th edition of the ASX Recommendations for Australian entities, which will apply to Almonty once listed on the ASX. To promote good corporate governance and a strong understanding of these principles, Almonty has prepared its corporate governance policies to be compliant with the majority of the 4th edition of the ASX Recommendations.

The main policies and practices adopted by Almonty, which will take effect from Completion are summarised below. In addition, many governance elements are contained in Almonty's By-Laws. Except as set out below, Almonty does not anticipate that it will depart from the recommendations of the ASX Recommendations, however, it may do so in the future if it considers that such a departure would be reasonable or appropriate.

Copies of Almonty's key policies and practices and the charters for the Board and each of its committees will, from Completion, be available at https://almonty.com/company/corporate-governance/.

ASX Recommendations (4th edition)	Comply	Explanation
Principle 1 - Lay solid foundations for management and oversight		
1.1	Yes	Almonty has a Board Mandate (akin to a Board Charter) setting out the respective roles and responsibilities of its Board and management and matters to be reserved to the Board and delegated to management.
1.2	Yes	Appropriate checks including criminal record checks have been carried out on all Board members, the Chief Executive Officer and the Chief Financial Officer prior to their appointment. Almonty will provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director at future general meetings.
1.3	Yes	All Directors have a written agreement with Almonty setting out the terms of their appointment.

1.4	Yes	Almonty's Company Secretary is accountable directly to the Board on all matters to do with the proper functioning of the Board.
1.5	Partially	The Board has adopted a Diversity Policy (a copy of which is on Almonty's website) and the Board recognises the benefit of having a diverse employee base from a variety of ages, genders, cultural backgrounds or other personal factors. Due to the size and specialist nature of the Company's current business activities and the small workforce currently employed, it is not practical for the Company to set measurable objectives for achieving gender diversity.
1.6	Yes	The Board will, with the advice and assistance of the Nomination, Compensation and Corporate Governance Committee, review and evaluate the performance of the Board, each Board committee and each Director against the relevant charters, corporate governance policies, and agreed goals and objectives.
1.7	Yes	Performance reviews for Executive Directors and key management personnel will take place at least annually. The Nomination, Compensation and Corporate Governance Committee has accountability in the Nomination, Compensation and Corporate Governance Committee Charter to oversee these reviews and report to the Board on their outcomes. Almonty intends to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.
Principle 2 - Structure of the Board to be effective and add value		
2.1	Partially	The Board has formed a Nomination, Compensation and Corporate Governance Committee. Membership of the Nomination, Compensation and Corporate Governance Committee comprises of Mark Trachuk (Chair), Dr Thomas Gutschlag and Daniel D'Amato. Qualifications of the members can be found at Section 7.1. Almonty confirms that its Nomination, Compensation and Corporate Governance Committee will only comprise of one independent director which means the Company does not strictly adhere to the ASX recommendation. The Board considers that Mr D'Amato's and Mr Gutschlag's commercial background adds valuable expertise to the Nomination, Compensation and Corporate Governance Committee and their non-independent status does not adversely affect this contribution. A copy of the Nomination, Compensation and Corporate Governance Charter is available on Almonty's website.
2.2	Yes	In establishing the Board, regard was had to the skills and expertise required of the Directors relevant to Almonty's business and proposed application for admission to the Official List. Directors with the desired skills and expertise were carefully selected for appointment to the Board.
2.3 & 2.4	No	The Board Mandate sets out the criteria adopted by the Board for considering if a Director is independent. The Board is comprised of seven members, three of whom are independent. Almonty has considered the recommendation of having a majority of the Board as

		independent Directors. However, the Board considers Almonty's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board reflects an appropriate range of independence and skill and experience in the period following admission to the Official List of the ASX. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of Almonty.
2.5	No	The Board Mandate provides that the Chairperson is responsible for overseeing the operations and affairs of the Board. The current Chairperson, Lewis Black (Director, President and CEO), is not considered to be independent.
2.6	Yes	In accordance with Almonty's Nomination, Compensation and Corporate Governance Charter, the Nomination, Compensation and Corporate Governance Committee is responsible for reviewing annually and recommending to the Board management's succession plan including provisions for appointing training and monitoring senior management and developing and annually reviewing orientation and education program for new Directors. The Board Mandate states that the Board is responsible for providing new Directors with a comprehensive orientation and providing all Directors with continuing education opportunities.
Principle 3 - Instil a culture of acting lawfully, ethically and responsibly		
3.1	Yes	Almonty's core values are integrity, honesty, fair dealing and transparency. These values underpin Almonty's business and corporate governance and are disclosed in Almonty's Code of Business Conduct. Almonty's Code of Business Conduct is available on its website and Almonty will also disclose its core values in its annual reports to Shareholders.
3.2	Yes	The Board has a Code of Business Conduct applicable to all Directors, senior executives and employees, a copy of which is available on Almonty's website. Any material breaches of the Code of Conduct are reported to the CEO or to the Chairperson of the Audit and Risk Management Committee via the Company's Whistleblower Policy.
3.3	Yes	Almonty has a Whistleblower Policy which is available on Almonty's website. Any material breaches of the Whistleblower Policy are to be reported to the Board or a committee of the Board.
3.4	Yes	Almonty has an Anti-Bribery and Corruption Policy which is available on Almonty's website. Any material breaches of the Anti-Bribery and Corruption Policy are to be reported to the Board or a committee of the Board.
Principle 4 - Safeguard the integrity of corporate reports		
4.1	Yes	The Board has established an Audit and Risk Management Committee. Its composition comprises Michael Costa, Dr Thomas Gutschlag and Mark Trachuk (Chair), all of whom are Non-Executive Directors and two of which are independent Directors. The qualifications of the members of the Audit and Risk Committee are set out in Section 7.1.

		A copy of the Audit and Risk Committee's Charter is available on Almonty's website.
4.2	Yes	The Company's Disclosure Policy outlines that the Audit and Risk Management Committee will review the Company's annual and interim financial and related financial reporting. Prior to the release of any such information, the Disclosure Committee shall ensure that the Board has reviewed and approved of such information being released.
4.3	Yes	Almonty will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.
Principle 5 - Make timely and balanced disclosure		
5.1	Yes	The Board has established a Disclosure Policy to ensure compliance with ASX Listing Rule 3.1's disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The Disclosure Policy is available on Almonty's website.
5.2	Yes	Almonty will ensure that its Board receives copies of all the material market announcements promptly after they have been made.
5.3	Yes	It is the intention of Almonty that in the event that Almonty gives a new and substantive investor or analyst presentation, Almonty will release a copy of the presentation materials on the ASX ahead of the presentation.
Principle 6 - Respect the rights of shareholders		
6.1	Yes	Almonty has established a website which provides information on Almonty's business, Directors and executives (including bios), and other information relevant to its investors. Almonty's website also has a separate corporate governance section, which provides details of all Almonty's corporate governance policies, its By-Laws and summary of its core values. The website will also act as a key communication tool between Almonty and its shareholders, enabling Shareholders to access Almonty's ASX (and TSX) announcements.
6.2	Yes	The Board recognises the importance of having an investor relations program which facilitates two-way communication and as such intends to have transparent and open engagement with both retail and institutional investors and other relevant stakeholders. This will include engaging with Shareholders at AGM's and meeting with Shareholders or other stakeholders on request.
6.3	Yes	The Board has adopted a Communications Policy and will provide Shareholders with opportunities to have questions addressed at Shareholder meetings, irrespective of whether the Shareholder is able to attend. A copy of the Communications Policy is available on Almonty's website.

6.4	No	Pursuant to Almonty's By-Laws and in line with Canadian market practice, resolutions at Shareholder meetings are decided by show of hands rather than by a poll.
6.5	Yes	All Shareholders will be able to communicate with Almonty and its share registry electronically, which is an encouraged method of communication. The Company's website provides the option to receive announcements and updates electronically, as well as providing an online form to communicate with the Company by.
Principle 7 - Recognise and manage risk		
7.1	Yes	The Board has established a combined Audit and Risk Committee to oversee and manage risk, including managing internal audits and based on audits or investigations making recommendations to the Board. The composition of the Audit and Risk Committee comprises Michael Costa, Dr Thomas Gutschlag and Mark Trachuk (Chair), all of whom are Non-Executive Directors and two of which are independent directors. The qualifications of the members of the Audit and Risk Committee are set out in Section 7.1. A copy of the Audit and Risk Management Committee's Charter is available on Almonty's website.
7.2	Partially	The Board does not have a formal risk management policy. Rather, the Audit and Risk Committee is tasked with ensuring the development of an appropriate risk management policy framework that will provide guidance to the senior executives in implementing appropriate risk management practices throughout Almonty's operations, practices and systems and overseeing this framework; defining and periodically reviewing risk management as it applies to Almonty and clearly identifying all stakeholders; and reviewing how Almonty communicates it's risk management philosophy, policies and strategies to Directors, senior executives, employees, consultants, contractors and appropriate stakeholders.
7.3	No	Due to the nature and size of Almonty's operations and the ability to derive substantially all the benefits of an internal audit function via other means, the Company does not consider the additional expense of implementing an internal audit function to be appropriate to its business.
7.4	No	Due to the nature and size of Almonty's operations, Almonty does not disclose whether it has any material exposure to environmental and social risks or how it intends to manage those risks.
Principle 8 - Remunerate fairly and responsibly		
8.1	Partially	The Board has formed a combined Nomination, Compensation and Corporate Governance Committee. Membership of the Nomination, Compensation and Corporate Governance Committee comprises of Mark Trachuk (Chair), Dr Thomas Gutschlag and Daniel D'Amato. The qualifications of the members of the Nomination and Remuneration Committee are set out in Section 7.1. Almonty confirms that its Nomination, Compensation and Corporate Governance Committee will only comprise of one independent director which means the Company does not strictly adhere to the ASX recommendation. The Board considers that Mr D'Amato's and Mr

		Gutschlag's commercial background adds valuable expertise to the Nomination, Compensation and Corporate Governance Committee and their non-independent status does not adversely affect this contribution. A copy of the Nomination, Compensation and Corporate Governance Committee Charter is available on Almonty's website.
8.2	Yes	Almonty's compensation program and practices are disclosed in the Company's Management Information Circular which is delivered to Shareholders for the annual shareholder meeting.
8.3	Partially	Almonty's Insider Trading Policy prohibits participants of any equity-based remuneration scheme entering into transactions which limits the economic risk of a participant.
Principle 9 - Additional recommendations		
9.1	N/A	Almonty does not have any directors who do not speak the language in which the Board or Shareholder meetings are held or key corporate documents are written.
9.2	Yes	Almonty will ensure that meetings of Shareholders are held at a reasonable place and time.
9.3	Yes	Almonty will ensure that its external auditor attends its AGM and is available to answer questions from Shareholders relevant to the audit.

Appendix C - Investigative Accountant's Report

Nexia Australia

27 May 2021

The Directors
Almonty Industries Inc.
100 King Street West, Suite 5700,
Toronto, ON Canada, M5X 1C7

Dear Directors

Independent Limited Assurance Report on Almonty Industries Incorporated historical and Pro Forma Historical Financial Information

1. Introduction

Nexia Perth Corporate Finance Pty Ltd ("Nexia Perth") have been engaged by Almonty Industries Incorporated ("Almonty" or the "Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of Almonty, for the Initial Public Offering ("IPO") of shares in Almonty, for inclusion in the prospectus, pursuant to which the Company is offering 25,000,000 CHESS Depositary Interests ("CDI's") at an issue price of AU$1.00 per Share to raise AU$25,000,000 ("Offer") of which AU$15,000,000 (CAD$14,067,000) will be underwritten by the Lead Manager, Lazarus.

Each CDI represents one underlying Share in the Company and the term "Shares" and "CDIs" may be used interchangeably in our Report. Almonty, whom is listed on the Toronto Stock Exchange (TSX), is trading in the United States on the OTCQX and is also listed on the Frankfurt Stock Exchange, is intending to undertake a listing of the Company's CDIs on the Australian Securities Exchange ('ASX').

Expressions and terms defined in the Prospectus have the same meaning in this Report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License under the Corporations Act 2001. Nexia Perth Corporate Finance Pty Ltd holds the appropriate Australian Financial Service License under the Corporations Act 2001.

The Report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Nexia Perth Corporate Finance Pty Ltd had not been requested to consider the prospects for Almonty, nor the merits and risk associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Nexia Perth Corporate Finance Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this Report.

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Liability limited by a scheme approved under Professional standards legislation.

Nexia Perth Corporate Finance Pty Ltd (ABN 84 009 342 661) and all its associated entities is an independent firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd, deliver services in its own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes NEXIA) are not part of a worldwide partnership.

The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.

Background

The Company was incorporated under the *Business Corporations Act* (British Columbia) in 2009 under the name 'RCG Capital Inc.' and was continued under the CBCA in 2012. Almonty conducts business from its head office in Toronto, Canada, and is a significant tungsten miner outside of China. Almonty specialises in acquiring distressed and underperforming operations and assets in tungsten markets.

The Company was renamed Almonty Industries in 2011 and began trading on the TSX-V on 28 September 2011 under the ticker code 'AII.V'. On 1 June 2018, Almonty completed a listing application and graduated to the TSX. On 12 July 2018, the Company began trading in the United States on the OTCQX under the symbol 'ALMTF'. Almonty is also listed on the Frankfurt Stock Exchange under the symbol 'ALI.F.

Through its wholly owned subsidiaries, Almonty currently owns two operational mines, being the Los Santos Mine located near Salamanca, Spain, which is currently in care and maintenance under a planned upgrade for tailings inventory processing, and the Panasquiera Mine in Covilha, Castelo Branco, Portugal. Almonty mines, processes and ships tungsten concentrate from these mines.

Almonty's flagship project is its Sangdong Mine located in Gangwon Province, Republic of Korea which is set to be in the production phase soon. The Sangdong Mine has a significant tungsten resource and, upon completion, which is expected to occur in or around mid-2022, will be a significant tungsten mine outside of China.

Almonty also holds an investigation permit and exploitation permit for tin, tungsten and other metals over mining grids in North Western Spain, being the Valtreixal Project.

2. Scope

Historical Financial Information

You have requested Nexia Perth Corporate Finance Pty Ltd to review the following historical financial information of the Company included in Section 4 of the Prospectus:

- The Consolidated Statutory Historical Statements of Profit or Loss of Almonty and its controlled entities for the fiscal periods ended 31 December 2020 (FY20), 31 December 2019 (FY19) and 30 September 2018(FY18);
- The Consolidated Statutory Historical Statements of Cash Flows of Almonty and its controlled entities for the fiscal periods ended 31 December 2020, 31 December 2019 and 30 September 2018; and
- The Consolidated Statutory Historical Statement of Financial Position of the Company and its controlled entities as at 31 December 2020.

(together the "Historical Financial Information" attached at Section 4 of the Prospectus.)

The Statutory Historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards (IFRS) and Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The historical financial information has been extracted from:

- The Consolidated Statutory Historical financial statements of the Company for the year ended 31 December 2020, which was audited by Davidson & Company LLP in accordance with International Financial Reporting Standards (IFRS) and Canadian generally accepted auditing standards. The audit report issued for the year ended 31 December 2020 was unmodified.

- The Consolidated Statutory historical financial statements of the Company for the 15 months ended 31 December 2019, which were audited by Ernst & Young LLP in accordance with International Financial Reporting Standards (IFRS) and Canadian generally accepted auditing standards. The audit report issued for this period included an emphasis of matter relating to the material uncertainty around the Company's ability to continue as a going concern. However, the audit opinion was not modified in respect of this matter.

- The Consolidated Statutory financial statements of the Company for the year ended 30 September 2018, which were audited by KPMG LLP in accordance with International Financial Reporting Standards (IFRS) and Canadian generally accepted auditing standards. The audit report issued for this period included an emphasis of matter relating to the material uncertainty around the Company's ability to continue as a going concern. However, the audit opinion was not modified in respect of this matter.

The Consolidated Statutory Historical Statements of Profit or Loss of Almonty and its controlled entities for the fiscal periods ended 31 December 2020, 31 December 2019 and 30 September 2018 are included in section 4.3 of the Prospectus and are presented without adjustment.

The Consolidated Statutory Historical Statements of Cash Flows of Almonty and its controlled entities for the fiscal periods ended 31 December 2020, 31 December 2019 and 30 September 2018 are included in section 4.4 of the Prospectus and are presented without adjustment.

The Consolidated Statutory Historical Statement of Financial Position of the Company and its controlled entities as at 31 December 2020 is included in section 4.5 of the Prospectus and is presented without adjustment.

Pro Forma historical financial information

You have requested Nexia Perth Corporate Finance Pty Ltd to review the pro forma historical Statement of Financial Position as at 31 December 2020 referred to as "the Pro Forma Historical Financial Information".

The pro forma historical financial information has been derived from the historical financial information of Almonty, after adjusting for the effects of pro forma adjustments described in section 4.5 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 4.5 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

3. Directors' responsibility

The directors of Almonty Industries Incorporated are responsible for the preparation and presentation of the Statutory Historical and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial information and Pro Forma Historical Financial information that are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

5. Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in section 4 of the Prospectus, and comprising:

- The Consolidated Statutory Historical Statements of Profit or Loss of Almonty and its controlled entities for the fiscal periods ended 31 December 2020, 31 December 2019 and 30 September 2018;
- The Consolidated Statutory Historical Statements of Cash Flows of Almonty and its controlled entities for the fiscal periods ended 31 December 2020, 31 December 2019 and 30 September 2018; and
- The Consolidated Statutory Historical Statement of Financial Position of the Company and its controlled entities as at 31 December 2020;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4.2 of the Prospectus.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the Statement of Financial Position

as at 31 December 2020 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 4.2 of the Prospectus.

6. Restriction on use

Without modifying our conclusions, we draw attention to section 4.2(c) of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Nexia Perth Corporate Finance Pty Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. Nexia Perth Corporate Finance Pty Ltd has not authorised the issue of the Prospectus. Accordingly, Nexia Perth Corporate Finance Pty Ltd make no representation regarding, and take no responsibility for, and other documents or material, or omission from, the Prospectus.

7. Declaration of interest

Nexia Perth Corporate Finance Pty Ltd is a member of Nexia International Ltd. Nexia Perth does not have any interest in the outcome of the proposed Offer other than in connection with the preparation of this Report for which professional fees will be received. Davidson & Company LLP, also a member of Nexia International, is the auditor of Almonty Industries Incorporated.

8. Other disclosures

This Report has been prepared, and included in the Prospectus, to provide general information only and does not take into account the objectives, financial situation or needs of any specific investors. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in the Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or need.

9. Financial Services Guide

Refer to Appendix 1 attached to this Report.

Yours faithfully

Nexia Perth Corporate Finance Pty Ltd



Muranda Janse Van Nieuwenhuizen
Director
Perth
27 May 2021

Enclosed: Appendix 1 Financial Services Guide

APPENDIX 1

FINANCIAL SERVICES GUIDE

Nexia Perth Corporate Finance Pty Ltd ABN 84 009 342 661 (('NPCF', 'we' or 'us' or 'our' as appropriate), Australian Financial Services Licence ("AFSL") Number 289358 has been engaged by Almonty Industries Inc. to provide an Independent Limited Assurance Report ('ILAR" or "our Report') for the inclusion in the prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is signed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services license.

This FSG includes information about:

- NPCF and how they can be contacted;
- the services NPCF is authorised to provide;
- how NPCF are paid;
- any relevant associations or relationships of NPCF;
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that NPCF has in place.

Where you have engaged NPCF we act on your behalf when providing financial services. Where you have not engaged NPCF, NPCF acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NPCF.

Financial Services that NPCF is Authorised to Provide

NPCF holds an AFSL authorising it to carry on a financial services business to provide financial product advice for securities and deal in a financial product by arranging for another person to issue, apply for, acquire, vary or dispose of a financial product in respect of securities to retail and wholesale clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the

appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

NPCF's Responsibility to You

NPCF has been engaged by the directors of Almonty Industries Inc. ("Almonty" or the "Client") to provide general financial product advice in the form of an independent Accountant's report to be included in the Prospectus.

NPCF is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

Fees NPCF May Receive

NPCF charges fees for preparing Reports. These fees will usually be agreed with, and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NPCF approximately $15,000 (excluding GST and out of pocket expenses) for preparing the Report. NPCF and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection With any engagement for the provision of a report. We have received a fee from Almonty for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

NPCF does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and Relationships

Through a variety of corporate and trust structures NPCF is controlled by and operates as part of the Nexia Perth Pty Ltd (or the "Nexia Perth Entity"). NPCF's directors and authorised representative may be directors in the Nexia Perth Entity. Mrs Muranda Janse Van Nieuwenhuizen, authorised representative of NPCF and director in the Nexia Perth Entity, has prepared this Report. The financial product advice in the Report is provided by NPCF and not by the Nexia Perth Entity.
From time to time NPCF, the Nexia Perth Entity and related entities ("Nexia Entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years $nil (excluding GST) in professional fees has been invoiced and/or received from the Client in relation to the provision of Independent Accountant's Reports.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution

If you have a complaint, please let NPCF know. Formal complaints should be sent in writing to:

Nexia Perth Corporate Finance Pty Ltd
Compliance Officer
GPO Box 2570
Perth WA 6001

If you have difficulty in putting your complaint in writing, please telephone the Compliance Officer, Mr Henko Vos, on +61 8 9463 2463 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External Complaints Resolution Process

If NPCF cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority ("AFCA"). The AFCA is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about the AFCA is available at the AFCA website https://www.afca.org.au/ or by contacting them directly at:

Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne, Victoria 3001
Telephone: 1300 56 55 62
Facsimile (03) 9613 6399
Email: info@afca.org.au

The Australian Securities and Investments Commission also has a free call info line on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements

NPCF has professional indemnity insurance cover as required by the *Corporations Act 2001* (Cth).

Contact Details

You may contact NPCF at:
Nexia Perth Corporate Finance Pty Ltd
GPO Box 2570
PERTH WA 6001

Appendix D - Independent Technical Assessment (Los Santos Mine)

TECHNICAL ASSESSMENT REPORT ON THE

MINERAL RESOURCES AND ORE RESERVES OF THE

LOS SANTOS MINE PROJECT,

SPAIN

Prepared for

Almonty Industries Inc.

by

Adam Wheeler
Mining Consultant
Cambrose Farm, Redruth
Cornwall, TR16 4HT
England.
Tel/Fax: +44 1209-899042
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30th December 2020

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APPENDICES

A JORC Table 1
B Glossary of Terms

1 SUMMARY

1.1 Introduction and Overview

This Technical Assessment Report was prepared for Almonty Industries Inc. ("Almonty"), according to the guidelines of the JORC Code dated 2012, as a review and summary of Mineral Resource and Ore Reserve Estimations for the Los Santos Mine, up to the end of December 2020. This report has also been prepared in accordance with VALMIN Code (2015).

This current estimate was completed during February, 2021. The mine was run as an open pit operation by 2008 to 2019. The current report describes the evaluation of remaining tailings material from these former operations, that may now be economically reprocessed. The project is located in the Province of Salamanca in Spain. The principal product of the mine is a tungsten concentrate.

This report was prepared by Adam Wheeler, at the request of Almonty. Assistance and technical detail were supplied by the technical personnel at Los Santos. Adam Wheeler has been involved with resource and reserve estimation at the mine since 2006, and has visited the site many times, the most recent being from September 21st -24th, 2015. The Mineral Resources and Ore Reserves presented in the report are based on, and fairly represent, the information and supporting documentation prepared by Adam Wheeler.

The information in this report that relates to Mineral Resources and Ore Reserves for the Los Santos Mine is based on information compiled by Mr Adam Wheeler, who is an independent self-employed mining consultant and is not a permanent employee of Almonty. Mr Wheeler is a Fellow of the Institute of Materials, Minerals and Mining (a Recognised Professional Organisation included in a list promulgated from time to time) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves; (JORC Code 2012 Edition). Mr Wheeler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The mine started open pit ore production during 2008, and the mill was commissioned during the same year. Pit production stopped in April 2019. Tailings were then re-processed from April 2019 to January 2020, when the processing operations were temporarily suspended.

All measurement units used in this report are metric, and currency is expressed in US Dollars ($US) unless stated otherwise. The exchange rate used in the study described in this report is $US1.15 to 1.00 Euros (€), unless otherwise stated.

1.2 Ownership

The Los Santos scheelite deposit in western Spain was originally owned by Billiton in the 1970s. Ownership passed into the hands of Siemcal S.A. (SIEMCALSA), a publicly owned company of mining and geological consultants based in Salamanca, Spain. In 2007 the deposit was purchased by Daytal, which at the time was 100% owned by Heemskirk Consolidated Limited (Heemskirk).

Daytal Resources Spain S.L. ("Daytal") is a wholly owned Spanish subsidiary of Almonty. The Los Santos mine is 100% owned by Daytal.

1.3 Geology and Mineralization

The Los Santos deposit is a typical skarn-hosted scheelite deposit, where intrusion of granitoids into carbonate-rich sedimentary rocks has resulted in their replacement by calc-silicate or siliceous minerals, together with mineralisation. It forms from impure Fe-rich carbonates and contains pyroxene, scheelite, plagioclase and locally magnetite. The scheelite is generally fine grained, minus 1mm in size, but individual crystals may exceed 1cm.

In particular areas sulphide-rich skarns also occur. The tungsten occurs mainly as scheelite within massive pyroxene skarn. The skarn bodies are generally narrow steeply dipping structures, typically varying between 2m and 20m in width. The deposit is made up of a number of discrete zones, seven of which have been mined with separate open pits. All of the tailings material evaluated in this report stems from mined and processed skarn material. Mineralogically, pyroxenes and amphiboles predominate.

1.4 Database and Resource Estimation

Subsequent to the original discovery in 1980, an initial exploration campaign was completed, which included 249 trenches and 231 diamond drillholes. In one of the zones, Los Santos Sur, an underground ramp and level access at the 945m elevation totalled 825m of development. The level development provided bulk samples as well as underground drilling access.

Since start-up of the mine in 2006, Daytal also completed additional diamond drilling and reverse-circulation drilling. Up until the end of mining in 2019, the current combined sample database used for resource modelling contains data for 495 drillholes and 255 trenches, for a total of 6,779 samples. The total drilled length is 41,924m.

The resource models for open pit mine planning were built up using a computerised three-dimensional block modelling approach, using the Datamine mining software system. For each of the zones being evaluated, skarn bed interpretations were developed into wireframe models. Other wireframe models were defined for the boundaries of the principal lithologies. Volumetric block models were then built up to reflect the lithologies and skarn beds. The principal parent block size used was 10m x 10m x 10m, but with sub-blocks within the skarn beds measuring 5m along-strike and down-dip, and 2.5m across-strike. The model structure was also rotated at an angle of approximately 22°, so that blocks were more logically oriented with the majority of skarn structures.

The skarn bed wireframe models were used to select separate sample sets within each bed. These selected samples were then converted into approximately 2.5m composites. The composite WO_3 grade values were used to interpolate grades into the block model, according to the parent skarn beds to which they belonged. Geostatistical analysis was used to assist in the selection of interpolation parameters, as well with subsequent resource classification. An oxidised layer has also been defined down to 10m below surface.

In the period of open pit mining, the resource block models were used as the basis of resource estimation, pit planning and subsequent reserve estimation. The block models contained fields which include the lithology, skarn bed identification, rock density and WO_3 grade. During processing of open pit ore, both coarse and fine tailings were measured in quantity and grade before they left the mill. These data have enabled evaluation of the current remnant tailings resources, along with volumetric surveys of the dumped tailings. Short and long-term pit planning data was also used to provide a reconciliation check of the evaluated tailings.

1.5 Tailings Retreatment Planning

Some of the tailings have already been re-processed, in the period from April 2019 to January 20. The intention is start re-processing of tailings material again in late 2021. As previously, the material will be loaded by excavator into dump trucks and hauled to the mill. The tailings were originally dumped dry onto 7 different tailings areas. Five of them contain (coarse sand) material, and two of them much finer (filter cake – torta) material.

Six of these tailing areas are in relatively small discrete areas, sitting on top of the original waste dump. The other (Acopio #5) tailings area is much larger and occupies significantly larger height and area. This will be excavated using a backhoe in discrete layers, in a sequence which preserves stable slopes in the remaining tailings material. This tailings material will then be trucked to the mill.

1.6 Mineral Processing

The original process plant, during the open operations, was primarily based on gravimetric separation, aimed at recovering a high grade scheelite concentrate. It generally processed approximately 550 ktpa, with an average plant recovery of 60%. The principal changes to the mill for the re-processing of tailings in April 2019 - Jan 2020 included shutting down the crushing circuit, installing a scalping screen, stopping the ball mill, forcing more regrinding of coarse particles, changing the settings on the cyclones and hydrosizer, major modifications to the table circuit, use of a Eriez separator in the dry section and pipeline disposal of all new tailings, into one of the open pits. Recovery during this period was 35%. The conclusion from this period was that a specific slime circuit is necessary to for extremely fine particles.

It is therefore planned in 2021 to develop a separate slimes circuit, based on multi-gravity separator technology (MGS). This will involve flotation as well as cleaning stages with MGS units. The expected recovery after these processing improvements is 50%.

1.7 Mineral Resource and Ore Reserve Estimates

The evaluation work was carried out and prepared according to the guidelines of the JORC Code (2012). The mineral resource is represented by the available tailings material, as summarised in Table 1-1.

Table 1-1. Los Santos – Mineral Resources Estimate
At 31st December, 2020

	Tailings Material	Tonnes Kt	WO_3 %
Indicated Resources	**Coarse**	3,234	0.12
	Fine	533	0.22
	Total	**3,767**	**0.13**

Notes

. Cut-off = 0.07% WO_3
based on price of $350/mtu WO_3
. Resources shown are inclusive of Reserves

It is considered that all these tailings resources are available and economically viable to process, and so all of these resources included in the ore reserves, without any modifying factors. This is based on a cut-off of 0.07%WO3, which has been derived on assumed price of $350/mtu WO3, a processing cost of $6.50/t ore and a G&A cost of 2.51/t ore. These reserves are therefore summarised in Table 1-2.

Table 1-2. Los Santos – Probable Ore Reserves
At 31st December, 2020

	Tailings Material	Tonnes Kt	WO3 %
Probable Reserves	**Coarse**	3,234	0.12
	Fine	533	0.22
	Total	**3,767**	**0.13**
Notes			
	. Cut-off = 0.07% WO_3		
	based on price of $350/mtu WO_3		

At an annual ore production rate of 500 ktpa, and this reserve base, a processing period of approximately 7 years is suggested.

2 PROPERTY DESCRIPTION AND LOCATION

Los Santos is located in the western part of the Iberian Peninsula, in the southern part of the province of Salamanca, within the municipalities of Fuenterroble de Salvatierra and Valdelacasa at longitude 5º 46' west and latitude 40º 32' north. It is 180 km west of Madrid, 50 km south of the city of Salamanca and 1 km east of the town of Los Santos.

The position of Los Santos in Spain is shown in Figure 2-1. Details of the mining concession are shown in Table 2-1. This licence was transferred from Siemcalsa in 2006. This mining concession area is shown in Figure 2-2.

Table 2-1. Mining Concession Summary

Tenement	Area *ha*	Original Grant Date	Most Recent Term Sought	Status	Expiration Date	Held By
Los Santos Fuenterroble No. 6133	1,079	14 August 2002	30 years	Granted	14 August 2032	Daytal

Figure 2-1. Overall Location Map

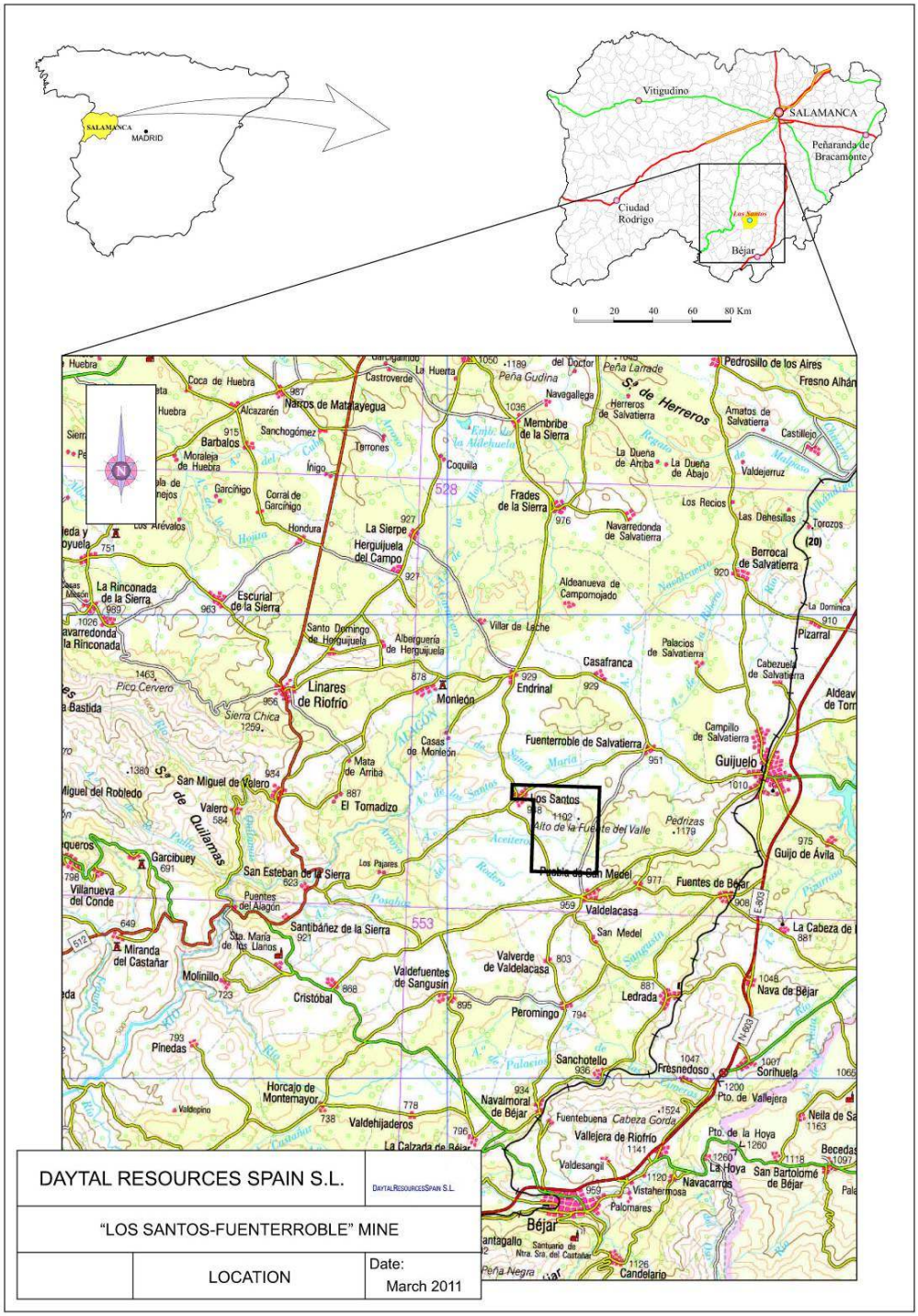
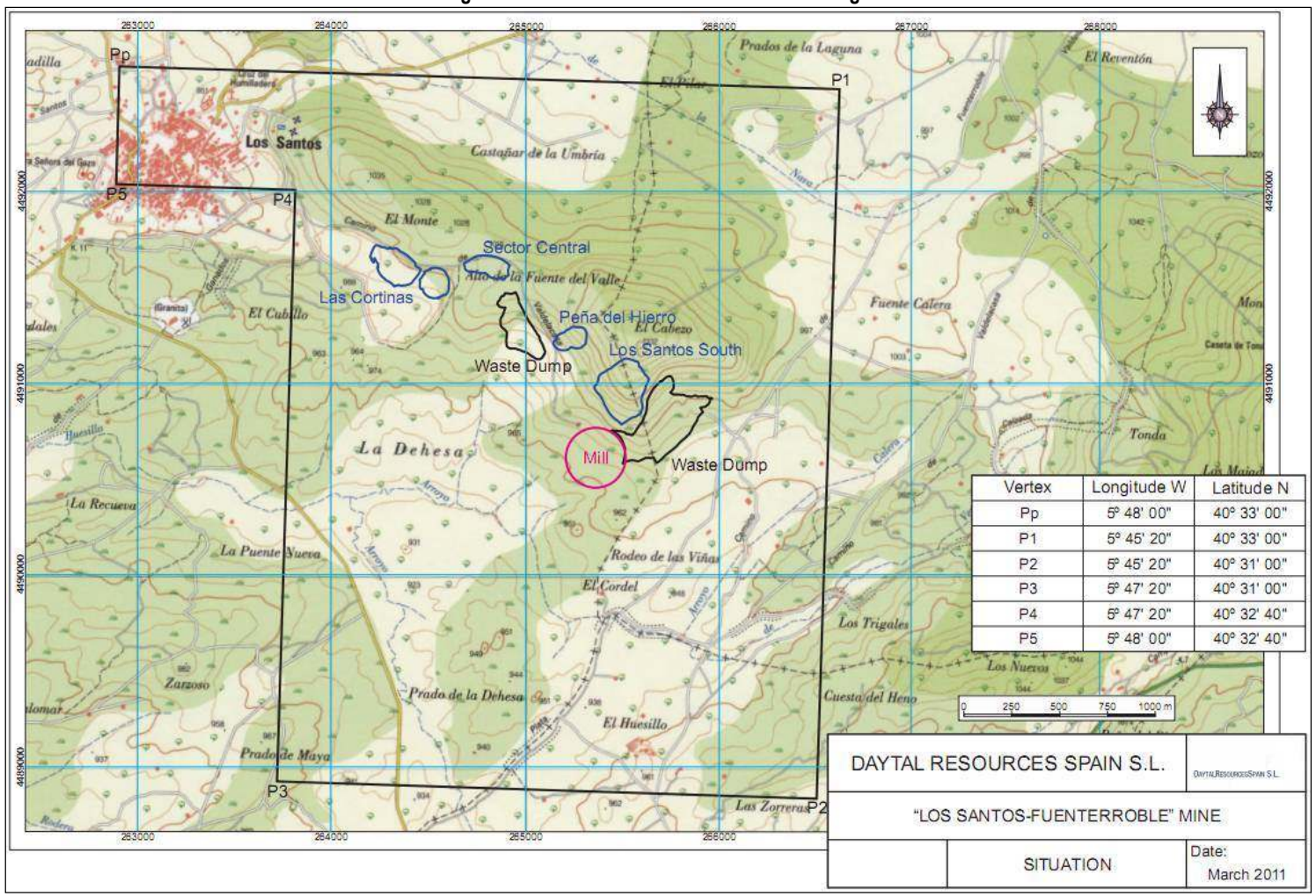


Figure 2-2. Mine Location and Los Santos Village



3 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY

The most direct route to Los Santos is via the A-66 road, part of the national network, from Salamanca to Guijuelo. The position of the mine relative to the Los Santos village is shown in Figure 2-2. The average altitude of the sector where the deposit is located is 1,000 m above sea level, being located on the south slope of a hill, that extends 3 km from west to east.

The climate is warm Mediterranean, with cold winters and an annual average rainfall of 900 mm, mainly between November and March, with minimums in June, July and August. The average annual temperature is between 11°C and 14°C, with a maximum registered value of 38°C and a minimum of -14°C.

The daily maximum rainfall varies between 120.4 and 50.3mm. It is important to note that 10% of maximum rainfall in one year or 20% of the average annual rainfall may be registered in 1 day.

The project area is located within the Tajo hydrographical region, close to the limit with the Duero Hydrographical Region which is located between the towns of Los Santos and Fuenterrobles de Salvatierra. Most of the drainage from the project site reports to the Santa Maria de las Navas stream, with a certain proportion reporting to the south to the Acillero streams. Both streams drain to the main water course in the area, the Alagón river.

The Santa Maria de las Navas stream flows from east to west, with a total catchment area of some 29.6 km2. The Acillero stream has an approximate catchment area (above the project location) of 6.5 km2. There only exists 14 months of stream gauging, giving an accumulated flow of 2.5 Mm3.

4 HISTORY

Promotora de Recursos Naturales, S.A. and Billiton Española, S.A. formed an exploration joint venture partnership in the second half of 1979 and by March of the following year had discovered scheelite in skarn mineralisation near the village of Los Santos which is situated about 250 km west of Madrid in the Province of Salamanca. Exploration focussed on skarn mineralisation on the margin between the Bejar granodiorite and the surrounding Cambrian metasediments. The discovery of the Los Santos tungsten bearing skarns was the result of regional geological reconnaissance and the targeted night-time use of ultra-violet lamps to disclose the presence of the tungsten mineral, scheelite ($CaWO_4$) which fluoresces under ultra violet light.

A period of intense exploration activity followed, including diamond drilling and some preliminary engineering, until the ´80s when it was decided to carry out a pre-feasibility study of the prospect. By 1985, however, with a prevailing tungsten price of $US81/mtu, the project was not considered viable.

Ownership then passed into the hands of SIEMCALSA, a publicly owned company of mining and geological consultants. In 1995, the UK based company, Navan Resources, entered into an agreement with SIEMCALSA with an option to acquire 65% of the project. However, again at the prevailing commodity prices the project remained uneconomic and it reverted to SIEMCALSA.

In 2006, Daytal acquired the project and was in turn acquired by an Australian public company, Heemskirk Consolidated Limited. Project development commenced and the mine opened in June 2008. Daytal is a wholly owned Spanish subsidiary of Almonty.

In 2009, the impact of the global financial crisis reduced APT prices to below $US200/mtu. The process plant was improved and expanded with the installation of a secondary ball mill and additional table and spiral capacity. The open pit operations continued until April 2019. Since the start of the pit operations in 2008, approximately 5Mt of open pit ore has been mined and processed. The dry tailings were separately stocked since June 2010, and since that time approximately 4.4Mt of tailings were built up until the end of the open pit operations in April 2019.

From April 2019 to January 2020, 510 Kt of tailings were re-processed.

5 GEOLOGY AND MINERALISATION

Los Santos lies within Lower Palaeozoic sediments in the Central Iberian Tectonic Zone, which forms part of a European-wide, Variscan age orogenic belt. Figure 5-1 shows a plan of the geology of the north-west corner of the Iberian peninsula. The stratigraphy comprises a thick sequence of clastic metasediments, ortho- and para-gneisses, with volcanic and carbonate formations. The local stratigraphy is summarised in Table 5-1.

Table 5-1. Summary of Local Stratigraphy

Geological Age	Principal Rock Types
Tertiary & Quaternary	Clay, arkose, alluvials
Silurian	Alternating slates & quartzites plus some volcanic horizons
Lower Ordovician	Basal Conglomerate overlain by Slates & Quartzites
Lower Cambrian	Sandstones, limestones and slates of the Tamames and Endrinal Formations
Pre- Cambrian	Schists & Graywackes of the Monterrubio & Alteatejada Formations

This stratigraphy was intruded by Hercynian (274 Ma old) granitoids in a series of plutons, with numerous, crosscutting granite and aplite dykes, sills and irregular pods intruding the metasediments up to 0.5km from the regional granite contact. The Los Santos deposit is a typical skarn-hosted scheelite deposit, where intrusion of granitoids into carbonate-rich sedimentary rocks has resulted in their replacement by calc-silicate or siliceous minerals, together with mineralisation. It forms from impure Fe-rich carbonates and contains pyroxene, scheelite, plagioclase and locally magnetite. The scheelite is generally fine grained, minus 1mm in size, but individual crystals may exceed 1cm.

The four main rock types present at Los Santos are skarn, granite, calc-silicates and corneanas, a word applied to mean all other metamorphic rocks (mostly hornfels) at the site. A plan of the local geology and mineralization is shown in Figure 5-2. The skarn bodies are generally narrow steeply dipping structures.

The deposit is made up of a number of discrete zones, six of which have been modelled for the current resource estimate. The strike length varies for each zone, but zone dips are fairly uniform across the deposit, varying between 60° to 90°. Within each zone, the skarn mineralisation is located within a number of individual beds, separated by barren lithologies. The major skarn beds vary between 2m and 20m in width; there are, however, numerous thinner bands measuring tens of centimetres.

Contact metamorphism has been accompanied by strong dehydration of affected country rocks, which increases the proportion of metasomatic fluid phases. These fluids combine with the carbonate ions released, to provide an effective agent for transportation of the tungsten into zones further from the granite. In contact with the host Tamames Limestone, these fluids resulted in the emplacement of scheelite ($CaWO_4$) mineralisation in a series of irregular beds and pods immediately adjacent to the granite contact.

Figure 5-1. Geology of the North-West Corner of the Iberian Peninsula

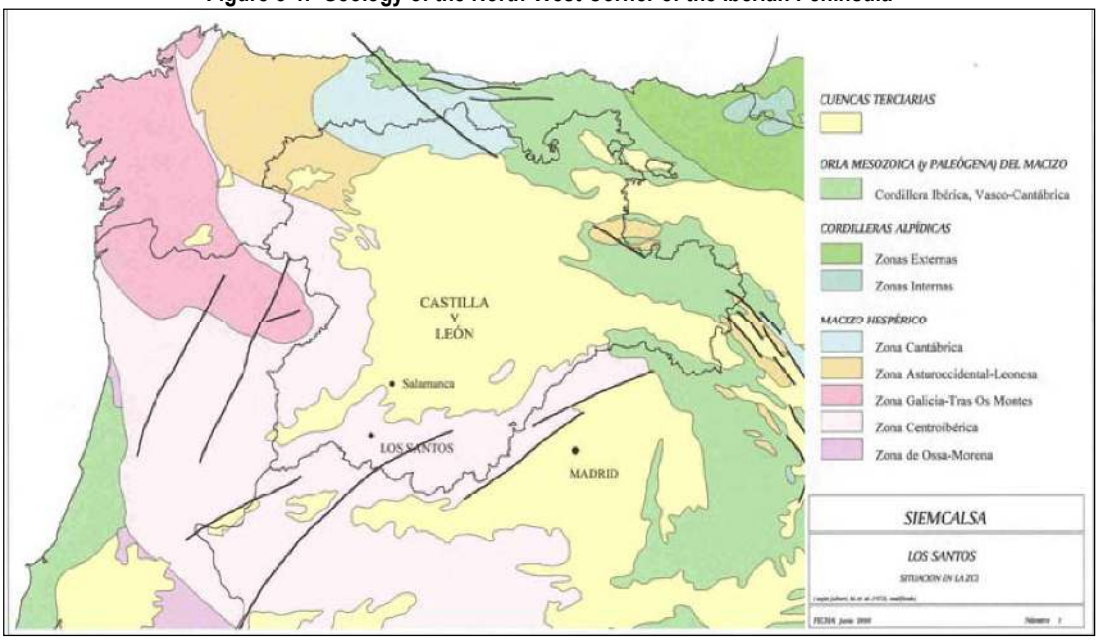
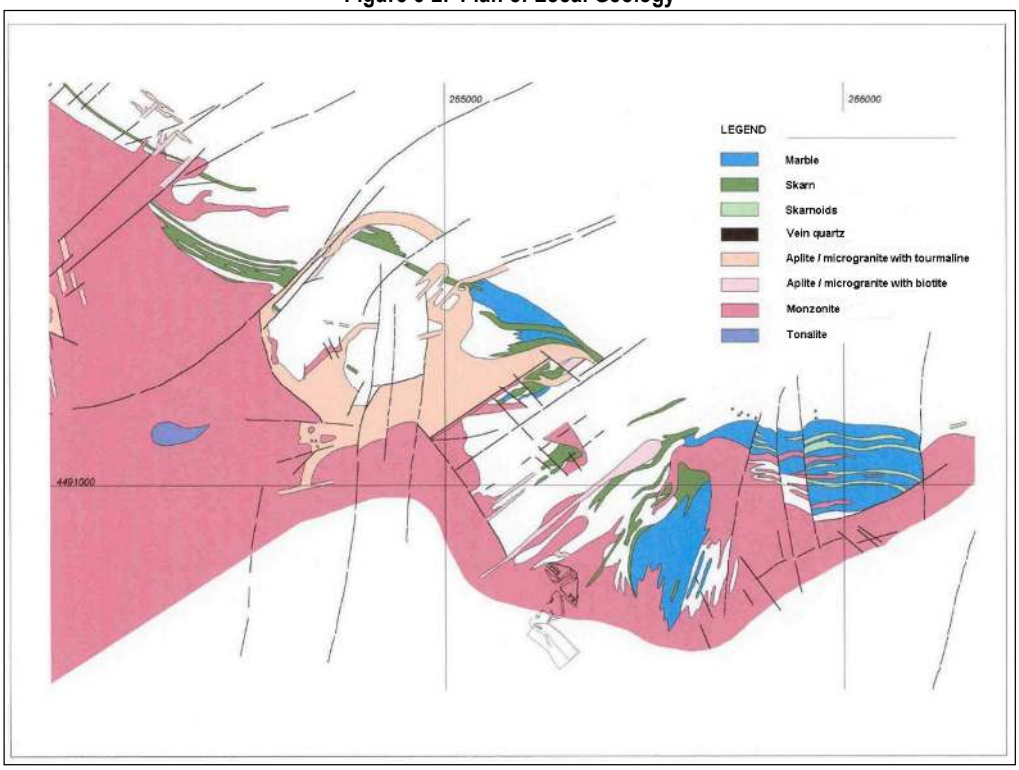


Figure 5-2. Plan of Local Geology



6 EXPLORATION

6.1 Previous Exploration

Applying a scheelite-in-skarn exploration model to a granite-metasediment contact zone in the Guijuelo concession, mineralisation was discovered at Los Santos in March 1980. The exploration programme included aerial photograph interpretation, geological mapping, stream sediment, soil and rock geochemistry and a variety of geophysical techniques.

The initial discovery was followed up by a combination of trenching and drilling. A total of 249 trenches (totalling 10,142m) and 231 drillholes (17,874m) were completed. 3,215 samples were collected over the mineralised intervals and assayed primarily for WO_3. Mineralised intervals were defined by lamping the core with an ultraviolet lamp and only those samples fluorescing (indicating the presence of scheelite) were sent for WO_3 analysis.

A limited number of sulphide intervals intersected in drillcore at Las Cortinas were analysed for a broader range of elements; including copper, lead, zinc, arsenic and gold. These additional elements do not form part of this study.

At Los Santos Sur the orebodies were accessed underground in order to obtain bulk samples for metallurgical testwork. An 825m ramp was constructed down to the 950m level and a footwall drive with 7 crosscuts and 3 drives in ore completed. A total of 185 bulk samples totalling 5,500t were collected and stored on surface in individual piles.

By 1996 the database comprised 483 drillhole or trench records of which 191 were surface holes, 37 underground drillholes at Los Santos South and 255 surface trenches.

6.2 Daytal Exploration

To verify and test the extension of certain skarn beds in Los Santos Sur and Las Cortinas, Daytal completed its own exploration drilling campaigns in each year from 2009 to 2015. This has comprised a total of 156 diamond drillholes and 111 reverse circulation (RC) holes.

From June-August, 2012, Daytal completed geological mapping studies and channel sampling on the QUIÉN SABE and the POR SI ACASO investigation permits.

7 DRILLING

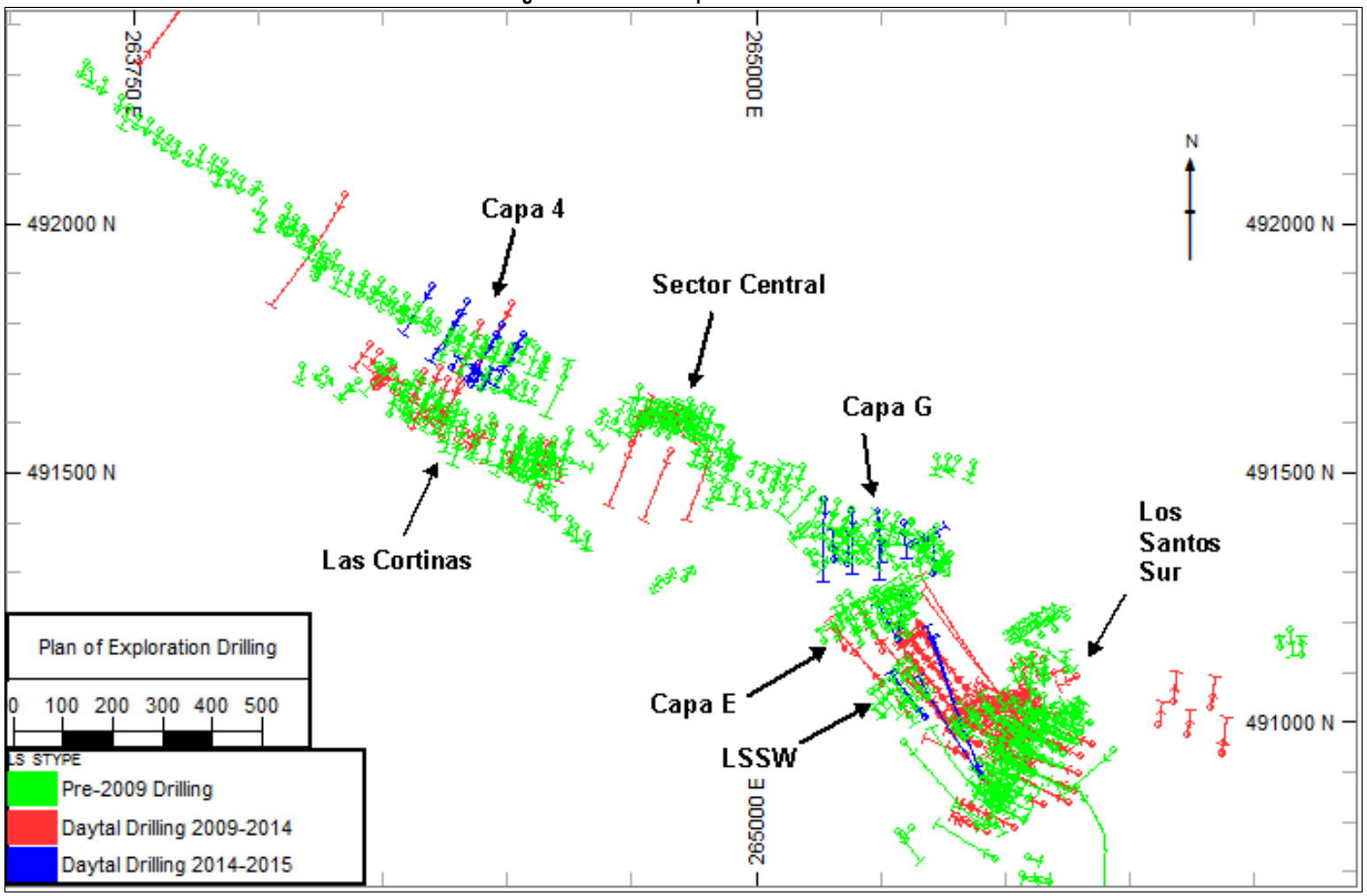
The overall summary of samples, including the drillholes, is shown in Table 7-1 for data up to the end of 2015.

Table 7-1. Summary of Drillhole Database

	Types	Number of Holes	Length m	Average Length/Hole m	Number of Samples
Historical Campaign Pre-2006	Surface Holes	191	15,819	83	1,490
	Underground Holes	37	2,147	58	439
	All Drillholes	**228**	**17,967**	**79**	**1,929**
Daytal RC Campaign 2009	Reverse Circulation (RC) Holes	111	2,210	20	942
Daytal Diamond Drilling Campaigns	2010	25	2,157	86	486
	2011	30	3,249	108	509
	2012	39	5,078	130	929
	2013	31	6,955	224	534
	2014	8	1,662	208	260
	2015	23	2,647	115	406
	Sub-Total	**156**	**21,748**	**139**	**3,124**
All Samples Combined	Diamond Drill Holes	384	39,714	103	5,053
	Reverse Circulation (RC) Holes	111	2,210	20	942
	Total	**495**	**41,924**	**85**	**5,995**

A plan of all the drillholes currently available is shown in Figure 7-1. In the Daytal drilling campaign, 110mm core has been taken through the superficial altered material, switching to HQ (core diameter of 63.5mm) in solid rock. The samples taken are generally 0.5-2.5m in length.

Figure 7-1. Plan of Exploration Drillholes



8 SAMPLE PREPARATION, ANALYSES AND SECURITY

8.1 Diamond Core Sampling

In the historical drilling campaigns and subsequent Daytal drilling campaigns, mineralised intervals were generally defined by lamping the core with an ultraviolet lamp and only those samples fluorescing (indicating the presence of scheelite) were sent for WO_3 analysis. Information recorded during core logging included lithological intervals, a visual estimation of scheelite content, sulphur content and any other altered material. Contact types were also recorded, along with the presence of banding, fractures, vein and dykes.

Core logging during the historical drilling campaign was recorded as being generally excellent in skarn intersections. During Daytal's campaign, the drillhole recovery was 97.5% overall, and 96.3% for those portions from which samples were taken. There does not appear to be any relationship between grade and recovery.

During the Daytal campaigns, when the core boxes arrive in the storehouse, a photo of each box is taken, as in the example in Figure 8-1. Samples taken ranged in length from 0.5 m to 2 m.

Figure 8-1. Example of Corebox Photograph



8.2 Trench Sampling

Trench sample were also taken as part of the historical exploration campaign. When sampling in trenches, lithological intervals were considered and samples ranged from 2m maximum to 0.5 m minimum. In the trench wall, a channel of 20 cm wide and 2-3 cm deep was made in fresh rock and perpendicular to the stratification and overall structure.

8.3 Sample Preparation

After logging, all core for sampling was sawn into two halves, with one half being sent onto sample preparation. Similar steps were taken with trench samples. In both the exploration campaigns, the sample preparation steps may be summarised as follows:

- The entire half of the core (3.5 kg approximately for 1m) was put in a laboratory bag (numbered and with description), then sent to the drying oven (aluminium trays).
- Crushing 100% < 50 mm
- Roll Mill 100% <1,5 mm
- Homogenizer
- Splitter
- Ring Mill. 1 kg is pulverised in 3 parts, to less than 85 µm in the historical campaign, and less than 63 µm in the Daytal campaign, with a ring of chrome-nickel in order to avoid WO_3 contamination. Grind checks were made 2-3 times a week, to ensure 90% was passing 60 µm.

In the Daytal campaigns, a 10g sample was taken for the on-site Los Santos laboratory. Internal check samples were taken every 20-30 samples.

8.4 Laboratory Sample Analysis

During the historical campaign, the principal assay method was Fluorescence Spectroscopy (XRF).

Daytal have their own on-site laboratory, equipped with an AXIOS XRF Spectrometer. This is calibrated daily against 3 standard samples for different grade ranges. These sets of standard samples were certified. For the Energy Dispersive-type XRF analyzer at Los Santos, it is important that the reference standards have a similar matrix composition to the unknown samples to be determined. This is why Daytal uses Los Santos materials as standards. The results of these samples were used as reference grades. The Daytal assay laboratory (which was started up in 2009) provides measurements of WO_3, As_2O_3, SO_3 and CuO. Blank reference samples are also measured for approximately every 50 samples.

8.5 Sample Security

The Daytal core shed is a lockable facility on the outskirts of the town of Los Santos. The core shed remains closed and locked when no-one is working there. The on-site laboratory, which is next to the mill, is covered by the mine security system. All check samples were sent by courier to external laboratories.

8.6 Tailings Samples

The coarse sand tailings were sampled at the dewatering screen, using a square sampling spoon. This was used to take an approximately 1 litre sample of sand tailings every hour during each 12 hour shift, giving one plastic bagged composite sample, which was sent to the lab and analysed. Samples were taken each (1^{st} or 2^{nd}) shift, each day of the month.

Up to April 2019, during the period of fresh ore mining, the fine (tortas) tailings samples were taken from the filter press, by taking some of the filtered slab material and dropping it into the composite sample bag. At the end of each shift, this gave 12 hand-samples in the bag. Again, samples were taken each (1^{st} or 2^{nd}) shift, each day of the month.

During the period of tailings re-processing, April 2019 onwards, the fine (clay) tailings was thickened at the 12m diameter thickener and pumped to the open pit excavations. Samples were taken by a valve at the base of the 12m thickener, by releasing a small quantity of the paste every hour to a bucket. A shift composite sample was built up over 12, every shift, and sent to the lab.

In the re-processing period, the tailings feed was sampled was a chute that leads to the plant feed conveyor. The sampling device was filled every hour during the 12 h shift and discharged to a plastic bag identified with the product (mill feed), shift (1st or 2nd) and the day of the month. This plastic bag with the composite sample (12 samples) was sent to the lab at the end of the shift and analysed.

9 DATA VERIFICATION

9.1 Historical Campaign - Quality Control

The steps completed, relating to sample quality control of historical exploration, are summarised below.

Twin Hole Samples (TS) Although no specific twin drillholes were drilled, eight underground cross-cuts were developed across the principal skarn beds in the Los Santos Sur zone, at an elevation of 950m, approximately 100m below the original surface. Prior to the development of these cross-cuts, drillholes were put in along the line of each cross-cut. During subsequent development of the cross-cuts, detailed bulk samples were taken, particularly through the skarn intersections. On average 270t of bulk samples were taken in each crosscut, for a total of 2,220t. These bulk samples were then sent to a laboratory for analysis and metallurgical tests.

Pulp Duplicates (PD) were sent to the same laboratory approximately every 20-30 samples.

Standard Samples (SS) were also sent periodically to laboratories. Results of 218 such measurements, taken between 1981 and 1986, were acceptable.

Check Samples (CS) were sent to a laboratory. A further 10% of these were checked again externally. These check samples were taken for 40% of all the primary samples. These results showed a very good correlation.

9.2 Daytal Campaigns - Quality Control

During the diamond drilling campaigns from 2009-12, for almost every sample send to the Los Santos laboratory, a sample was also sent to an external laboratory, who also made their own internal duplicates' test assays. Additional check samples were also sent to an external check laboratory. In the Los Santos laboratory, internal duplicates were taken, one for every 20 samples. Duplicates were sent to the external laboratory for grade control (blasthole) samples, as well as for reverse circulation drilling. This includes HARD (Half-Absolute-Relative-Difference) values determined for duplicates, at 90% rank level.

A relatively poor precision was obtained between the external laboratory and Los Santos duplicates. The laboratory-sourced grades are those used for subsequent resource estimation work. These laboratory internal duplicates generally demonstrate an acceptable level of precision, and a low proportion of mis-classifications. Although the duplicates for two laboratories show a medium to poor level of precision, the overall mean and median values are very similar, with generally good correlation. Of these 2012-13 blank measurements, 8 were anomalous, at a level of 0.01%, representing 4.5% of all the measurements. These quartz blanks are locally sourced from a quarry. A prepared standard was tested regularly in the Los Santos laboratory, with a certified value of 0.18% WO3. The assay results for this standard showed an acceptable level of precision.

9.3 Drillhole Database

Data related to the drill holes are kept in two different formats. Each drill hole has an individual Excel spreadsheet where the collar, surveys, lithology, recovery and the names of the sample are included. The assays of the samples supplied by the laboratories are updated by the geology manager. These spreadsheets also contain the intercepts of every drill hole.

These Excel data are imported into Datamine, and subjected to From-To sequence tests as well as range checks. The drillhole data files are all combined into individual desurveyed drillhole files, in which the three-dimensional position and orientation of each sample has been determined. This combination automatically incorporates various cross-checks between the different original files.

9.4 Survey Control

All surface surveying measurements are generated in UTM Coordinates, and are referenced to the UTM30 7P coordinate system. Topographical data are measured using a GPS Leica 1200 system. All drillhole collars are measured where the rod line intersects the surface. In the latest Daytal drilling campaigns, downhole surveys were completed using a Reflex Gyro system.

10 MINERAL PROCESSING AND METALLURGICAL TESTING

10.1 Processing of Open Pit Ore, Up to April 2019

After initial operation with a production rate of up to 300 ktpa during 2010, the plant increased the rate to 500ktpa, and continued at this level until the end of open operations in March 2019. The plant is primarily based on gravimetric separation, aimed at recovering scheelite, so as to provide a concentrate containing greater than 65% WO_3. During processing of open pit ore, the overall average plant recovery of scheelite was approximately 60%. The plant is located immediately to the south of the Los Santos Sur pit, near the existing underground portal, in an area close to mine workings, the main waste dump and other infrastructure.

The primary crushing circuit employs a jaw crusher, with a nominal 100tph capacity, followed by two cone crushers, generating a minus 12 mm size material in a conical open stockpile ahead of the main process plant. A conveyor feeds this material at a rate of 65 tph into a rod mill which produces a ground product. This ground ore is then wet-screened at 1000 µm, with the oversize being reground in a regrind ball mill and the minus 1000 µm undersize product being the raw feed to the gravity circuits.

Two banks of hydrocyclones split the gravity circuit feed material into 1000/150 µm and 150/30 µm size fractions. Both size fractions go through low intensity magnetic separation to remove mill steel and pyrrhotite ahead of gravity separation. The non-magnetics streams from the two size fractions then go to their respective banks of rougher spirals. Middlings are recycled via middlings-cleaners spirals, and the rough spiral tails exit as waste. In both circuits, rougher concentrates are cleaned in a bank of cleaner spirals before going forward to shaking tables. Concentrates from the coarse and fines spirals are fed to a hydrosizer which feeds four separate tabling circuits. Tailings from the cleaner step of all tabling circuits are recycled back to the hydrosizer,

The coarse tailings are dewatered by thickening cyclones and a high frequency screen. Fine tailings are dewatered in a thickener and filter press. In both cases, the final tailings product is dry enough to be trucked and disposed of on the mine waste dump. The thickener overflow is recycled as process water and the plant operates with a zero discharge.

The combined gravity concentrates are batch-processed through two $3m^3$ flotation cells to float off sulphides. The non-floating material, principally scheelite, is discharged into a dewatering cone, and then goes through a rotary kiln dryer, followed by three-stage high intensity magnetic separation, to remove any remaining mill steel and pyrrhotite and any para-magnetics (mainly pyroxene). The resulting high grade scheelite concentrate constitutes the final saleable product, and typically has a grade of approximately 65% WO_3.

10.2 Tailings Re-Processing April 2019 – January 2020

In preparation for this re-processing of tailings, the following plant modifications were made:

- The crushing circuit was disactivated.
- A mobile scalping screen was installed, to remove big stones, big clods, vegetation and trash.
- A direct pipeline was installed to supply water top the plant during the summer.
- The ball mill was stopped, and only the rod mill was kept operational, resulting in a major reduction in power consumption.
- The mesh size was reduced for the gravity circuit feed, from 1mm to 710 µm, forcing more regrinding.
- The primary cyclone spigots were replaced for better coarse/fine distribution.
- The coarse spirals splitters were adjusted io increase the production of middlings.
- The hydrosizer settings were changed, to reduce the entrainment of fines in the coarse table circuit.
- The intermediate table circuit operation was changed, to retain more ore on the tables before return to the spirals.
- Fine concentrates from the table circuits were cleaned on a small Holman table, and then floated.
- Two Plat-O tables from Panasqueira were installed, to reprocess tailing and dust from the dry section of the plant.
- Eriez and Outotec magnetic separators were used in the dry section to improve the recovery of fine scheelite concentrates.
- A pipeline was installed to transport new tailings to the Day-1 pit.
- A piston-diaphragm pump was used to transport thickener underflow to the Day-1 pit, so the filter cake operation could stop.

During this re-processing period the recovery did not exceed 35%. This enabled a better understanding of the fine scheelite material, and led to a conclusion that a specific slimes circuit is required to recover extremely fine particles.

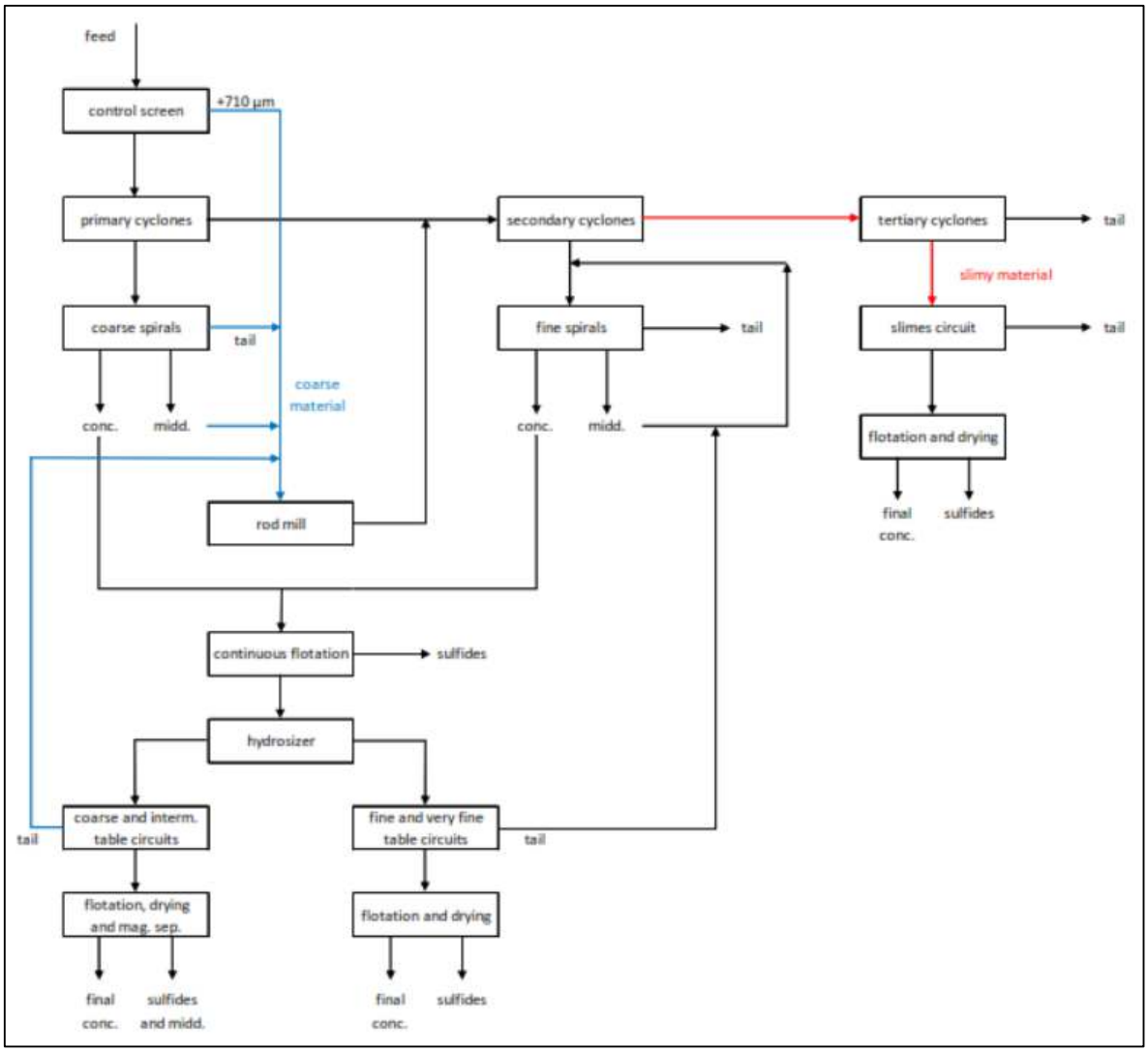
10.3 Tailings Re-Processing Plant Improvements

A plant flowsheet with the planned improvements is shown in Figure 10-1. Key elements of the planned plant improvements include:

- Regrinding of virtually all coarse material in the plant feed.
- Processing of slimes released by this regrinding, along with the original slimes content, in a slimes circuit.
- Coarse spiral tailings and middlings, and tailings from the coarse/intermediate tables, will all be reground in the rod mill.
- The slimes circuit will be based on multi-gravity separator technology.
- After flotation, the slimes circuit concentrate will be dried in a Holo-Flite drier, from METSO, which does not produce dust.
- A new thickener, which will be required for the additional quantity of fine material.
- The slimes circuit will operate at 20-25 tph (dry), with rougher, first and second cleaning stages.
- Post-processing, with reverse flotation to remove arsenic.

An overall plant feed rate of 80 tph is planned, with an expected overall recovery of 50%.

Figure 10-1. Mill Flowsheet With Additional Slimes Circuit



11 MINERAL RESOURCE ESTIMATES

11.1 Historical Open Pit Mining

The resource models for long term open pit mine planning were built up using a computerised three-dimensional block modelling approach, using the Datamine mining software system. For each of the zones being evaluated, skarn bed interpretations were developed into wireframe models. Other wireframe models were defined for the boundaries of the principal lithologies. Volumetric block models were then built up to reflect the lithologies and skarn beds. The principal parent block size used was 10m x 10m x 10m, but with sub-blocks within the skarn beds measuring 5m along-strike and down-dip, and 2.5m across-strike. The model structure was also rotated at an angle of approximately 22°, so that blocks were more logically oriented with the majority of skarn structures.

Samples associated with mineralised skarn bodies were assigned logical bed identifications, corresponding with the defined skarn wireframe models. These sample data were then converted into approximately 2.5 m composites. The composite WO_3 grade values were then used to interpolate grades into the block model, according to the parent skarn beds to which they belonged. Geostatistical analysis was used to assist in the selection of interpolation parameters, as well with subsequent resource classification.

During the period of open pit mining, seven principal zones within the Los Santos area were modelled: Las Cortinas, Sector Central, Los Santos Sur – LSS, LSS- South-West, Capa E, Capa 4 and Capa G.

In most cases, the majority of WO_3 samples conformed approximately to a single log-normal populations for each zone. These samples were converted into 2.5m composites, along with capping of anomalous outlier values. Statistics of the resultant composite data sets are summarised in Table 11-3. Average rock density measurements are summarised in Table 11-1. For each zone, the skarn composite data sets were used to interpolate WO_3 grades into the corresponding skarn bed blocks of the volumetric block model in each zone. Geostatistical analyses were used to help derive interpolation parameters. The principal method of WO_3 grade interpolation used was ordinary kriging (OK).

For the resource block models, the applied resource classification system can be summarised as follows:

Measured	Covered by a grid of bed intersections at least 15m x 15m
Indicated	Covered by a grid of bed intersections at least 30m x 30m
Inferred	Within the interpreted skarn beds, but with sampling that is not in a regular grid of at least 30m x 30m

Table 11-1. Average Density Measurements

Rock Type	Density t/m^3
Corneanas (schist)	**2.75**
Calcsilicate	**3.07**
Granite	**2.68**
Skarn	**3.40**

During open pit production, samples were also taken from blasthole cuttings. These grades were used for direct bench grade control calculations, as well as for development of a short-term grade control model. For the mine production period between September 2011 and April 2019, these different evaluation results have been collated in Table 11-4.

Open pit mining stopped in April 2019, having mined approximately 5Mt of ore since 2008. It is considered that the no further open pit mining is viable, so there are no potential open pit resources reported in this report.

Table 11-2. Exploration Sample Summary

	Types	Number of Holes/Trenches	Length	Number of Samples
Historical Campaign Pre-2006	Surface Holes	191	15,819	1,490
	Underground Holes	37	2,147	439
	All Drillholes	228	17,967	1,929
	Surface Trenches	255	10,167	784
	Total	**483**	**28,134**	**2,713**

	Types	Number of Holes	Length	Number of Samples
Daytal RC Campaign 2009	Reverse Circulation (RC) Holes	111	2,210	942
	Total	**111**	**2,210**	**942**

	Years	Number of Holes	Length	Number of Samples
Daytal Diamond Drilling Campaigns	2010	25	2,157	486
	2011	30	3,249	509
	2012	39	5,078	929
	2013	31	6,955	534
	2014	8	1,662	260
	2015	23	2,647	406
	Total	**156**	**21,748**	**3,124**

	Types	Number of Holes/Trenches	Length	Number of Samples
All Samples Combined	Drillholes	495	41,924	5,995
	Surface Trenches	255	10,167	784
	Total	**750**	**52,091**	**6,779**

Table 11-3. Statistical Summary of Composites

ZONE	BED	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDARD DEVIATION	LOG ESTIMATE OF MEAN	COEFF.OF VARIATION
Las Cortinas	1	164	0.001	3.70	0.65	0.83	0.91	1.22	1.4
	3	67	0.001	2.71	0.30	0.33	0.57	0.90	1.9
	20	208	0.001	3.52	0.14	0.10	0.32	0.25	2.2
	21	99	0.001	1.83	0.25	0.12	0.34	0.59	1.4
Los Santos Sur	6	199	0.001	4.97	0.24	0.36	0.60	0.79	2.6
	7	468	0.001	2.63	0.33	0.21	0.45	1.02	1.4
	8	151	0.001	4.03	0.24	0.27	0.52	0.46	2.2
	9	168	0.001	3.43	0.53	0.54	0.74	3.91	1.4
	10	164	0.001	5.88	0.24	0.37	0.61	0.48	2.6
	11	54	0.001	1.51	0.23	0.12	0.35	1.35	1.5
LSS_SW	1	118	0.001	3.99	0.64	0.59	0.77	1.52	1.2
	2	74	0.000	2.48	0.25	0.14	0.37	0.34	1.5
	3	71	0.013	1.32	0.22	0.06	0.25	0.27	1.2
	4	89	0.001	4.46	0.48	0.69	0.83	0.61	1.7
	5	29	0.000	1.63	0.22	0.10	0.31	0.34	1.4
	11	25	0.001	2.04	0.33	0.27	0.52	0.88	1.6
Capa Este	12	41	0.001	1.90	0.27	0.16	0.40	0.53	1.5
Capa G	12	204	0.001	2.40	0.16	0.07	0.27	0.32	1.7
Capa 4	4	74	0.001	5.21	0.42	0.62	0.79	0.58	1.9

Table 11-4. Summary of Open Pit Production Sept 2011 – April 2019

Pit/Zone	Long Term Block Model		Grade Control		Short Term Block Model		Mine Production	
	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %
LSS	1,220	0.37	1,261	0.37	1,142	0.41	1,321	0.36
LCW	248	0.35	374	0.30	331	0.33	395	0.29
LCE	248	0.62	227	0.58	198	0.71	233	0.60
CE	244	0.20	214	0.34	194	0.36	243	0.29
LSSW	247	0.34	315	0.40	266	0.43	305	0.38
SWD1	913	0.33	972	0.32	936	0.33	1,045	0.31
C4	45	0.38	37	0.12	22	0.16	53	0.12
CG+H	141	0.25	133	0.30	136	0.33	173	0.28
Total	**3,306**	**0.36**	**3,534**	**0.36**	**3,226**	**0.39**	**3,769**	**0.34**

Notes

. Long term model developed from from diamond drilling data, and source of reserve calcs

. Grade control resource - direct volume calculations from blasthole grades

. Short term block model, estimated from blasthole grades

. Mine production figures from truck counts, with additional oxidised material, plus dilution

11.2 Tailings Resources

Although open pit mining started in 2008, it is from June 2010 that tailings was dumped into quite separate areas from dumped rock waste, and related data collated with survey control. During open pit mining, and subsequent processing, two different kinds of dry tailings were produced:

a) Coarse rejects from the thickening cyclones and dewatering screens, referred to as sand/arenas (Acopios - Tailings).
b) Fine rejects from the filter press (Acopios -Tortas).

Between 2010 and 2012, separate dumps accommodated for these different types of tailings. Four different dumps were built up from coarse sand material, Acopios 1 – 4, and two separate dumps were built up from Tortas material, Tortas 1 and 2. All of these six different tailings areas were built on top of the waste dump to the south-west of the Los Santos Sur (LSS) pit. After 2012, a large combined tailings dump area (Acopio 5) was used for both types of tailings. The locations of these different Acopio and Tortas tailings areas are shown in Figure 11-1. More detailed plots depicting the positions of the individual Acopios and Tortas tailings areas are shown in Figure 11-2, Figure 11-3 and Figure 11-4.

Figure 11-1. Overall Site View, Showing Tailings Areas



Volumes of the separate dumping areas have been determined from survey data, converted into wireframe models of the pre-dump surfaces, along with the dumped surfaces at different time periods. During 2012, tailings' density and humidity measurements were made (in the course of a stability study). Further density measurements were made for the Acopio 5 tailings area. Average measured dry bulk SGs were 1.57 t/m^3 for coarse material and 1.50 t/m^3 for fine material.

All of these collated volumes were also combined with tonnage and grade data of the tailings material, as produced from mill measurements. These tailings grades stem from assays that were taken from samples twice every 12 hour shift during mill operation, for both types of tailings.

Figure 11-2. Location of Acopios Tailings #1 and #2



Figure 11-3. Location of Acopios Tailings #3 and #4, and Acopios Tortas #1 and #2

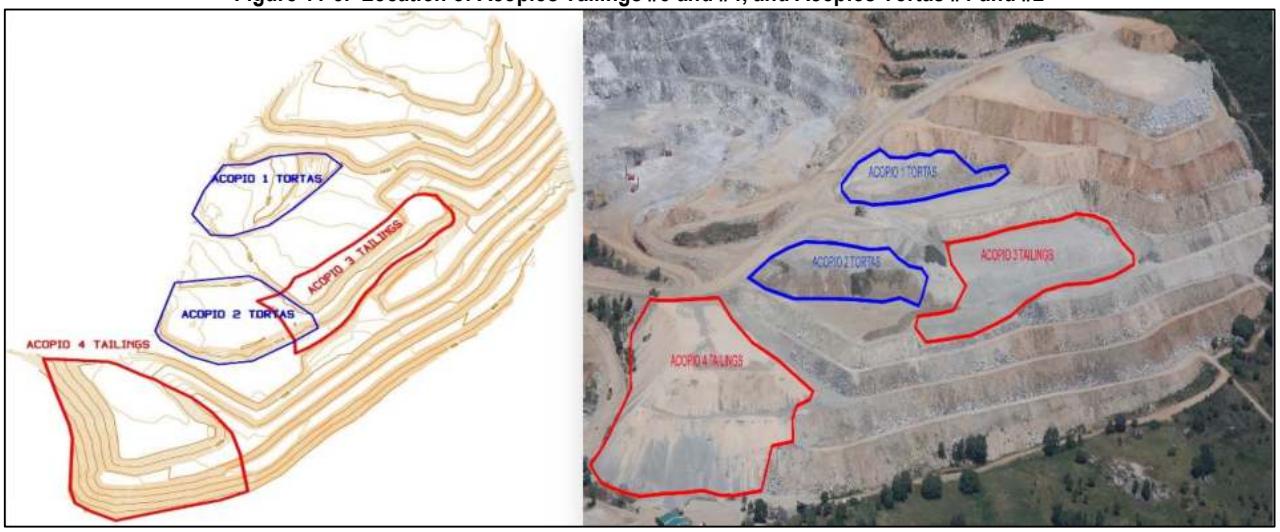
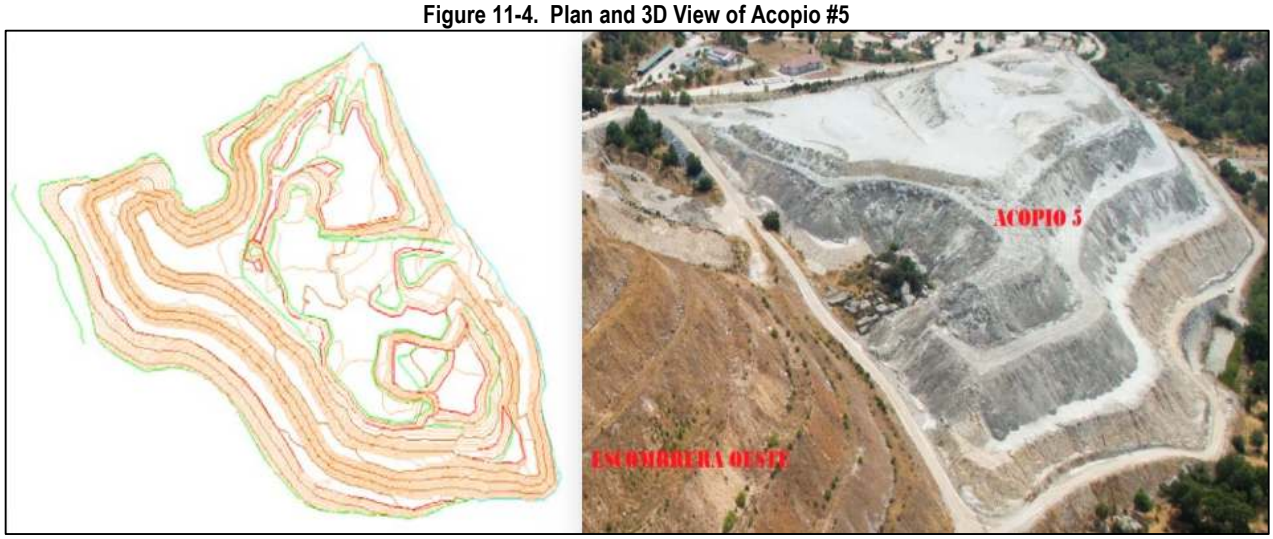


Figure 11-4. Plan and 3D View of Acopio #5



The tailings in the Acopio 5 area were determined from two sets of measurements, and are summarised in Table 11-5:

a) A survey done at the end of June 2014, relative to the original topography prior to the.start of dumping on Acopio 5 in 2012.

b) A survey done at the end of April 2019. The volume was determined relative to June 2014 surface, and also collated with milling tailings measurements for the same period.

Table 11-5. Tailings Resources in Acopio #5, Up Until April 2019

	Total As Of June 2014			Measured Jun14-Apr19	Tailings Produced Jun14-Apr19		Total		
Tailings Area	Volume m^3 x 1000	Tonnes Kt	WO_3 %	Volume m^3 x 1000	Tonnes Kt	WO_3 %	Volume m^3 x 1000	Tonnes Kt	WO_3 %
Acopio 5	315.3	537.1	0.12	1,556.9	2,514.1	0.12	1,872.3	3,051.2	0.12

These Acopio 5 data were then combined with volume measurements, and mill tailings data for the other Acopios and Tortas tailings areas, to give a complete evaluation of the tailings resources, built up from June 2010 till April 2019, as shown in Table 11-6. The total tailings tonnage of 4,274Kt, is within 2.5% of the collated total milled tonnage over the same time period, as shown in Table 11-7.

Table 11-6. Overall Tailings Resources, Up Until April 2019

			Tailings Stored April 2019		
	Start of Dumping	Tailings Area	Volume m^3 x 1000	Tonnes Kt	WO3 %
Coarse rejects (Arenas)	Jun-10	Acopio 1	28.7	44.9	0.10
	Jun-10	Acopio 2	12.1	18.9	0.17
	Jun-10	Acopio 3	149.4	233.9	0.12
	Jun-10	Acopio 4	250.2	391.7	0.12
	Jan-12	Acopio 5	1,872.3	3,051.2	0.12
		Sub-Total	**2,312.5**	**3,740.6**	**0.12**
Fine rejects (Tortas)	Jun-10	Tortas 1	230.5	355.0	0.22
	Jun-10	Tortas 2	115.7	178.2	0.22
		Sub-Total	**346.2**	**533.2**	**0.22**
		Total	**2,658.8**	**4,274**	**0.13**

Table 11-7. Overall Mill Production History, Up to April 2019

Year	Tonnes Kt	Feed grade % WO_3
2008	164.9	n/a
2009	283.3	n/a
2010	316.2	n/a
2011	477.2	n/a
2012	519.0	n/a
2013	477.7	0.33
2014	483.2	0.36
2015	526.2	0.32
2016	510.0	0.27
2017	532.2	0.22
2018	538.2	0.33
2019 Q1	161.5	0.33
Sub-total from Jun 2010	4,383.4	
Total	**4,989.7**	

Taking the into account the tailings that were re-processed from April 2019 to January 2020, the current remaining tailings can be determined, as shown in Table 11-8. No further re-processing took place after January 2020.

Table 11-8. Determination of Remaining Tailings, December 2020

		Tailings Stored April 2019			Tailings Re-Processed April 2019 - Jan 2020			Remaining Tailings Dec 2020		
	Tailings Area	Volume m^3 x 1000	Tonnes Kt	WO_3 %	Volume m^3 x 1000	Tonnes Kt	WO_3 %	Volume m^3 x 1000	Tonnes Kt	WO_3 %
Coarse rejects (Arenas)	Acopio 1	28.7	44.9	0.10				28.7	44.9	0.10
	Acopio 2	12.1	18.9	0.17				12.1	18.9	0.17
	Acopio 3	149.4	233.9	0.12	57.3	91.1	0.12	92.1	142.8	0.12
	Acopio 4	250.2	391.7	0.12	160.8	255.8	0.12	89.4	135.9	0.12
	Acopio 5	1,872.3	3,051.2	0.12	100.4	159.7	0.12	1,771.9	2,891.5	0.12
	Sub-Total	**2,312.5**	**3,740.6**	**0.12**	**318.5**	**506.6**	**0.12**	**1,994.1**	**3,234.0**	**0.12**
Fine rejects (Tortas)	Tortas 1	230.5	355.0	0.22				230.5	355.0	0.22
	Tortas 2	115.7	178.2	0.22				115.7	178.2	0.22
	Sub-Total	**346.2**	**533.2**	**0.22**				**346.2**	**533.2**	**0.22**
	Total	**2,658.8**	**4,274**	**0.13**				**2,340.3**	**3,767.2**	**0.13**

A breakeven cut-off grade has been calculated, for proposed re-processing of the tailings, as summarised in Table 11-9.

Table 11-9. Cut-Off Grade Determination

Parameters	*Unit*	Values
APT Price	*$/mtu WO_3*	**350**
Metal Price - received,	*$/mtu WO_3*	**272.4**
after transport + smelting	*$/t WO_3*	27,243
Tailings Recovery	*%*	**50.0%**
Tailing Processing Cost	*$/t ore*	**6.50**
G&A	*$/t ore*	**2.51**
Total Op Cost	*$/t ore*	9.01
Tailings Re-Processing Breakeven Cut-Off	*% WO_3*	0.07%

11.3 Mineral Resource Reporting

It can be seen that the WO_3 in all of the stored tailings areas is greater than this cut-off, and therefore has a reasonable prospect for the eventual economic extraction. All of the stored tailings have therefore been classified as Indicated resources. They have not been classified as Measured resources, it is considered that positionally, grades are not known with sufficient detail. A summary of the available resources is therefore shown in Table 11-10.

Table 11-10. Tailings Resource Summary
As Of December 31st, 2020

	Tailings Material	Volume m^3 x 1000	Tonnes Kt	WO3 %
Indicated Resources	Coarse	1,994	3,234	0.12
	Fine	346	533	0.22
	Total	**2,340**	**3,767**	**0.13**
Notes	**. Cut-off = 0.07% WO_3**			
	based on price of $350/mtu WO_3			

12 ORE RESERVE ESTIMATES

The cut-off applied for resource purposes, and whose determination is described in Table 11-9, is also applicable for reserve purposes. It is considered that no additional dilution or mining recovery factors need to be applied or re-processing of tailings material. The resulting tailings reserves are therefore shown in Table 12-1. All of the Indicated resources have been converted into Probable reserves.

Table 12-1. Tailings Reserves
As Of December 31st, 2020

	Tailings Material	Tonnes Kt	WO3 %
Probable Reserves	Coarse	3,234	0.12
	Fine	533	0.22
	Total	**3,767**	**0.13**
Notes			
	. Cut-off = 0.07% WO_3		
	based on price of $350/mtu WO_3		

13 MINING METHODS

The tailings material will be excavated with a backhoe and then trucked to the mill. The mining equipment available on site is shown in Table 13-1.

Table 13-1. Mining Equipment

Number	Type	Description
1	Caterpillar 336 D LN	Excavator - Crawler Backhoe
1	Case 330 CX	Excavator - Crawler Backhoe
1	Volvo A35 C	Articulated dump truck, 31t
1	Volvo A40 F	Articulated dump truck, 32t
1	Volvo A40 E	Articulated dump truck, 32t

As with previous period of tailings re-processing in 2019, the tailings material will be excavated so as to leave a working slope in the remaining material of no steeper than 34º. Profiles of the remaining tailings material are shown in and Figure 13-1 and Figure 13-2.

Figure 13-1. Profiles of Acopios #1 - 4

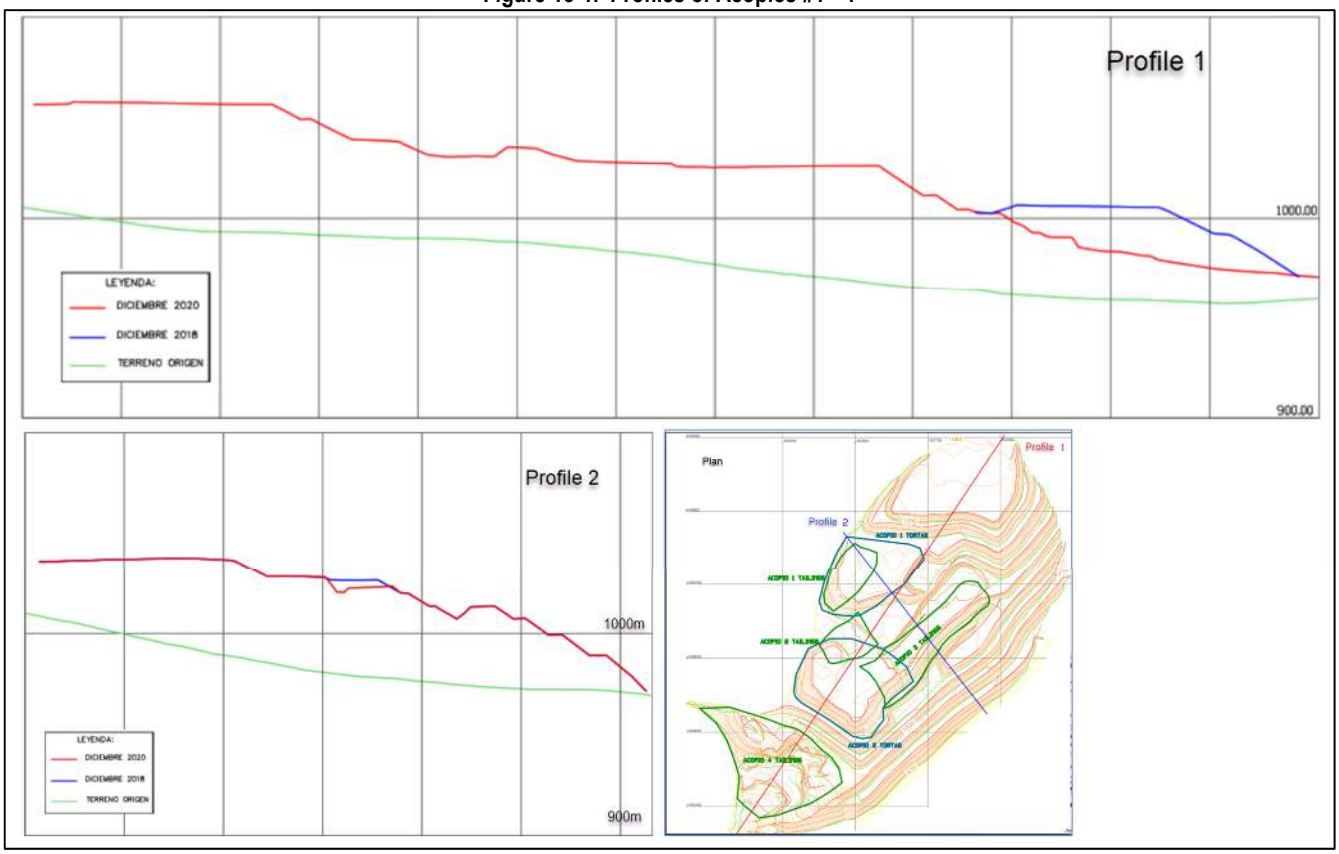
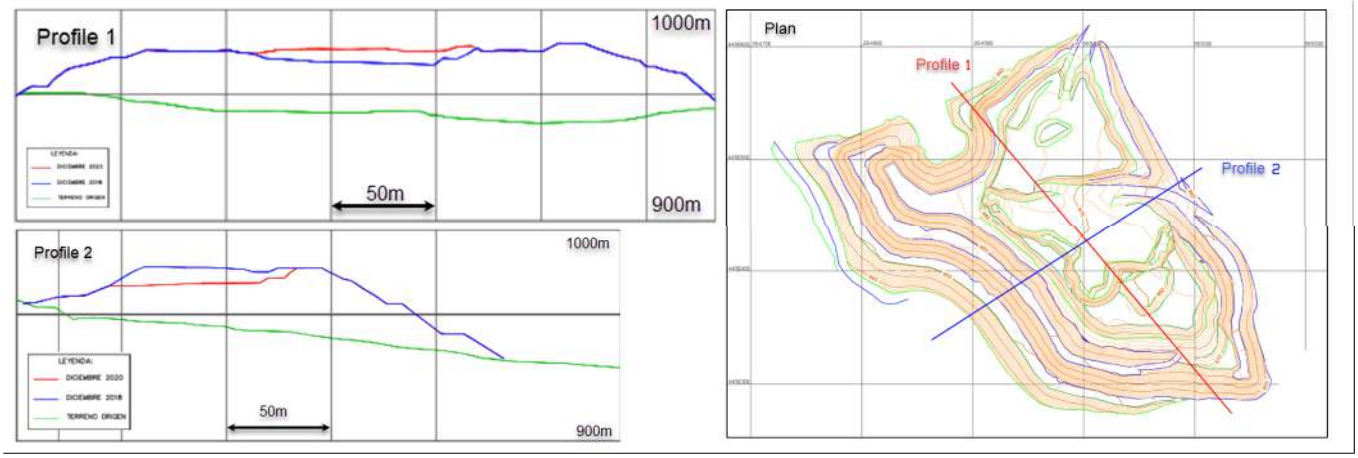


Figure 13-2. Profiles of Acopio #5



14 RECOVERY METHODS

As well as some upgrades and maintenance of existing equipment, the additional slime handling circuit will be installed, as described in Section 10. The principal new equipment that will be installed will be:

- 6 production multi-gravity separators.
- 2 pilot plant multi-gravity separators.
- New thickener
- Piston-diaphragm pump.
- Flotation cells
- Holo-lite drier.

The expected plant performance with these improvements is summarised in Table 14-1.

Table 14-1. Expected Plant Performance

Plant feed rate	80	tph
Availability	95%	
Processed per month	57,720	tpm
Plant recovery	50%	
Concentrate grade	30%	WO_3

15 PROJECT INFRASTRUCTURE

As with the previous tailings re-processing period in 2019, newly produced tailings will be pumped out to the Day-1 pit excavation. Diagrams and photographs of the previously dumped material ('new' tailings) into the Day1 (SWD1 pit) are shown in Table 15-1 and Figure 15-2.

The available capacity of remaining open pit volumes is summarised in Table 15-1. These are referenced against the volume of tailings that will be re-processed. It can be seen from this table that there is sufficient capacity for dumping all the new tailings that will be produced from re-processing of all available tailings.

Table 15-1. Pit Capacities for Tailings After Re-Processing

Remaining Tailings Dec 2020	
Type	**Volume m^3 x 1000**
Coarse rejects (Arenas)	1,994.1
Fine rejects (Tortas)	346.2
Total	**2,340.3**

Available Pit Capacity	
Pit	**Volume m^3 x 1000**
LSS	579.8
SWD1	1,834.4
LSW	86.5
Total	**2,500.7**

Figure 15-1. Plan and Sections of Dumped Material in Day-1 Pit

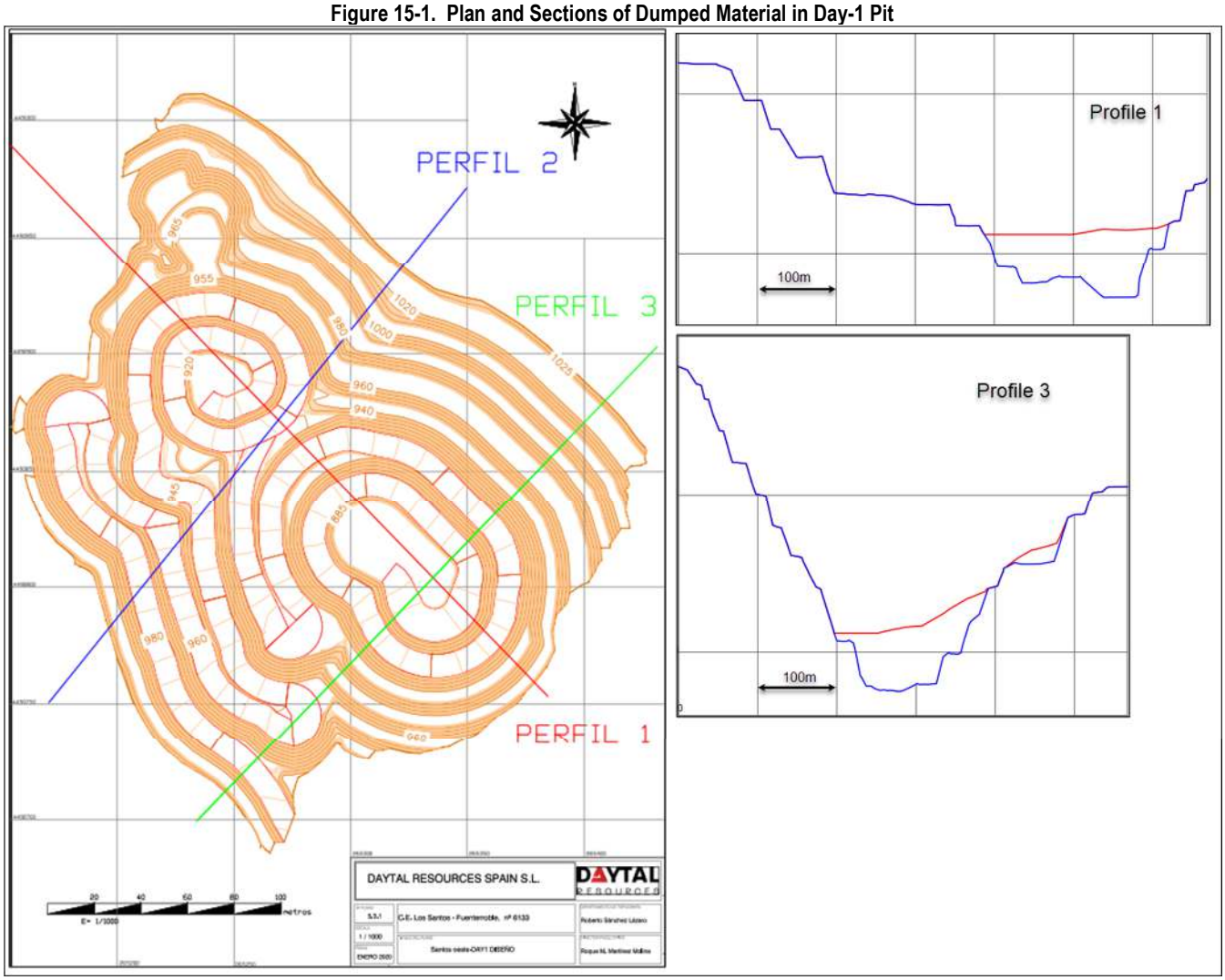


Figure 15-2. Tailings Dumped In-Pit, After 2019 Re-Processing



16 MARKET STUDIES AND CONTRACTS

The majority of production is committed under a long-term contract as summarised in Section 10 of Almonty's Prospectus. This contract calls for delivery, in 1 tonne Bulk Bags, in standard short container lots per consignment, of tungsten concentrate grading greater than 65% WO_3.

As per standard industry practice, the price paid per tonne of concentrate is based on the number of contained metric tonne units ("mtu") of tungstic oxide (WO_3). This unit price varies for individual consignments according to the prevailing European Ammonium Paratungstate (APT) price in United States dollars, as published by the Metal Bulletin ("the Metal Bulletin price") and as published by Metals Pages at certain times.

The details of the contract, including the APT discount rate applicable, are strictly commercial-in-confidence and may not be disclosed, but equate to industry norms.

17 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL IMPACT

A list of certain permits and concessions previously granted to Daytal is summarised below in
Table 17-1. In accordance with Spanish law, the Environmental Plan and the Restoration Plan were presented jointly with the Exploitation Plan, and had to be approved in order to start up the mine. Daytal presented the Environmental Impact Plan and the Restoration Plan as part of the Mining Plan for Los Santos-Fuenterroble in 2002. This included the installation of the gravimetric and flotation parts of the processing plant, as well as a waste dump with an initial area of 14 hectares, and subsequently 36 hectares for a second phase of expansion.

In May, 2002, a positive result was received with respect to the Environmental Impact Study, along with the declaration of 180,000 Euros being guaranteed for the restoration of space affected by mining activity. The mining concession was also approved in 2002. In July, 2007, a study was completed with respect to the stability of the planned waste dump, and presented to the local mineral authorities, along with a modified exploitation plan.

Table 17-1. Summary of Permits

Description	Date
Granting of perimission of investigation "Los Santos" (SIEMCALSA)	10/08/1993
Approval of Declaration of Environmental Impact	04/05/2016
Granting of Mining Concession "Los-Santos-Fuenterroble" No.6.133 (SIEMCALSA)	14/08/2002
Authorisation of transfer to Daytal Resource Spain S.L.	19/07/2006
Environmental License	05/03/2007
Plant installation	19/03/2007
Urbanistic License	10/08/2007
Presentation of Restoration Evaluation	20/08/2008
Authorisation of work contract (Sánchez y Lago S.L.)	17/10/2010
Authorisation of work contract (MOVITEX)	15/01/2014
Approval Flotation installation	12/03/2015
Authorization by private use of public mountain (Dehesa Boyal, nº 119)	19/03/2015
Approval of Working Plan 2017	20/07/2017
Approval of Processing Enhancements	04/12/2018
Approval Investigation campaign 2019	21/01/2019
Approval of Construction for Tailings Reprocessing Enhancements	07/11/2019
Acceptance of appointment of Director Facultativo: Maxímo García	12/03/2020
Authorization to fill SWD1 pit with direct or reprocessed tailings	21/07/2020
Approval to fill Capa G pit excavation	28/10/2020

With respect to water management, underground water is intersected in some of the open pit workings. This water is currently used for dust suppression on the haul roads. Some of this water is also used to augment the water used in the processing plant, and so reduce processing costs. Ahead of reusing the water from the pits, the water used in the plant is sourced from the local municipal water supply. The plant design has been modified to recycle as much water as possible.

The mine closure plan incorporates dismantling of the processing plant, filling of the excavated pits, with the exception of Los Santos Sur, and revegetation of the waste dumps, budgeted at 428,300 Euros.

18 CAPITAL AND OPERATING COSTS

Capital costs for planned mill improvements, mostly associated with the new slimes circuit, are shown in Table 18-1. These include a 20% contingency. Additional costs for repair of the existing mill facilities are summarised in Table 18-2.

Table 18-1. Capital Costs for Mill Improvements

Item	US$
Six Production MGS	552,000
Two Pilot Plant MGS	46,000
Thickener	115,000
Piston-diaphragm pump	34,500
Flotation cells	57,500
Holo-Flite drier	115,000
Installation and other costs	230,000
Total	**1,150,000**

Table 18-2. Mill Repair Costs

Item	US$
Mills' lubrication	8,050
Pumps/motors/filters	34,500
Piping	8,625
Tables	44,275
Driers	22,425
Lab analysis equipment	80,500
Truck repair	51,750
Labour cost	92,000
Contingency (20%)	68,425
Total	**410,550**

Planned mill operating costs are summarised in Table 18-3. The processing cost shown also includes the costs of tailings excavation and trucking to the mill.

Table 18-3. Planned Operating Costs

Type	*Unit*	Value
Tailing Processing Cost	*$/t ore*	6.50
G&A	*$/t ore*	2.51
Total Operating Cost	***$/t ore***	**9.01**

19 ECONOMIC ANALYSIS

An economic analysis over the life-of-mine (LOM) plan has been based on revenue derived only from re-processing of tailings material: all of the Ore Reserves presented in this report, as prepared by the competent person in accordance with the JORC Code. This implies that all of the identified tailings material is economically viable to process, and so is included in the ore reserve and the LOM plan. The currently predicted overall tailings recovery (coarse and fine) is 50%. The resulting cashflow from the re-processing schedule is shown in Table 19-1. This cashflow is exclusive of taxes. The revenues are based on an assumed metal price of $350/mtu WO_3 APT.

Table 19-1. LOM Economic Analysis

			Year						
		Total	**0**	**1**	**2**	**3**	**4**	**5**	**6**
Tonnes	*Kt*	**3,767**		684	684	684	684	684	347
WO_3	*%*	**0.13**		0.13	0.13	0.13	0.13	0.13	0.13
WO_3 Product	*t*	**2,449**		445	445	445	445	445	226
Sales Revenue	*US$ x 1000*	**66,710**		12,112	12,112	12,112	12,112	12,112	6,148
Resale of Plant Equipment *	*US$ x 1000*	**2,100**							2,100
Total Revenue	*US$ x 1000*	**68,810**		12,112	12,112	12,112	12,112	12,112	8,248
Cash Costs									
Plant Repair		**411**	411						
Reclaim and Plant	*US$ x 1000*	**24,487**		4,446	4,446	4,446	4,446	4,446	2,257
G&A	*US$ x 1000*	**9,456**		1,717	1,717	1,717	1,717	1,717	871
Closure Cost	*US$ x 1000*	**493**							493
Total Op Cost	*US$ x 1000*	**34,435**	411	6,163	6,163	6,163	6,163	6,163	3,621
Operating Margin	***US$ x 1000***	**34,375**	**- 411**	**5,950**	**5,950**	**5,950**	**5,950**	**5,950**	**4,627**
Capital Costs									
Plant Enhancements	*US$ x 1000*	**1,150**	1,150						
Total Capex	*US$ x 1000*	**1,150**	**1,150**						
Cashflow	***US$ x 1000***	**32,814**	**- 1,561**	**5,950**	**5,950**	**5,950**	**5,950**	**5,950**	**4,627**

Net Cash Flow		*US$ x 1000*	**32,814**
NPV	**6%**	*US$ x 1000*	**22,171**
NPV	**10%**	*US$ x 1000*	**19,084**

Notes

*** Resale value assumed to be 20% of original purchase cost of principal plant equipment**

20 OTHER RELEVANT INFORMATION

Water Management. The water reuse at the plant is at levels of approximately 95-97%. The remainder sewage water, potable water and garden water represents an additional consumption of 200-250 m^3 day, acquired from the municipalities of Fuenterroble and Los Santos. Domestic uses require controlled water and will never be more than 25% of that value and will always be supplied by external sources (municipalities). All the remaining water (industrial water) will be from internal sources.

The area inside the mine boundary has the capacity to supply 10 times the mine's annual need for industrial water. In 2012, a trench and concrete box were constructed, in order to collect all the water from the higher slopes. This water is decanted to a small decantation pond before flowing to the underground gallery where it is stored. The gallery pumping system was reinforced in 2012, with a duplication of the water pipe from the gallery to the plant, to make it completely independent. That pipe is also connected to the garden watering.

A steel tube was installed in the former Sector Central mined excavation, which has now been filled with waste rock. Pipes for pumping of water from this zone were installed in 2010 and upgraded in July 2012.

An additional water source is the tailings storage below the main office, which has a small decantation pond in the lower part. This is in a valley that collects a reasonable area and the tailings contains 11% water. This storage has a capacity of 4,400 m^3 of water. Now a small pump for this zone has been installed.

21 REFERENCES

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Appendix A: JORC Code, 2012 Edition – Table 1

Section 1. Sampling Techniques and Data

Criteria	JORC Explanation	Commentary
Sampling techniques	Sampling overview	Sampling associated with the open pits comprised drillhole cores, trench sampling, bulk sampling from underground mine workings, and sampling from open pit production blastholes. Sampling associated with the tailings material were taken every shift from both the coarse and fine tailings streams, giving four samples for every working day.
	Measures for representivity and calibration of tools/systems	During the latest Daytal drilling campaigns, downhole surveys were completed using a Reflex Gyro system.
	Determination of mineralisation	Mineralisation is determined by sample results, logging of scheelite occurrences, as well as by ultra-violet fluorescence.
	Sampling details; non-standard aspects	For the Daytal drilling campaigns, HW core was generally taken – 63.5mm in diameter, and 0.5-2.5m in length.
Drilling techniques	Drill type and details.	The drilling methods utilized in the historical and more recent programmes comprise coring and limited reverse circulation (RC) drilling.
Drill sample recovery	Method of measurement and recording drill recovery	During Daytal drilling, drillhole recovery was 97.5% overall, and 96.3% for those portions from which samples were taken.
	Measures for recovery and representivity	Samples were split at clear lithological boundaries.
	Relationship between sample recovery and grade	There was no evidence of sample bias or any relationship between sample recovery and grade.
Logging	Geological and geotechnical logging details.	Core logging was recorded as being generally excellent in skarn intersections. In the historical and Daytal drilling campaigns, mineralised intervals were generally defined by lamping the core with an ultraviolet lamp and only those samples fluorescing (indicating the presence of scheelite) were sent for WO3 analysis. Sample intervals were also selected so as to correspond with lithological intervals. If a lithological interval was less than 0.5m, it was included in the previous or subsequent sample.
	Logging qualitative or quantitative, core photography	The logging information was largely qualitative. Information recorded during core logging included lithological intervals, the appearance under ultra-violet ("uv"), and a visual estimation of scheelite content, sulphur content and any other altered material. The uv response was also recorded as a numeric quantitative code, as assessed by the geologist.
	Total length and % of relevant intersections logged	For the Daytal drilling (started 2010), 21,748m were drilled, of which 99% has been logged.
Sub-sampling techniques and sample preparation	Core sawing details	After logging, all core for sampling was sawn in two pieces, with one piece being sent for sample preparation.
	Non-core sample splitting details	Trench samples were also split.
	Nature and quality of sample preparation	In both the historical and Daytal drilling campaigns, the sample preparation steps may be summarised as follows: the entire half of the core (3.5 kg approx.per metre) was put in a laboratory bag (numbered and with description), then sent to the Drying Oven (aluminium trays); - crushing 100% < 50mm; - roll mill 100% <1,5mm; -homogenizer; -splitter; - ring mill. In the Daytal campaigns, 1 kg is pulverised in 3 parts; the reduction was to less than 85µm in the historical campaign, and less than 63µm in the Daytal campaign, with a ring of chrome-nickel in order to avoid WO3 contamination; grind checks were made 2-3 times a week, to ensure 90% was passing 60µm.
	Quality Control (QC) procedures, for max representivity	QAQC procedures (as described in Section 9 of the Technical Report) were applied on set frequencies, so as to ensure representivity of samples.
	Measures to ensure sampling representative of material	The QAQC programmes included external lab check samples and internal pulp duplicates.
	Samples sizes information	With core samples taken of 0.5-2.5m in length, it is considered that this sample size is appropriate relative to the material being sampled.
Quality of assay data lab tests	Assaying and laboratory procedures	The principal laboratory assay method was Fluorescence Spectroscopy (XRF).
	Parameters, models for geophysical or other instruments.	The advantages of XRF spectroscopy include: • The technique is ideal for the measurement of major and minor elements and is thus a preferred technique for whole rock characterization. • The fusion technique minimizes particle size effects that could otherwise cause problems with the measurement process. • Numerous trace elements determined from the same fused disk, e.g. Y, Nb, Zr. The disks themselves can be stored indefinitely. Daytal have their own on-site laboratory, equipped with an AXIOS XRF Spectrometer. The principle of operation of the Daytal spectroscope is the same as outlined above, except that the unit sorts the secondary X-rays according to their energy levels rather

Criteria	JORC Explanation	Commentary
		than their wavelengths. This is calibrated daily against 3 standard samples for different grade ranges. These sets of standard samples were independently certified. Daytal uses Los Santos materials as standards. The results of these samples were used as the reference grades. The Daytal assay laboratory provides measurements of WO3, As2O3, SO3 and CuO. Blank reference samples are also measured for approximately every 50 samples.
	QC procedures, related to accuracy (lack of bias) and precision	Results associated with all QC procedures are described in Section 9. These results showed acceptable precision and lack of bias.
Verification of sampling and assaying	Verification of key intersections - independent personnel	Although no specific twin drillholes were drilled, eight underground cross-cuts were developed across the principal skarn and prior to the development of these cross-cuts, drillholes were put in along the line of each drift.
	Use of twinned holes	During subsequent development of the cross-cuts, detailed bulk samples (sometimes >30t) were taken, particularly through the skarn intersections and dispatched to a laboratory for analysis and metallurgical tests.
	Documentation of primary data, and entry procedures	The Competent Person has reviewed all of the QAQC data generated during the Daytal's drilling campaigns.
	Adjustments to assay data	No adjustments were made to assay data.
Location of data points	Accuracy and quality of drillhole and workings' surveys	Topographical data are measured using a GPS Leica 1200 system.
	Specification of grid system	All surface surveying measurements are generated in UTM Coordinates, and are referenced to the UTM30 7P coordinate system. Topographical data are measured using a GPS Leica 1200 system.
	Quality and adequacy of topographic control	It is considered that the topographic data available is of sufficient quality for resource and reserve estimation purposes
Data spacing and distribution	Spacing for reporting of Exploration Results	Not relevant to estimation of Tailings Resources reported.
	Assessment of data spacing and distribution	Not relevant to estimation of Tailings Resources reported. Average grades for each tailings area have been determined, stemming from mill tailings measurements.
	Sample compositing	During the pit production period, 2.5m downhole composites were generated.
Orientation of data in relation to geological structure	Sampling orientation	The majority of drill lines (and trenches) are at approximately right angles to the strike of the individual skarn beds.
	Assessment of orientation	It is not considered that there was any sample bias has been introduced because of the orientation of drilling and mineralised structures.
Sample security	Measures for sample security	The Daytal core shed is a lockable facility on the outskirts of the town of Los Santos. The on-site laboratory, which is next to the mill, is covered by the mine security system. All check samples were sent by courier to laboratories.
Audits or reviews	Results of any audits or reviews	The Competent Person has reviewed the sampling techniques and data and considers them adequate for resource/reserve estimation.

Section 2. Reporting of Exploration Results

Criteria	JORC Explanation	Commentary
Mineral Tenement and Land Tenure Status	License information and data, including royalites	Described in Section 2.
	Security of tenure	Described in Section 1.2.
Exploration Done by Other Parties	Other parties	Described in Section 6.1.
Geology	Deposit type, setting and mineralisation	Described in Section 5.
Drillhole Information	Drillhole Information	Described in Section 7.
	Explain any excluded data	No information has been excluded.
Data Aggregation Methods	Averaging techniques/truncations	Exploration results not being reported.
	Aggregation methods	Not applicable for tailing evaluation.
	Assumptions for any metal equivalents	Metal Equivalents not used
	Geometry of mineralisation with respect to drilling	Holes inclined so as get as near to perpendicular intersections as possible

Relationship between mineralisation widths and intercept lengths	Statement related to true width	No downhole lengths or individual intersections being reported.
Diagrams	Maps/sections - discoveries, collars	Not relevant.
Balanced Reporting	High/low grades and widths	Not relevant when reporting Mineral Resources
Other Substantive Data	Other exploration data.	Minor amounts of data consisted from trench data and underground channel sample data.
Further Work	Planned further work	No further exploration work planned.
	Diagrams of extensions, interpretations and future drilling	Not relevant

Section 3. Estimation and Reporting of Mineral Resources

Criteria	JORC Explanation	Information Required
Database integrity	Measures for error reduction/removal between collection and use for mineral resource estimate (MRE).	Tailings grades stem from mill tailings measurements; 2 coarse tailings and 2 fine samples per working day over the mine life. This represents over 1,400 samples per year.
	Validation procedures	Measured Tailings grades compare well with predicted tailings grades from mine production and mill recovery. Measured tailings volumes also compare well with mine and mill production figures.
Site Visits	Visit details	Adam Wheeler has worked on resource and reserve estimation for Los Santos annually since 2006. His last visit on site was from September 21st -24th, 2015, following numerous earlier trips between 2007 and 2015.
	Explanation if no visit	Not relevant
Geological interpretation	Confidence in geological interpretation	The geological model is considered robust.
	Nature of data, assumptions	Original sample data were from 302 surface and 37 underground DD holes, 111 reverse circulation holes and 255 trenches; in total these yielded 6,779 samples (5,995 from boreholes and 784 from trenches).
	Effect of alternative interpretations on MRE	Effects of alternative geologic models were not tested.
	Use of geology in controlling MRE	Very little, as current evaluated resources on pertain to Tailings resources.
	Factors affecting continuity of grade and geology	Mill tailings grades are very consistent month by month.
Dimensions	Extent and variability	6 of the separate tailings areas are approximately side-by-side on top of old waste dump, taking up an area of approximately 400m x 250m. The other large single tailings area measures approximately 400m x 300m.
Estimation and modelling techniques	Estimation techniques: assumptions, software, parameters	The resource estimation has been completed using a topogrpahic surveys of the tailings areas to determine volumes. Grades and tonnages have stemmed from mill tailing measurements. These figures have given check density densities which compare well with field density measurements.
	Check/previous estimates	The tailing resource compare very well with production records.
	Assumption with respect to recovery of byproducts	No by-products are produced.
	Deleterious elements	There are no acid drainage problems, so there is no quantitative assessment of sulphur.
	Block size with respect to sample spacing	Not relevant.
	Assumption with respect to SMUs	Not relevant.
	Correlation between variables	No assumptions have been made about the correlation between any variables.
	How geology interpretation used to control resource estimates	Not relevant, as only Tailings resources evaluated.
	Grade capping	No grade capping in resource estimation.
	Validation process	Comparison of tailings' estimates with production records.
Moisture	Method of determination	Tonnages are estimated on a dry basis
Cut-off parameters	Basis and parameters	The breakeven cut-off of tailings re-processing is 0.07%WO_3, based on an assumed APT price of \$350/mtu WO_3.
Mining factors/assumptions	Mining methods: dimensions, assumptions extraction prospects	The tailings material will be excavated with a backhoe and then trucked to the mill.
Metallurgical factors/assumptions	Assumptions re processes and parameters	As well as various modifications to the mill in 2018-19, to deal with the re-processing of old tailings material, further enhancements are now planned, to build a slimes circuit. These improvements are primarily related to the use of Multi-gravity separators (MGS). This should result in a mill recovery of 50%.

Criteria	JORC Explanation	Information Required
Environmental factors/assumptions	Status of potential environmental impacts	In accordance with Spanish law, the Environmental Plan and the Restoration Plan were presented jointly with the Exploitation Plan during the open pit mining phase of Los Santos.
Bulk Density	Basis and application	Sporadic density measurements of emplaced tailings material have ranged from 1.55 – 1.69. These values compare well with back-calculated overall densities, stemming surveyed volumes and production tonnages.
	Void spaces	It is considered that the density measurements take adequate account of void spaces, which are minimal.
	Assumptions with respect to the evaluation process	Assumptions not used. Tonnages in evaluation have come from mill production figures.
Classification	Basis for MRE, with varying confidence categories	Tailings resources have been classified as Indicated resources, as the original open pit resources were generally classified as Measured or Indicated at the time of mining. The original Resource classification criteria were based on data variability, such that: Measured - covered by a grid of bed intersections at least 15m x 15m Indicated- covered by a grid of bed intersections at least 30m x 30m Inferred - within the interpreted skarn beds, but with sampling that is not in a regular grid of at least 30m x 30m.
	Factors: tonnes, grades, input data, geology; quality, quantity and distribution	It is considered this classification system takes into account all relevant factors associated with the Los Santos resources.
	Results reflect CP's view	The resource estimation results reflect the Competent Person's view of the deposit.
Audits/reviews	Results of any previous reviews	The topographic measurements for the remaining tailing resources were done by an external surveying company, Ofiteat, in December 2020.
Discussion of relative accuracy/confidence	Statement re relative accuracy and confidence level	The historic tailings grades are very consistent, for each type of tailings. The fine tailings material has consistently higher WO_3 grades.
	Specifics for global and local estimates, relevant to technical and economic evaluation.	The tailings resource grades have been calculated as global average grades for each tailing area.
	Comparison with production data, where available	The measured tailings resource WO_3 model grades compare well with previous figures from mine and mill production figures.

Section 4. Estimation and Reporting of Ore Reserves

Criteria	JORC Explanation	Information Required
MRE conversion to Ore Reserve (OR)	Description of MRE	Stated in Table 1-1..
	MRE - inclusive of, or additional to, OR	The Mineral Resources are reported inclusive of the Ore Reserves.
Site Visit	Comment re CP visit	Adam Wheeler has worked on resource and reserve estimation for Los Santos annually since 2006. The current report was prepared by Adam Wheeler, with assistance from Daytal staff, in order to present updated resource and reserve estimates as of the end of December 2020. Adam Wheeler last worked on site from September 21st -24th, 2015, following numerous earlier trips between 2007 and 2015.
	If not, why not.	Not relevant.
Study status	Type and level of study undertaken	This Technical Report on the Mineral Resources and Reserves of the Los Santos Mine Project, Spain is at a Feasibility Study (FS) level.
	At least PFS level required; viable mine plan determination	The Technical Report demonstrates that the Ore Reserves can be extracted by an achievable plan which is economically viable.
Cut-off parameters	Basis and parameters	The breakeven cut-off for tailings re-processing is 0.07%WO_3, based on an assumed APT price of \$350/mtu WO_3, an overall processing cost of \$6.5/t and a G&A cost of \$2.51/t.
Mining Factors/Assumptions	Methods and assumptions	Described in Section 13.
	Choice of mining methods and parameters	The tailing will be excavated with a backhoe and then trucked to the mill.
	Assumptions for geotechnics, grade control and pre-production drilling	A maximum overall working slope of 34º will be preserved as the tailings material gets re-processed.
	Major assumptions used in pit/stope optimisation	Not relevant.
	Mining dilution factors	No dilution factors applied.

Criteria	JORC Explanation	Information Required
	Mining recovery factors	No mining recovery factors applied.
	Minimum mining widths	Not relevant as all remaining tailings material will be re-processed.
	No use of inferred resources in mining studies	There are no Inferred resources.
	Infrastructure requirements	All infrastructure in place, including a pipeline for disposal of the new tailings after re-processing.
Metallurgical factors/assumptions	Met. Process proposed: appropriateness for mineralisation	In addition to the existing process plant, a slimes circuit is also going to added, as described in Section 10.
	Whether met. process is well tested.	The MGS separating equipment planned for the slimes circuit is well-tested technology.
	Nature of met test work	Tailings re-processing has already taken place, between April 2019 and Jan 2020.
	Assumptions made for deleterious elements	There are some flotation stages in the mill to remove sulphides form the concentrate.
	Bulk sample/pilot test > orebody representivity	During the 2019 re-processing period, approximately 500Kt of material was treated.
	OR based on appropriate mineralogy	The ore reserve estimation has been based on appropriate mineralogy.
Environmental	EI studies. Waste rock characterisation. Residue storage, waste dumps.	The new tailings discharge will be pumped to fill the old open pit excavations. Permission has been granted to dump both original and reprocessed tailings into the SWD1 pit. The mine closure plan incorporates the dismantling of the processing plant, filling of the excavated pits, with the exception of Los Santos Sur, and revegetation of the waste dumps, the total budgeted at €428,300.
Infrastructure	Existing land for development, power, water, transportation, labour.	Refer to Section 15.
Costs	Derivation of capital costs.	Summarised in Section 18
	Methodology for operating costs.	Derived from actual costs, as summarised in Section 18.
	Allowances for deleterious elements.	Operating costs for sulphide flotation, and subsequent removal, are already included in mill operating costs.
	Source of exchange rates.	The current exchange rate used is US$1.15 to 1.00 Euros (€).
	Derivation of transport charges.	Concentrate transport are reflected the 22% reduction applied to the APT price.
	Basis for tc/rc, penalties.	Further treatment costs are reflected in the 22% reduction applied to the APT price, to calculate the actual received metal price. This reduction is based on recent historic data from the mine.
	Allowances for royalties.	There are no royalties required other than surface royalties described in the Solicitor's Report on Tenements from Felipe Rodriguez Cascon in Appendix H of Almonty's Prospectus . However, a local annual tax of approximately $USD3,000 is paid annually.
Revenue Factors	Assumptions for head grades, exchange rates and other charges.	This unit price varies for individual consignments according to the prevailing ammonium paratungstate (APT) price as published in Metals Bulletin magazine ("the Metals Bulletin price") at certain times.
	Assumptions for metal prices.	Cut-offs for ore/waste are based on a long term planning price of US$35,000/t WO_3 APT (ammonium paratungstate). This long-term price level is based on Almonty's long-term view, predicted from previous contractual agreements.
Market Assessment	Demand, supply and stock situation	Previous selling contracts have called for delivery of tungsten concentrate grading plus 65% WO_3.
	Customer analysis, market windows.	Almonty has extensive experience in meeting sales contracts from numerous different mines.
	Price and volume forecasts.	The details of the contracts, including the APT discount rate applicable, are strictly commercial-in-confidence and may not be disclosed, but equate to industry norms.
	For industrial minerals: specification, testing and acceptance requirements.	Not relevant.
Economic	Inputs for NPV in study. Source and confidence of economic inputs.	An economic analysis over the life-of-mine (LOM) plan, is based on revenue derived from remaining tailings reserves. Cashflow shown in Table 19-1.
	NPV ranges and sensitivities.	The envisaged processing cost for re-processed tailings is US$6.5/t leading to a breakeven cut-off grade 0.07% WO3. This implies that all of the identified tailings material is economically viable to process, and so is included in the ore reserve and the LOM plan. The currently predicted overall tailings recovery (coarse and fine) is 50%.
Social	Status of agreements with key stakeholders, for social license to operate.	This existing agreements with local landowners will continue for the tailings re-processing period.

Criteria	JORC Explanation	Information Required
Other	Impact of identified material risks.	Refer to the risk factors in Section 6 of Almonty's Prospectus.
	Status of legal agreements and marketing arrangements.	Refer to Section 17 of this report and the Solicitor's Report on Tenements from Felipe Rodriguez Cascon in Appendix H of Almonty's Prospectus of Almonty's Prospectus.
	Status of government agreements and approvals.	Refer to Section 17 of this report and the Solicitor's Report on Tenements from Felipe Rodriguez Cascon in Appendix H of Almonty's Prospectus.
Classification	Basis for classification of OR, into varying confidence categories.	All of the stored tailings have been classified as Indicated resources. They have not been classified as Measured resources, as it is considered that positionally, grades are not known with sufficient detail.
	Whether results reflect CP's view.	The results do reflect the Competent Person's view of the deposit.
	Proportion of Probable Ore Reserves derived from Measured Mineral Resources.	Not relevant, as there are no Measured Resources.
Audits or reviews	Results of any audits/reviews on OR estimates.	The topographic measurements for the remaining tailing resources were done by an external surveying company Ofiteat in December 2020.
Discussion of relative accuracy/confidence	Statement of relative accuracy in the OR estimates, or if not appropriate, qualitative discussion.	It is considered that average grades derived for each tailings area correspond very well according to the known mine and mill production data.
	Relation to global or local estimates.	The Ore Reserve statement relates to global estimates of tonnes and grade for each tailings area.
	Accuracy discussion with respect to any Modifying Factors.	There are no modifying factors applied during Ore Reserve calculations.
	Where possible, comparison with production data.	The re-treated tailings grades, during 2019, corresponded very well with estimated tailing grades.

APPENDIX B:

Glossary of Terms

UNITS OF MEASURE AND ABBREVIATIONS

D&B	Drill and blast
DMT	dry metric tonne
DTM	digital terrain model (surface wireframe)
GC	Grade control
ha	hectares
ISO	International Organization for Standardisation
Ktpa	Kilo-tonnes per annum
m	meters
m/h	meters per hour
mtu	metric tonne unit
	1 mtu = 10kg = 0.01t. Normally used to refer to 10kg of WO_3 concentrate at a grade of 100% WO_3.
m^3	cubic meter
m^3/h	cubic meters per hour
t	Tonne (1,000 kg)
km	Kilometers
kt	Tonnes x 1,000
Mt	Tonnes x 1,000,000
MRE	Mineral Resource Estimation
NI	National Instrument (43-101)
NSR	Net smelter return
OR	Ore Reserves
ppb	Parts per billion
ppm	Parts per million
QA/QC	Quality assurance/ quality control
SMU	Selective mining unit
tph	Tonnes per hour
tpa	Tonnes per annum/year
US$	US dollars
UTM	Universal Transverse Mercator
W	Wolfram
3D	Three-dimensional

US$	US dollars
UTM	Universal Transverse Mercator
XRF	X-ray fluorescence

APT Pricing

Mined tungsten concentrates are priced by reference to the price of Ammonium Paratungstate (APT), an intermediate product in the production of tungsten metal, powder, tungsten carbide or other end use tungsten products. Prices are quoted "per metric tonne unit" (mtu) which is equivalent to 10 kg of product. An equivalent price per tonne is therefore the price on an mtu basis multiplied by 100.

The price received at the mine for its concentrate sales is typically subject to a discount to the APT price to cover the cost of converting mined concentrate to APT as in the case of TC/RC charges for base metals.

Appendix E - Independent Technical Assessment (Valtreixal Project)

TECHNICAL ASSESSMENT REPORT ON THE

MINERAL RESOURCES AND ORE RESERVES OF THE

VALTREIXAL PROJECT, SPAIN

Prepared for

Almonty Industries Inc.

by

Competent Person:
Adam Wheeler, B.Sc, M.Sc, C. Eng.

30th December 2020



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1 SUMMARY

1.1 Introduction and Overview

This Technical Assessment Report was prepared according to the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("VALMIN Code"), as a review and summary of Mineral Resource and Ore Reserve Estimation for the Valtreixal project, as of the end of December, 2020. The Valtreixal deposit is a potential open pit operation, and is located in the NW part of the Zamora province, in the Castilla de Leon region of Spain. The principal potential products are tungsten and tin.

This report was prepared by Adam Wheeler, at the request of Almonty Industries Inc. ("Almonty"). Assistance and technical detail were supplied by the technical personnel of Almonty in Spain. Adam Wheeler visited the Valtreixal site most recently on June 15th and 16th, 2015. The Mineral Resources and Ore Reserves presented in the report are based on, and fairly represent, the information and supporting documentation prepared by Adam Wheeler.

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves for the Valtreixal project is based on information compiled by Mr Adam Wheeler, who is an independent self-employed mining consultant and is not a permanent employee of Almonty. Mr Wheeler is a Fellow of the Institute of Materials, Minerals and Mining (a Recognised Professional Organisation included in a list promulgated from time to time) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves; (JORC Code 2012 Edition). Mr Wheeler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Valtreixal mineralisation has been explored with underground development since the late 1800s, and limited tin exploitation occurred sporadically in the mid-1900s.

All measurement units used in this report are metric, and currency is expressed in US Dollars (US$) unless stated otherwise. The exchange rate used in this report is US$1.15 to 1.00 Euro (€), unless otherwise stated.

1.2 Ownership

Sociedad de Investigación y Explotación Minera de Castilla y León, S.A. (Siemcalsa) is the original holder of the following tenements: Valtreixal is the holder of the following tenements: (i) C.E. (Concesion de Explotacion) No. 1352, 'Alto de Repilados' mining concession; and (ii) P.I. (Permiso de Investigacion) No.1906 'Valtreixal' research license. The mine is located in Pedralba de la Pradería (Zamora, Spain). These two licence areas cover the whole project area and known resources.

Almonty and Siemcalsa have entered into an agreement, by virtue of which Almonty was entitled to acquire the mining rights. Almonty acquired 100% of the mining rights at a total cost of €2,900,000, plus VAT. Of this amount, €500,000, plus VAT is still pending, as a bank guarantee. This payment will be made, for the rental of the land from the municipality of Pedralba de la Praderia, once the mining licence has been approved by the Mining and Environmental Department of Castilla and León.

1.3 Geology and Mineralisation

The local stratigraphy in the Valtreixal area is dominated by three main formations, all of which broadly strike SW-NE, and dip at approximately 80º SE: approximately 1,000m Cambrian/Ordovician schists, 50 – 70m of Ordovician quartzites and 300 – 600m of an Ordovician series of siliceous slates, phyllites and schists, which host most of the mineralisation.

Valtreixal can be classified as a complex vein deposit, with a significant amount of the mineralisation, especially scheelite, situated away from the quartz veins and apparently stratabound. Tin, in the form of cassiterite, occurs in and around the quartz veins, the linear mineralised zones are in general confined to specific stratigraphic intervals and there appears to be a degree of separation into tin and tungsten zones.

1.4 Database and Resource Estimation

Three types of samples are available for resource estimation: underground channel samples, surface trench samples and diamond drillhole samples. Underground channel samples have been taken in old underground galleries, either pre-1986 or in the period from 2008-2011. For the current work, only samples from two galleries have been included, owing to the status of survey data.

Data from 26 surface trenches, covering 3.7 km, have been included from the 2008-2011 exploration campaigns. Data from 18 surface trenches, covering 2.7 km, have been generated during Almonty's 2013 exploration campaign. One additional surface trench was also excavated in an old surface stockpile. The 2008-11 exploration campaigns included 6 diamond drillholes, with a total length of 1,227m. Almonty's 2013-2015 exploration campaign completed 59 diamond drillholes, with a total length of 10,716 m.

Data were collated by Almonty in an Excel database, and then imported into the CAE Datamine mining software system. The resource estimation work used updated interpretation of mineralised structures by Almonty geologists. As well as logged lithological differences, cut-off grades of 0.07% Sn and 0.07% WO_3 were used in the interpretation process. There are four main mineralised structures, extending over a strike length of 1.5 km.

These interpretations were used to create a 3D block model, based on a parent block size of 10m x 10m x 10m, with sub-blocks generated down to a resolution of 1m. In addition, sub-blocks were extrapolated a maximum distance of 50m from all selected samples, from mineralized intersections, so vein material could also be modelled outside the structurally modelled zones. Dynamic anisotropy was applied, to allow for varying dip and strike orientations.

The samples selected inside the interpretations were converted into 2m composites, to which top-cut levels of 1.27% Sn and 1.1% WO_3 were applied. These composited grades were used to estimate Sn and WO_3 grades into the volumetric block model, primarily using an ordinary kriging (OK) method of interpolation. For validation purposes, alternative grades were also estimated using a nearest neighbour method. Density values were estimated from core density measurements.

The western part of the deposit, which has now been drilled off on a 30m drilling grid, has generally been classified as Indicated resources; the remainder of the deposit being classified as Inferred.

1.5 Mine Planning

The current study is at a pre-feasibility (PFS) level. An open pit optimisation used parameters derived by reference to the Los Santos open pit which is operated with mining contractors. The parameters were modified to reflect the fact that mining at Valtreixal will not require drilling and blasting. Processing parameters were derived from metallurgical testwork on Valtreixal material.

The optimised pit shell was used as a reference for the generation of a detailed pit design, which is cut into the west sloping existing hillside. The overall pit design is approximately 700m in length along strike, and 300m wide at its widest point. Grades of WO_3 and Sn were used to create a WO_3-equivalent grade, which was referenced against the breakeven cut-off grade of 0.08% WO_3 to indicate ore or waste. For the pit design this gave approximately 2.5 Mt of Probable ore, with an overall strip ratio of 8.2 : 1. The pit envelope also contained 2.2Mt of Inferred resources which were conservatively assumed to be unmineralised waste, given that the Inferred resources haven't been defined as ore reserves and may not be defined as ore reserves.

Based on the ore reserves, a life-of-mine plan was developed, aimed at producing 500 ktpa of ore, over approximately a 5 year mine life. For scheduling purposes, the pit was divided into two principal pushbacks, resulting in western and eastern sections. The general sequencing strategy will be to excavate the pit areas from west to east, with dumping of mine waste from the active east advancing benches into the previously excavated western pit areas.

1.6 Mineral Processing

A review and conceptual study was completed by StB, in May 2014. This study included a review of mineralogical studies, petrological studies, heavy liquid separation, QEMSCAN testing and scheelite flotation testing.

Based on the mineralogical and metallurgical information reviewed by StB, a conceptual plant design was developed to encompass crushing, grinding and gravity separation of scheelite and cassiterite into a bulk concentrate; removal of sulphides from the bulk concentrate by flotation; and drying and electrostatic separation of the bulk concentrate into separate scheelite and cassiterite concentrates. A metallurgical performance was estimated to be 65% tin recovery, allowing a 50% Sn concentrate, and a 55% tungsten recovery, allowing a 65% WO_3 concentrate.

Pilot plant studies have also been completed by the technical personnel working in the mine Fuenterroble Los Santos (Salamanca) laboratory, and has been used by Almonty in the design of an ore beneficiation process for Valtreixal.

StB considered that the likely pit geometries, along with the natural topography, lend to an eventual dry disposal of tailings in the initially mined out pits. A dry tailings treatment plant has therefore been incorporated into the overall mill design.

1.7 Mineral Resource and Ore Reserve Estimates

The estimation work was carried out and prepared in compliance with the 2012 JORC Code and Canadian National Instrument 43-101, and the mineral resources in this estimate were estimated using the JORC Code and Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council May, 2014. The current resource estimation for Indicated resources is shown in Table 1-1. There are no Measured resources. Inferred resources are shown in Table 1-2. The metallurgical recoveries involved in the WO_3 Equivalent calculation are those estimated by metallurgical consultants. Is it considered by the Competent Person that these Mineral Resources, containing both WO_3 and Sn, have a reasonable prospect for eventual economic extraction.

Table 1-1. Valtreixal – Indicated Mineral Resources
As of 31st December, 2020

CLASS	Tonnes	Sn	WO_3	WO_3_Eq
	Kt	%	%	%
Indicated	2,833	0.13	0.25	0.36

Notes

. Cut-off applied of 0.05% WO_3_Eq

. WO_3_Eq = WO_3 + (Sn x 0.91), based on:

	Price	Recovery
WO_3	$35,000/t	55%
Sn	$27,000/t	65%

. Maximum extrapolation = 50m

. Density values estimated from measurements

. Resources shown are inclusive of reserves

Table 1-2. Valtreixal – Inferred Mineral Resources
As of 31st August, 2016
(using the same metal equivalent assumptions as in Table 1-1)

CLASS	Tonnes	Sn	WO_3	WO_3_Eq
	Kt	%	%	%
Inferred	16,755	0.11	0.08	0.18

Notes

. Cut-off applied of 0.05% WO_3_Eq

Ore Reserves have been determined, as part of the PFS study described in this report. These reserves comprise the Indicated resources which are inside the current final pit design, and are summarised in Table 1-3.

Table 1-3. Valtreixal –Ore Reserves
As of 31st December, 2020

Reserve Category	Tonnes	Sn	WO_3	WO_3_Equiv
	Kt	%	%	%
Probable Reserves	2,577	0.12	0.25	0.35

Notes

. WO_3_Eq = WO_3 + (Sn x 0.91), based on:

	Price	Recovery
WO_3	$35,000/t	55%
Sn	$27,000/t	65%

. Cut-off applied to WO3_Equiv

Breakeven Cut-off = 0.09% WO_3

. Mining factors applied:

Dilution = 5%

Losses = 5%

1.8 Conclusions

The following conclusions have been reached by the Competent Person:

a) Valtreixal represents a viable open pit project. An open pit has been designed with 2.5 Mt of ore, which gives a 5 year mine life, based on a mill throughput of 500 ktpa. An economic analysis indicates a net present value (NPV, at a 10% discount rate) of US$10.5M, and an internal rate of return of 19% as described in Section 19 of this report.
b) Exploration drilling completed by Almonty from 2013-2015 has confirmed and extended the originally previously delineated resource base. In particular, the occurrence of scheelite mineralisation external to the quartz veins, has provided much wider mineralised zones than were previously interpreted.
c) The current open pit design is one coherent excavation.

2 PROPERTY DESCRIPTION AND LOCATION

The Valtreixal tin-tungsten project in the NW part of Zamora province of the Castilla de Leon region of Spain, is located 5km north of the Portuguese border and approximately 100km north-west of the city of Zamora; the mine is at latitude 41° 59' 00''N and a longitude of 62° 42' 30''W, as shown in Figure 2-1. This plan also shows the other Almonty mine properties on the Iberian Peninsula. Panasqueira is in Portugal, approximately 220 km south-west of Valtreixal and Los Santos is in Spain, approximately 180 km south-east of Valtreixal.

The extent of the licence areas in Section 1.2 above, being C.E. (Concesion de Explotacion) No. 1352, Alto de Repilados and P.I. (Permiso de Investigacion) No.1906 Valtreixal, is depicted in Figure 2-2. The current status of these two licence areas is shown in Table 2-1.

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Table 2-1. Current Licence Status

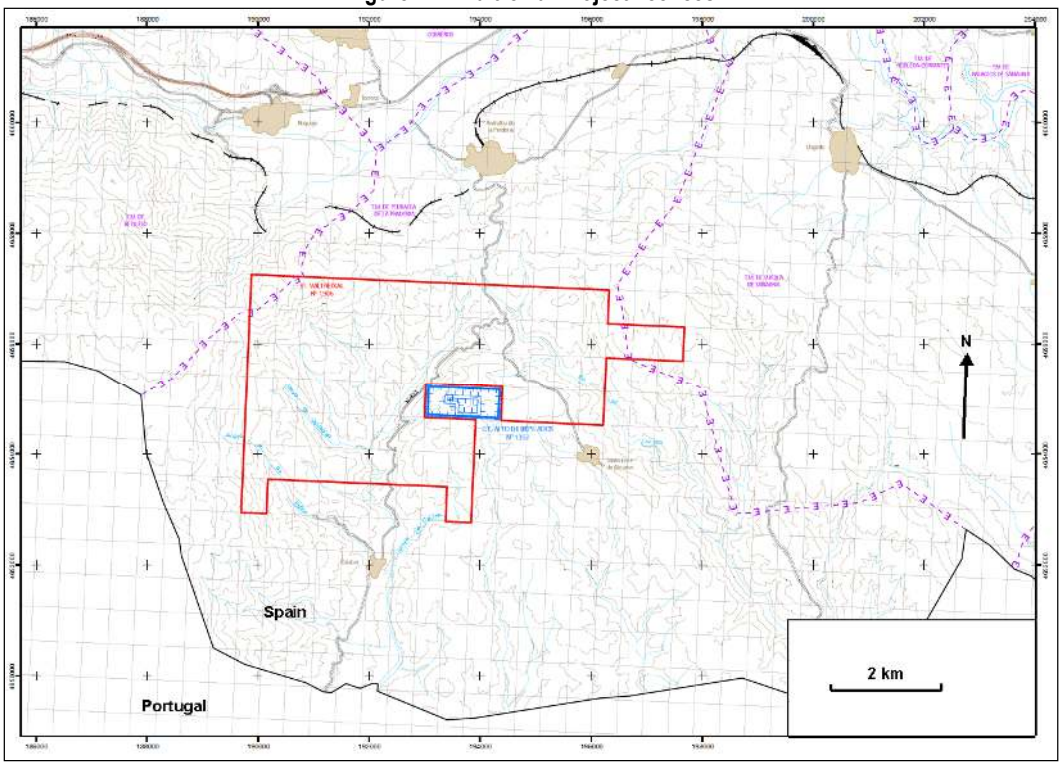
Permision Area Name	P.I. nº 1.906 Valtreixal	C.E. nº 1.352 ALTO DE REPILADOS
Original permission award date	July 2007	January 2009
Duration	3 years extendable	30 years
Exploration Status	Active	Active
Current expiration date	02 January 2021 (in process of being extended)	10 December 2038
Área	2158,4	85,2

These two licence areas cover the whole project area and known resources. Work that was done historically utilised the UTM coordinate system ED50 in time zone 29. In the current work, all coordinate data have been updated to the ETRS89 coordinate system.
For further information please refer to the Solicitor's Report on Tenements from Felipe Rodriguez Cascon in Appendix H of Almonty's Prospectus.

Figure 2-1. Map of Spain Showing Valtreixal Location



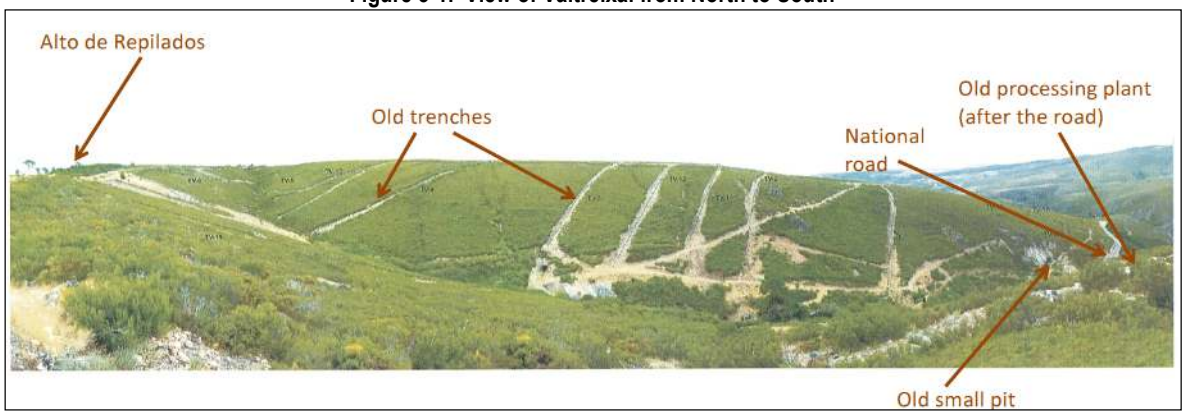
Figure 2-2. Valtreixal Project licences



3 ACCESSIBILITY, LOCAL RESOURCES AND INFRASTRUCTURE

The Valtreixal site is accessed from the north by means of the main ZA-925 road from Puebla de Sanabria, which cuts across the south-west corner of the deposit, some showings of which outcrop along the road cuttings. The journey time by road from Salamanca, as well as Almonty's Los Santos mine operation, is around 3 hours, and includes a 1km dirt road to the deposit area. A local view of the site is shown in Figure 3-1.

Figure 3-1. View of Valtreixal from North to South



The deposit is located in an area of undulating hills, dissected by local small rivers, with chestnut, walnut, birch, holly, ash, alder, apple, cherry and pine trees. A natural park, the 'Parque Natural Lago de Sanabria y Alrededores' lies approximately 15km north of Valtreixal and covers an area of 22,365ha. Valtreixal is at an elevation in the range 805m – 1050mRL, between a continental Mediterranean climate and a much colder and damper mountain climate. A weather station approximately 15km north-east of Valtreixal often records the lowest temperatures in Spain, with winter temperatures below -15°C. Puebla de Sanabria has a mild climate with dry warm summers.

4 PROJECT HISTORY

The first modern mining concession dates from 1932 and in 1940 the mine was operated by a German company, and closed at the end of World War 2. In 1948, the property was acquired by Estanifera de S. Barbara, and exploitation continued up until closure in 1969; the concession "Alto de Repilados" at the eastern end of the deposit was granted in 1969, but there was no work after that date. All of the historical exploitation focussed on tin in quartz veins – tungsten was ignored, witnessed by the fact that preliminary sampling of old waste dumps and plant tailings, returned grades of approximately 0.2% WO_3.

Subsequently ***ENADIMISA*** (State owned) completed the following exploration work:

- Initial work 1979 – 1981: photogrammetric mapping of the old mine and surrounds; 7 surface trenches with sampling totalling 660m.
- 1983 – 1985: development of an underground exploration gallery 175m in length, with 35 x 30kg samples at 5m intervals; recovery of old underground galleries, totalling 140m in length with 28 samples; three surface exploration trenches; various preliminary mineralogical tests.
- 1984 – 1985: 273m of drilling from 3 boreholes; further mineralogical tests; 10 surface trenches.

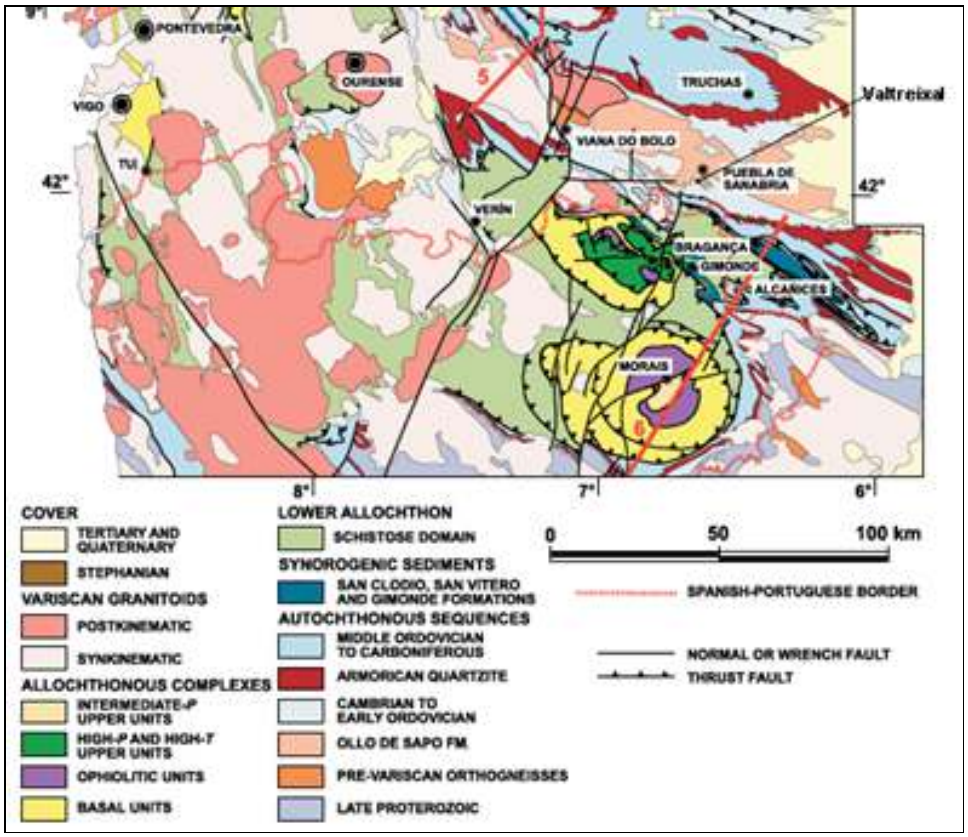
The tin price collapsed in 1985 and subsequently in 1994 the mining rights (with the exception of "Alto de Repilados") were returned to the public domain. In 2006 ***SIEMCALSA*** (State owned) were granted the exploration permit for Valtreixal (83 areas of mining rights) and in 2007 for Alto de Repilados (5 areas). Work was completed from 2008-2011 including: access to 20 underground galleries with a total length of 2,500m (260 samples); 26 surface trenches, for a total of 2,836m; 6 surface diamond drillholes, totalling 1,227m. Mineralogical samples were taken over a length of 24.7m in a central underground gallery.

5 GEOLOGY AND MINERALISATION

The Valtreixal area is located on the northern flank of the Alcañices syncline, in a folded zone referred to as the Centroliberian Zone of the Hercynian massif, as shown in Figure 5-1. Dilation zones, trending NE along the Braganca Fault, appear to be associated with the development of quartz veins and later tin/tungsten mineralisation in shale, by a mineralising hydrothermal system of Hercynian age (330 Ma to 280 Ma).

The local stratigraphy in the Valtreixal area is dominated by three main formations, all of which broadly strike SW-NE, and dip at approximately 80º SE *viz*. 1,000m Cambrian/Ordovician schists (*Capas de los Montes*), with intercalated quartzites and a basal conglomerate; 50 – 70m of Ordovician quartzites (*Peña Goda/Culebra*) with intercalated schists and 300 – 600m of an Ordovician pelitic series of siliceous slates, phyllites and schists, (*Pizarras de Luarca*) hosting most of the mineralisation. Valtreixal can be classified as a complex vein deposit, with a significant amount of the mineralisation, especially scheelite, situated away from the quartz veins and apparently stratabound. Tin, in the form of cassiterite, occurs in and around the quartz veins, the linear mineralised zones are in general confined to specific stratigraphic intervals and there appears to be a degree of separation into tin and tungsten zones.

Figure 5-1. Valtreixal – Regional Geology



6 EXPLORATION

Surface trenching exploration started in November 2013. An excavator dug 18 trenches totalling 2,654m, approximately 0.50m wide, generally =>1m deep in order to reach bedrock and oriented at right angles to the general direction of mineralisation.

Channel samples (806 Sn, 1,131 WO_3) were taken in the walls of the trenches either manually or using an electric hammer. Typically the weight per sample was 8-10kg.

7 DRILLING

Almonty's drilling exploration at Valtreixal commenced in July 2013 and holes were generally collared as PQ (core 122.6mm) and then changed to HQ (core 63.5mm) once the alteration zone was passed. Some of the holes were changed to NQ (core 47.6mm) after approximately 100m; downhole survey measurements, of inclination and orientation, were undertaken. A total of 59 holes (10,716m/average length 182m) was drilled and 3,478 Sn and 4,496 WO_3 samples were taken, between 2013 and 2015. A summary of the Almonty drilling from 2013-2015 is shown in Table 7-1. Various drill set-ups for this campaign are shown in photographs from Figure 7-1 and Figure 7-2.

All core was transferred directly from the core barrel to correctly sized wooden core trays at the rig site and wooden core blocks were placed in the trays to record downhole depths at the end of each drill run. At intervals the core trays were transported to a centralised core handling facility in Puebla de Sanabria, where it was geologically logged by Almonty geological staff. Logging information recorded included: lithology, weathering, mineralisation, vein directions/widths and schistosity directions.

Mineralised portions of the holes, selected for assay on the basis of geological criteria with a maximum sample length of 2m, were sawn and one half of the core was sent to the laboratory; the remaining core, as well as coarse and pulp rejects, were stored at Almonty's facility in Puebla de Sanabria. Density measurements of the major lithologies involved weighing the sample in air and in water, and plastic film was used to cover the samples for the water measurements.

Table 7-1. Summary of Diamond Drilling – 2012-2015

Holes	Length (m)	Average Hole Length (m)	Sn Samples	WO_3 Samples
59	10,716	182	3,478	4,496

Figure 7-1. Drill Set-Up – VS004



Figure 7-2. Drill Set-Up – VS002

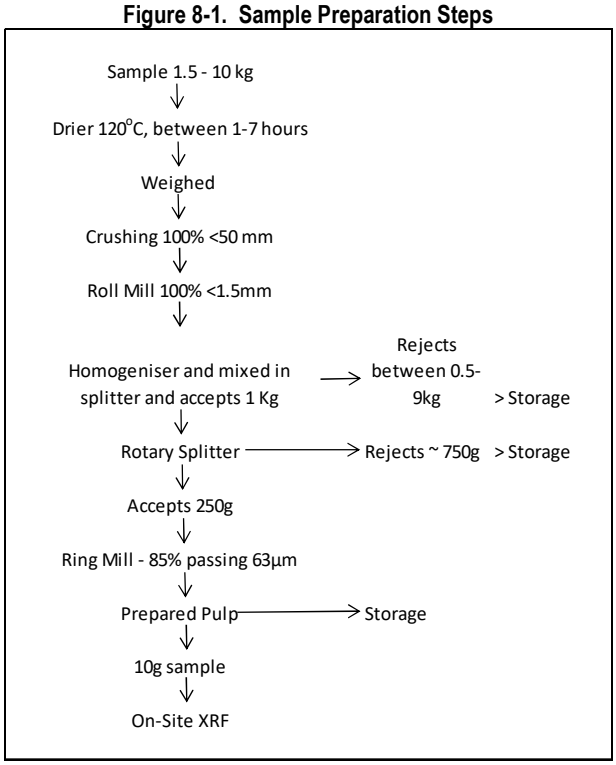


8 SAMPLE PREPARATION, ANALYSES AND SECURITY

8.1 Sample Preparation

All of the sample preparation steps take place at the Los Santos laboratory facility and are depicted in Figure 8-1. The same steps are used for samples from exploration drillholes and trench samples. All rejects from all stages are stored and archived.

Figure 8-1. Sample Preparation Steps



8.2 Laboratory Sample Analysis

Almonty have their own on-site laboratory at Los Santos, equipped with an AXIOS XRF Spectrometer. This spectrometer is calibrated daily against 3 standard samples for different grade ranges. These sets of standard samples were certified. For the Energy Dispersive-type XRF analyzer at Los Santos, it is important that the reference standards have a similar matrix composition to the unknown samples to be determined; hence the reason why Almonty uses Los Santos materials as standards. The certified results for these samples were used as the reference grades. Blank reference samples are also measured for approximately every 50 samples.

8.3 Quality Control

No QA/QC information was available with respect to the historical data. QA/QC data obtained for the Almonty assay data and derived from the laboratory at Los Santos are summarised below.

- Internal pulp duplicates, 248 out of 4496, approximately 6%
- Field duplicates, 30 out of 1737, approximately 2%
- Fine Blanks – 25 measurements
- Coarse Blanks – 34 measurements
- Granulometric analysis – 81 measurements

A summary of the results for the duplicates is shown in Table 8-1. For the WO_3 pulp duplicates, 86% have a HARD value less than 10%.

Table 8-1. Summary of QAQC Results – Duplicates

Type	Field	Number	Frequency of Duplicates	HARD @ 90%	Correlation Coefficient	Slope of Regression Line	Prop'n Misclassified
Field Duplicates	Sn	22	2%	42%	0.654	0.42	3.2%
	WO_3	30	2%	30%	0.961	0.934	3.2%
Pulp Duplicates	Sn	248	6%	6%	0.9998	1.0057	0.0%
	WO_3	248	6%	18%	0.9997	0.9957	0.4%

Notes

. 0.07% WO_3 used as cut-off in mis-classification test

. 0.07% Sn used as cut-off in mis-classification test

. HARD = half absolute relative difference

The blanks' duplicates results are summarised below in Table 8-2. Together with no relationship between blanks and previous assays, the blanks' results are acceptable.

Table 8-2. Summary of Duplicates' Results

Fine Blanks	Number of Samples			75
	Proportion Above	0.01	$\%WO_3$	7%
	Proportion Above	0.005	%Sn	0%
Coarse Blanks	Number of Samples			34
	Proportion Above	0.01	$\%WO_3$	3%
	Proportion Above	0.005	%Sn	3%

The granulometric results were also acceptable, with less than 10% of measurements passing less than 95% at 75 µm. In the opinion of the Competent Person, these QA/QC results support the resource estimation results that have been derived in the current study.

9 DATA VERIFICATION

Data verification procedures that have been applied by the Competent Person include:

- Inspection of drillhole collars, trench positions, surface outcrops and accessible underground galleries on-site at Valtreixal.
- Inspection of the core storage and handling facility at Puebla de Sanabria.
- Check measurement of drillhole collars and gallery portals using handheld GPS equipment. This was done at 12 different positions over the whole deposit strike length, and produced acceptable results.
- Analysis of duplicates for historical samples that were re-assayed by Almonty. The original historical sample had been analysed at an external laboratory in Spain. The Almonty samples were analysed at the Los Santos laboratory.

Table 9-1. Summary of Check Assay Results

Original assays – External laboratory

Check assays – Almonty Los Santos laboratory

Field	Number	HARD @ 90%	Correlation Coefficient	Slope of Regression Line	Prop'n Misclassified
WO_3	29	12%	0.957	0.908	6.9%
Sn	29	7	0.991	0.917	0.0%

Notes

. 0.07% WO_3 used as cut-off in mis-classification test

. 0.07% Sn used as cut-off in mis-classification test

. HARD = half absolute relative difference

In the opinion of the Competent Person, the verification results support the resource estimation results derived in the current study.

10 MINERAL PROCESSING AND METALLURGICAL TESTING

All historical and recent mineralogical reports were examined in the 2014 conceptual study completed by StB, in order to establish the likely liberation size of the tin and tungsten bearing minerals.

The 2009 study refers to cassiterite crystals up to 30mm, but not usually greater than 5mm. Wolframite was reported as rarely up to 25mm with scheelite finely disseminated up to 1-2mm. Sulphides were reported as occurring in two modes: finely disseminated and with large crystals in hydrothermally altered areas. The 2011 study noted the lack of potential for conventional gravity concentration at sizes above 1mm. Liberation of cassiterite below 1mm was moderate to good indicating a primary grind size of less than 1mm. StB agreed that sequential flotation of cassiterite and scheelite was complex and would require intensive testing at laboratory and pilot scale.

The 2013 study reported a very different picture of economic mineral grain sizes in schist. Average cassiterite and scheelite grain sizes were reported as 16µm and 95µm respectively. Furthermore, it was tentatively reported that, whilst 98% of tin occurs as cassiterite, 14% of tungsten was observed in titanite, a calcium titanium silicate mineral of low SG (3.5). In 2014 scheelite grains were reported with a very wide size range from 10-1000µm from a borehole core and fluorite was noted to occur together with scheelite. Scheelite and cassiterite can have similar flotation characteristics to each other, and to fluorite, the latter being highly deleterious in tin concentrates and StB recommended checking this with potential future customers.

Scheelite flotation testing (2013) on a sample of schist showed that high (>80%) rougher recoveries were possible to a concentrate of 3.6%W, although concentrate cleaning produced an average grade of 16%W with a recovery of only 45% on average. Heavy liquid separation tests on a similar sample indicated that the pre-concentration of the economic minerals was not possible at particle sizes above 1mm. However, below 1mm, reasonable liberation to produce a rough concentrate by gravity was indicated for subsequent regrinding and final upgrading and it was concluded that a potential future milling operation could consist of:

- Crushing, grinding and gravity separation of scheelite and cassiterite into a bulk concentrate;
- Removal of sulphides from the bulk concentrate by flotation; and
- Drying and electrostatic separation of the bulk concentrate into scheelite and cassiterite concentrates.

StB anticipated tin and tungsten recoveries of approximately 70% and 60%, respectively, but allowing for inefficiencies in electrostatic separation due to the likely fine nature of the bulk concentrate, StB proposed the following overall metallurgical performances:

- 65% tin recovery to a 50% Sn concentrate
- 55% tungsten recovery to a 65%WO_3 concentrate

This stems from StB's conceptual study in 2014. Almonty have subsequently done further work as summarised below.

Further pilot plant studies and concentration tests have also been performed and an ore beneficiation process based on all of the testwork has been designed. From the pilot plant studies, ore beneficiation at Valtreixal is dependent on:

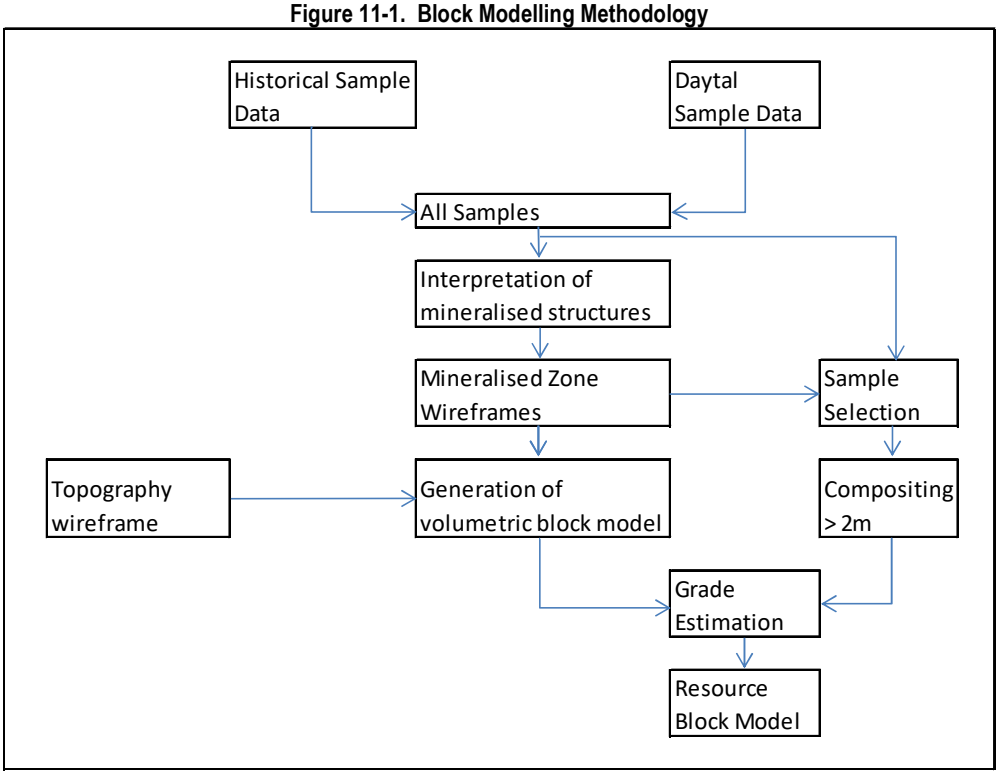
- The fragility of scheelite, which assists in the production of a recoverable amount of ultrafine material, through classical gravity concentration systems.
- The lithology of the mineralised zone, and its geotechnical characteristics, which will allow easy release of the mineral without using excessively aggressive media and should also avoid the production of excessive fines which hamper recovery:
- The existence of two minerals, WO3 and Sn with similar densities, but different behavioural characteristics can assist the use of different methods for their comminution.

All this testwork has allowed the design of an ore beneficiation process, as described in Section 14. StB considered that the likely pit geometries, along with the natural topography, lend to an eventual dry disposal of tailings in initial mined out pits. Initial tailings disposal and waste rock dumps would be sited, subject to negotiation, in the government owned forestry area immediately to the south of the open pits. Thereafter, StB propose the backfilling of worked out sections of the open pits. Future mining schedules will have to take this pit-backfilling requirement into account.

11 MINERAL RESOURCE ESTIMATES

An updated mineral resource estimation was completed, during October 2015, by the Competent Person. This resource estimation is still current, and employs a three-dimensional block modelling approach, using Datamine software. The general methodology for the current update is described in the flowsheet in Figure 11-1.

Figure 11-1. Block Modelling Methodology



The interpretation was started by Almonty geologists, and was continued by the Competent Person. This interpretation was broadly based on cut-offs of 0.07%WO_3 and 0.07% Sn. Within the overall limits of the mineralised zone structures, further internal waste zones were extrapolated semi-automatically, directly from composites and based on cut-offs of 0.07%WO_3 and 0.07% Sn. The orientation of this extrapolation was controlled by user-defined orientation control strings.

11.1 Sample Database

A summary of the available sample data is shown in Table 11-1. Plans of all these sample data, overlain on the topographic contours, are shown in Figure 11-2, along with a long section in Figure 11-3. As can be seen from these plots, the resultant spacing of samples from the different historical campaigns has ended up being fairly sporadic, with sections spaced at distances from 30m to 100m. Most of the trench and drillhole samples have been aligned at right angles to the overall deposit orientation of approximately 65º. The lithology codes assigned during logging are summarised in Table 11-2.

Table 11-1. Summary of Sample Database

COMPANY	SAMPLE TYPE	Holes / Lines	Length m	Average Hole Length m	Sn Samples	WO3 Samples
HISTORICAL	TRENCH	10	850	85	165	158
HISTORICAL	DRILLHOLE	6	1,227	204	235	234
HISTORICAL	GALLERY	15	113	8	102	102
HISTORICAL	TRENCH	26	2,836	109	925	929
DAYTAL	DRILLHOLE	59	10,716	182	3,478	4,496
DAYTAL	CHANNELS	5	268	98	119	121
DAYTAL	TRENCH	18	2,654	147	806	1,131

Notes

. Daytal channels from a mixture of galleries and surface outcrops

. Samples counted above are those >0.001%Sn/WO_3

Table 11-2. Exploration Drillhole Principal Lithology Codes

	CODE	
Description	Without Faulting	With Faulting
Grey schists	EG	EGZF
Mauve schists	EM	EMZF
Grey-green schists	EG	EGZF
Green schists	EV	EVZF
Black schists	EN	ENZF
Quartz Vein	F	FZF

The principal assays were for Sn and WO_3. Drillhole recoveries were not consistently good, in the historical drilling approximately 60% of samples achieved 90%+ recoveries and 80% of samples achieved 50%+ recoveries. The Almonty drilling results were better, with 76% of samples achieving 90%+ recoveries and 97% of samples achieving 50%+ recoveries respectively.

Figure 11-2. Plan of Exploration Sample Data

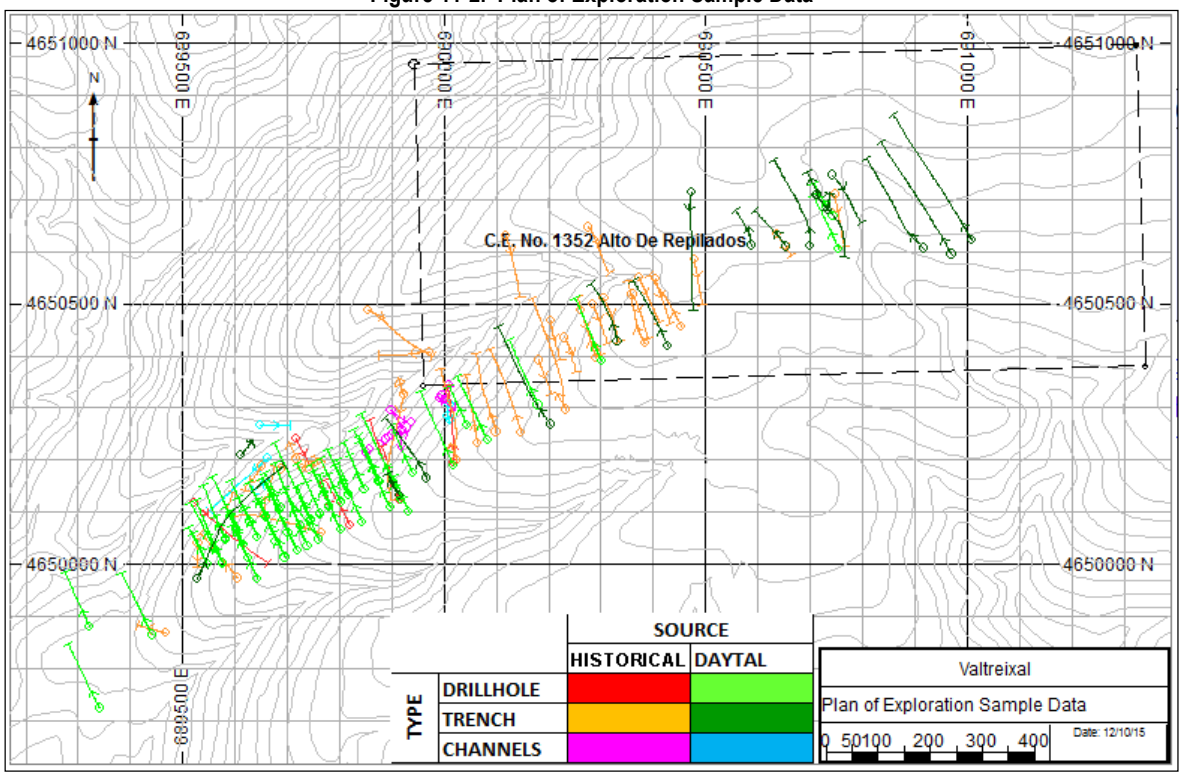
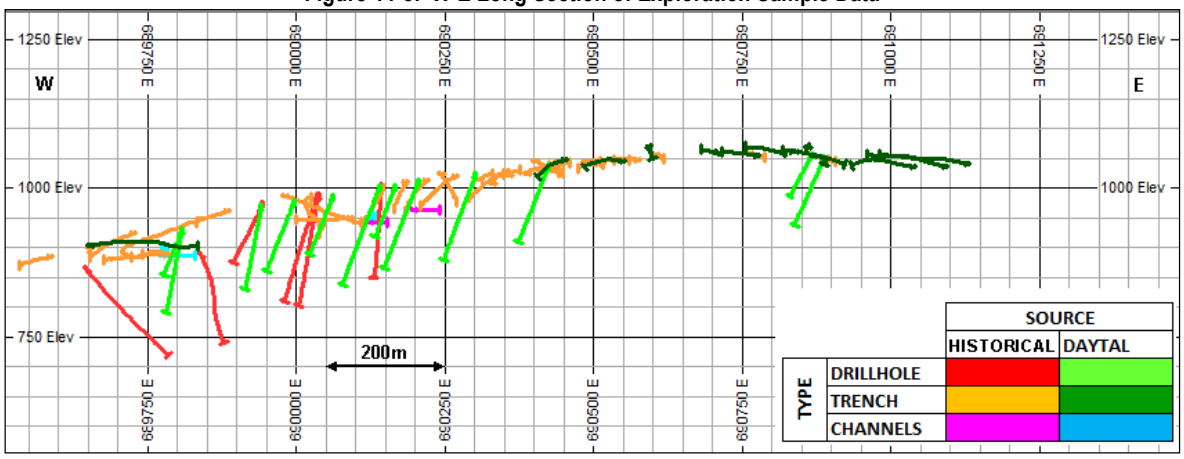


Figure 11-3. W-E Long Section of Exploration Sample Data



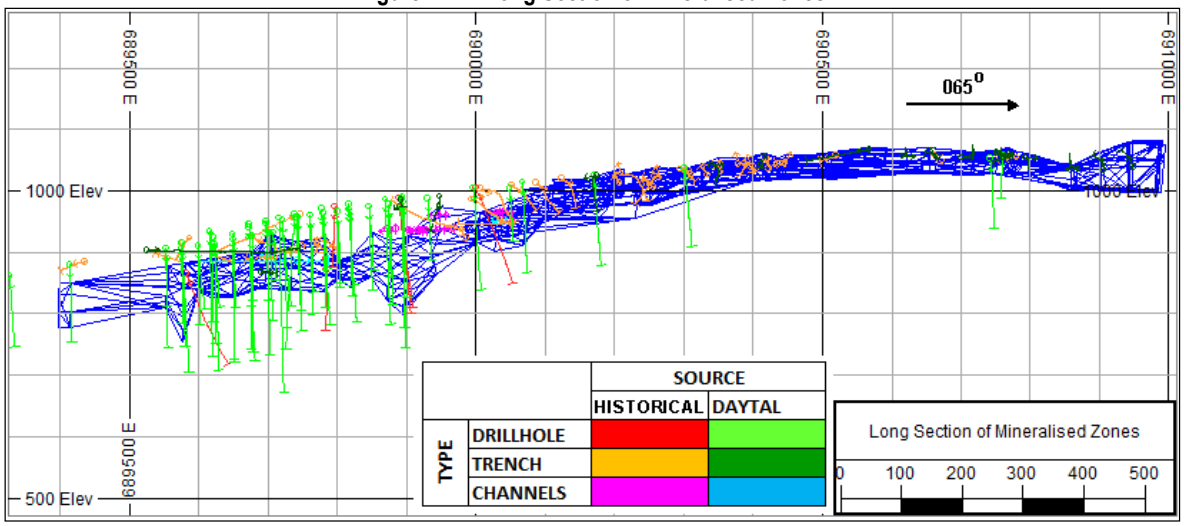
11.2 Interpretation

Previous interpretations had been made of up to 15 different individual vein structures (bandas) – predominantly from surface outcrops and trench intersections. With the new Almonty sampling and the combined sample set, a single set of mineralised zones for both Sn and WO3 was created. Regions of internal waste with respect to Sn and WO_3, within these overall zone models, were subsequently modelled semi-automatically using dynamic anisotropy, to achieve assignment of mineralised zones for cut-offs of both 0.02% WO_3 and 0.05% Sn. These cut-off levels were selected from examination of different populations from log-probability plots. In general, the interpreted vein structures have a consistent strike direction of around 65°, and dip at approximately 45-60° in the direction 155°. These structures are shown in plan and long section in Figure 11-4 and Figure 11-5. The overall extent of mineralisation is summarised in Table 11-3.

Table 11-3. Overall Mineralisation Dimensions

	Vertical Limits			Horizontal Width				
				Individual Structures		Overall Mineralisation		
Strike Length	Minimum Base Elevation	Maximum Outcrop Elevation	Max. depth	Max	Average	Max	Average	Dip Range
m	*m RL*	*m RL*	*m*	*m*	*m*	*m*	*m*	*(°)*
1,800	750	1080	150	40	20	270	190	40 - 90

Figure 11-4. Long Section of Mineralised Zones



11.3 Sample Selection and Compositing

All available diamond drillhole, trench and underground channel samples were selected inside the supplied mineralised wireframe envelope. A summary of the selected data is shown in Table 11-4. The separate zones were assigned IDs 1-4, as shown in Figure 11-6. Sporadic samples with Sn or WO_3 grades greater than 0.07% are assigned to ZONE=5.

Table 11-4. Selected Sample Summary

Structure	Description	SOURCE	Holes/ Trenches/ Galleries	Length *m*	Length / Intersection *m*	Samples
Sn	**Inside Wireframe**	HISTORICAL	42	718	34	316
		DAYTAL	80	1928	24	1278
	External	HISTORICAL	16	56	4	26
		DAYTAL	81	242	3	182
WO_3	**Inside Wireframe**	HISTORICAL	47	718	30	318
		DAYTAL	81	1928	24	1182
	External	HISTORICAL	42	156	9	98
		DAYTAL	78	321	4	222

Note:

. External samples based on being +0.07% Sn/WO_3

Figure 11-5. Plan of Zones and Sample Types

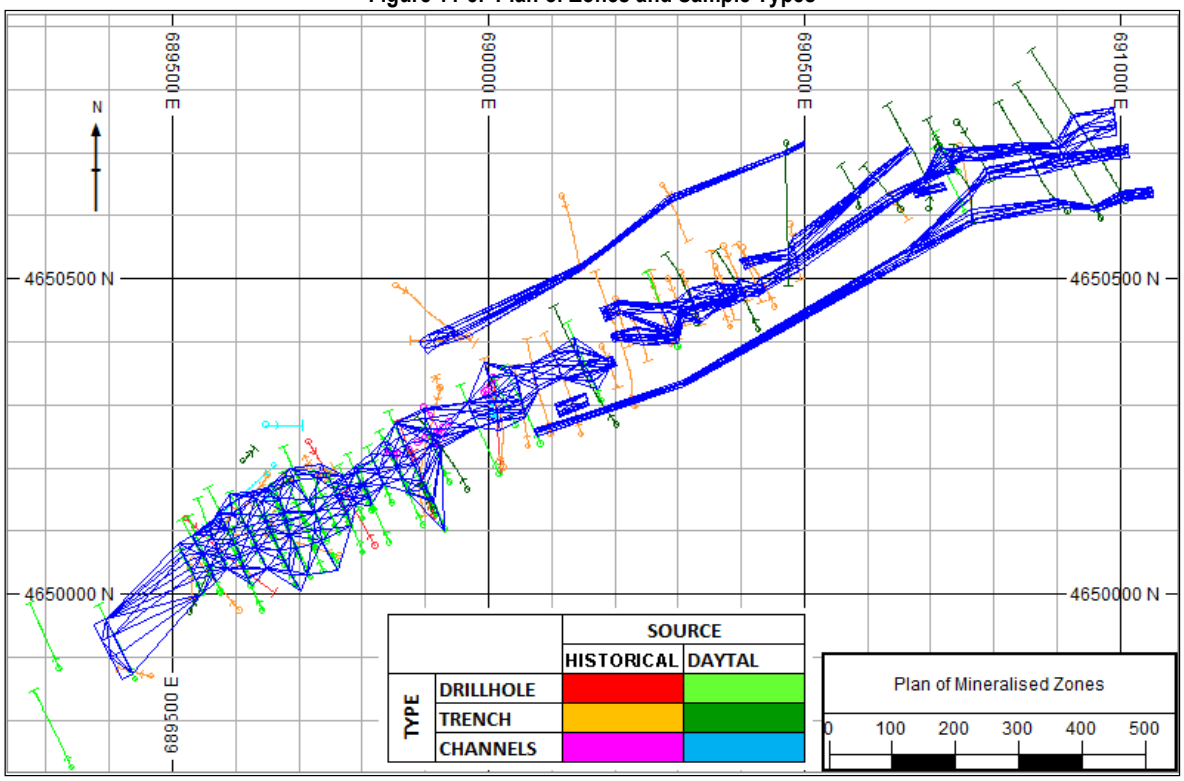
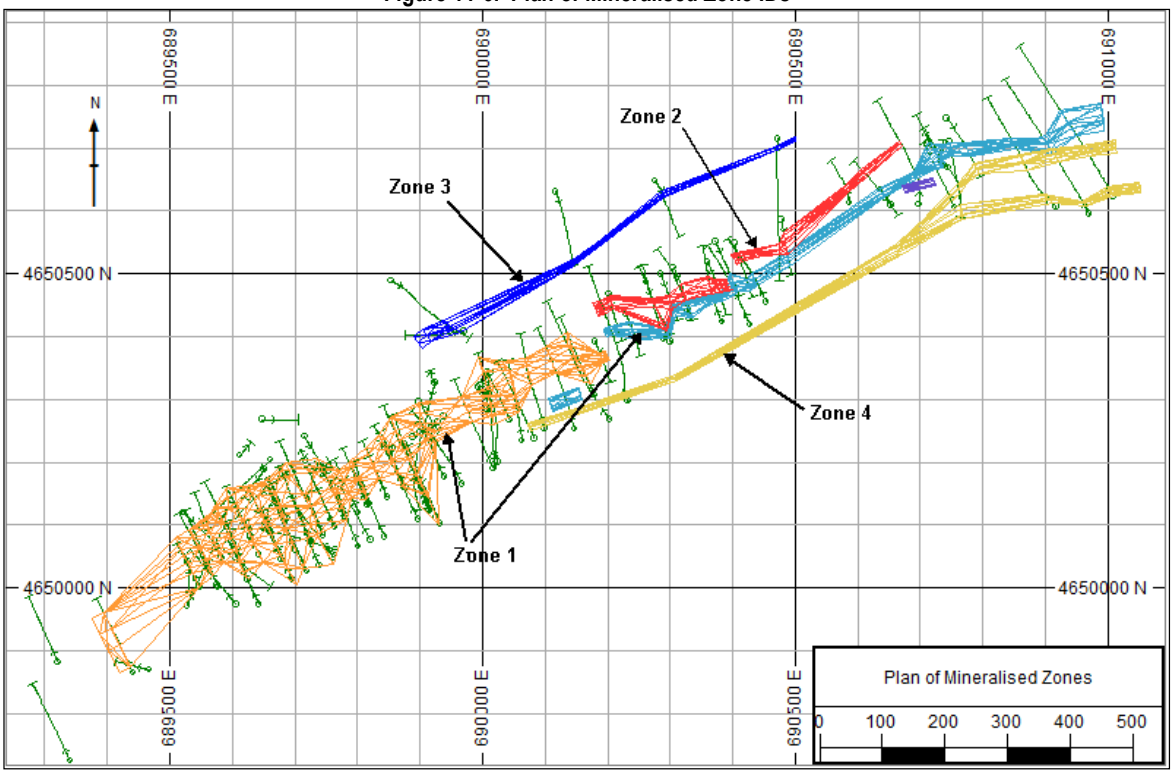


Figure 11-6. Plan of Mineralised Zone IDs

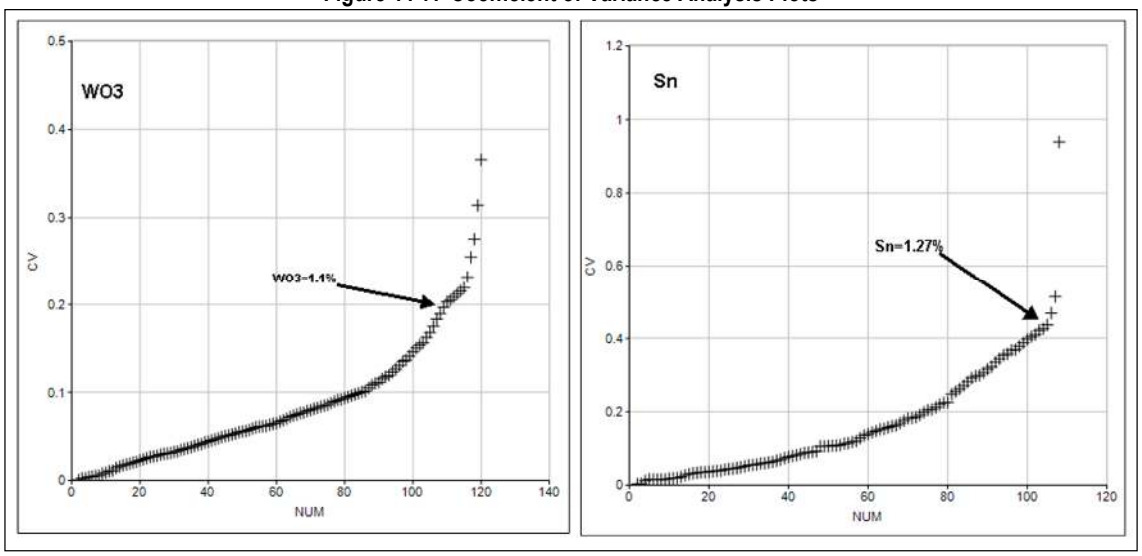


The externally selected samples are those relatively erratic above-cut-off samples outside the principal wireframe zones (ZONE=5). These samples were composited, using the controls summarised below:

1. Composite length 2m. This compositing length was applied slightly variably, such that an equal composite length of 2m was applied across each intersection. This length was chosen as it generally corresponds to the largest sample size and reflects a possible selection unit size within potential open pit operations.
2. Minimum composite length = 0.5m.
3. Minimum/maximum gap length = 0.05m / 0m.
4. Retention of ZONE identifiers on the composites, so five principal separate mineralised zones are preserved.
5. Top-cut values were assigned to Sn and WO_3 composited grades, as follows:
   Sn % - top-cut = 1.27%
   WO_3 % - top-cut = 1.1%

These top-cut values stem from decile analyses, log-probability plots and coefficient of variance (CV) analysis plots. CV plots are shown below in Figure 11-7.

Figure 11-7. Coefficient of Variance Analysis Plots



It can be seen from the decile results that the chosen top-cut levels broadly identify the top 1-2% of samples, which contain more than 10% of the total contained metal in the selected samples. Log histograms and log-probability plots of the selected samples are shown in Figure 11-8 to Figure 11-11. A summary of the effect of the applied top-cut levels is shown in Table 11-5.

Table 11-5. Summary of Top-Cut Effect

						Mean Value	
FLDNAM	ZONE	Top-Cut Level %	No. of Composites	Number Cut	Proportion % of Composites with TC Applied	Un-Cut	With TC
SN	1	1.27	1,143	11	0.96	0.11	0.11
SN	2	1.27	78	0	-	0.12	0.12
SN	3	1.27	24	0	-	0.12	0.12
SN	4	1.27	28	0	-	0.02	0.02
SN	5	1.27	306	6	1.96	0.24	0.22
WO3	1	1.1	1,166	13	1.11	0.20	0.20
WO3	2	1.1	78	0	-	0.11	0.11
WO3	3	1.1	24	0	-	0.03	0.03
WO3	4	1.1	44	0	-	0.12	0.12
WO3	5	1.1	197	7	3.55	0.26	0.25

Figure 11-8. Log Histogram of Selected Sn Samples

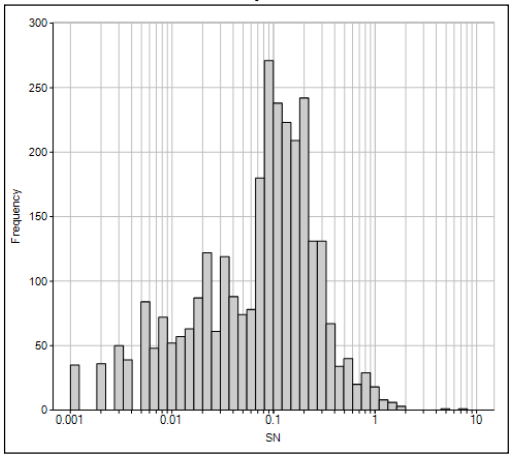


Figure 11-9. Log-Probability Plot of Selected Sn Samples

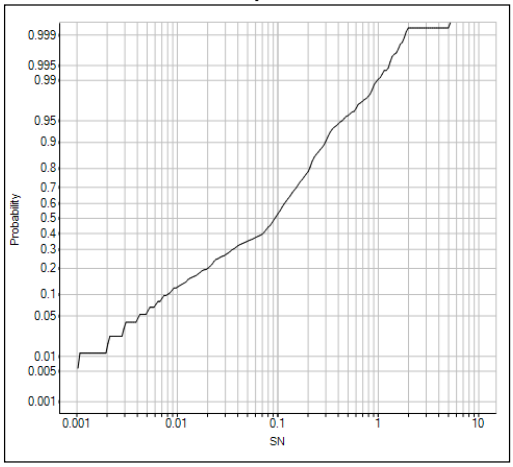


Figure 11-10. Log Histogram of Selected WO_3 Samples

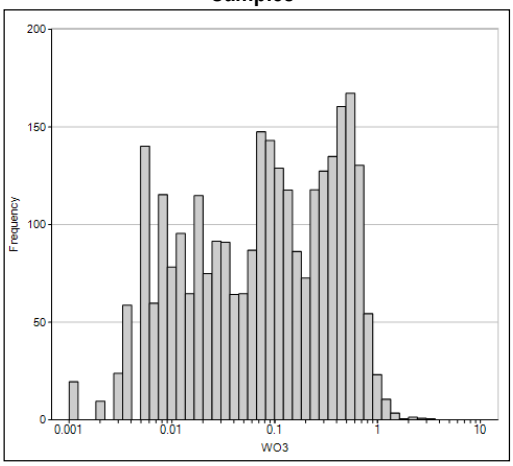
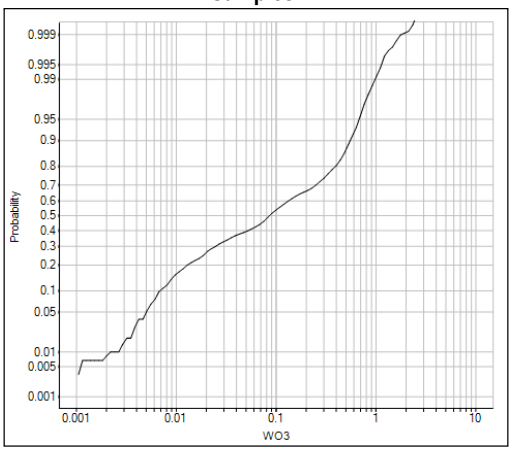


Figure 11-11. Log-Probability Plot of Selected WO_3 Samples



11.4 Geostatistics

A statistical summary of the selected samples is shown in Table 11-6. These statistics are divided by zone assignment, as well as shown overall. It can be seen that all of the coefficient of variation (CV) values are generally just over 1.

Table 11-6. Summary Statistics of Selected Samples

FIELD	ZONE	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	LOGESTMN	COEFFVAR
SN	1	2172	0	7.35	0.11	0.04	0.19	0.15	1.8
SN	2	195	0.001	1.27	0.12	0.03	0.19	0.13	1.6
SN	3	86	0.001	0.51	0.12	0.02	0.13	0.19	1.1
SN	4	29	0	0.12	0.02	0.00	0.03	0.05	1.5
SN	5	535	0.07	5.14	0.21	0.07	0.27	0.19	1.3
SN	All	3017	0	7.35	0.12	0.04	0.21	0.17	1.7
	1	2271	0	3.53	0.21	0.07	0.26	0.29	1.2
WO3	2	195	0.004	0.44	0.11	0.02	0.13	0.12	1.2
WO3	3	86	0.001	0.18	0.03	0.00	0.04	0.03	1.6
WO3	4	48	0	0.62	0.11	0.02	0.14	0.22	1.2
WO3	5	278	0.07	2.28	0.22	0.06	0.24	0.21	1.1
WO3	All	2878	0	3.53	0.20	0.06	0.25	0.28	1.3

A statistical summary of the generated composites is shown in Table 11-7, with corresponding log-probability plots from Figure 11-12 to Figure 11-17.

Table 11-7. Summary Statistics of 2m Composites

FIELD	ZONE	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	LOGESTMN	COEFFVAR
SN	1	1,143	0.000	0.99	0.11	0.02	0.13	0.17	1.2
SN	2	78	0.006	0.88	0.12	0.03	0.16	0.12	1.3
SN	3	24	0.001	0.46	0.12	0.01	0.11	0.19	1.0
SN	4	28	0.000	0.12	0.02	0.00	0.03	0.05	1.5
SN	5	306	0.070	1.27	0.20	0.04	0.19	0.19	0.9
SN	All	1,579	0.000	1.27	0.12	0.02	0.14	0.18	1.2
WO3	1	1,166	0.002	1.10	0.20	0.04	0.21	0.29	1.0
WO3	2	78	0.004	0.44	0.11	0.02	0.13	0.12	1.2
WO3	3	24	0.001	0.18	0.03	0.00	0.04	0.03	1.6
WO3	4	44	0.000	0.62	0.11	0.02	0.13	0.25	1.1
WO3	5	197	0.070	1.10	0.22	0.04	0.20	0.21	0.9
WO3	All	1,509	0.000	1.10	0.19	0.04	0.20	0.28	1.0

All plots for 2m Composites

Figure 11-12. Log Histogram - Sn

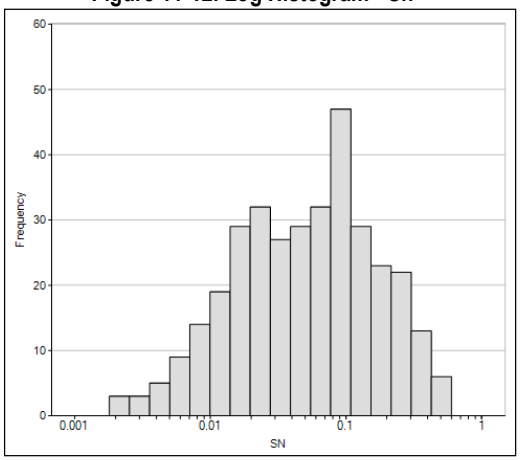


Figure 11-13. Log-Probability Plot – Sn

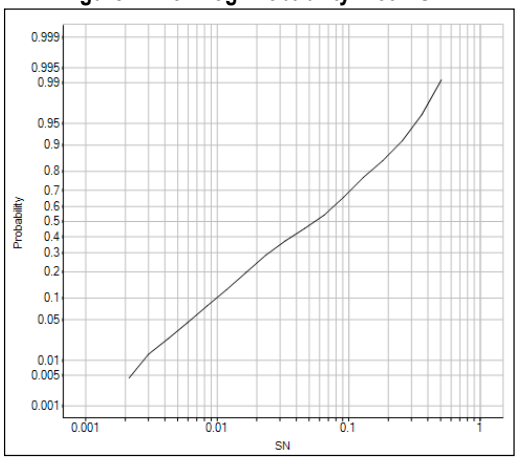


Figure 11-14. LP Plot Sn by Zone

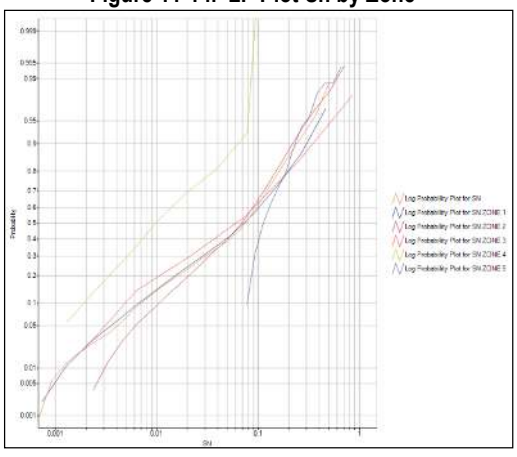


Figure 11-15. Log Histogram – WO_3

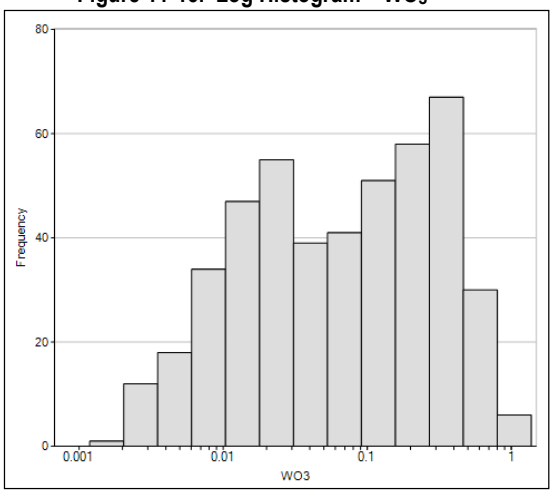


Figure 11-16. Log-Probability Plot - WO_3

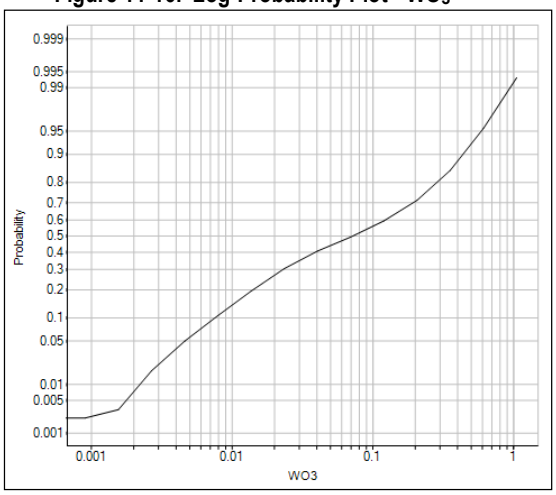
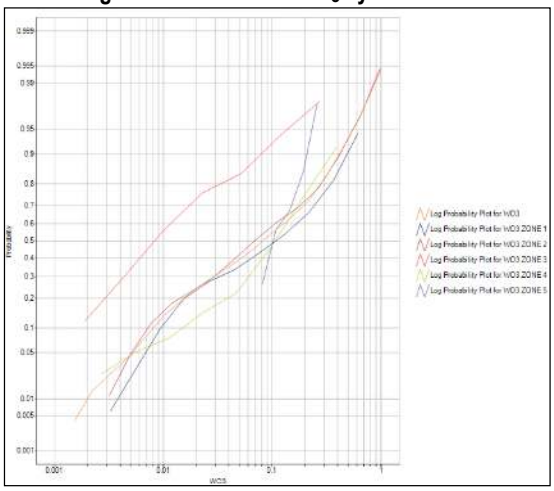


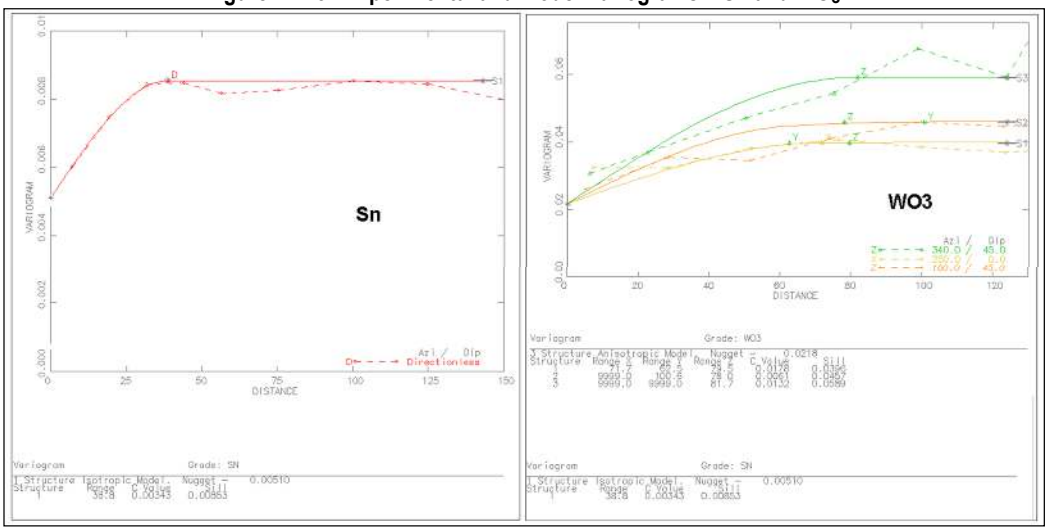
Figure 11-17. LP Plot WO_3 by Zone



It can be seen from Table 11-7 that the coefficient of variation values have been reduced to near 1.0, by the effect of compositing and top-cut application. Individually the zones' grade populations tend to show log-normal distributions.

Experimental variograms were generated for the composite data sets. Model variograms were fitted in each case, as depicted in Figure 11-18. These variograms are poor in quality, which was not surprising given the relatively large area being covered by a relatively very low number of samples. However, indicative ranges of influence of approximately 40-50m are suggested for both Sn and WO_3.

Figure 11-18. Experimental and Model Variograms – Sn and WO_3



11.5 Volumetric Modelling

An overall block model prototype was set up using the parameters summarised in Table 11-8. A parent block size of 10m x 10m x 10m was selected. Laterally, 10m is approximately half to one third of the general trench spacing. It is also considered that 10m vertically is a potential mining bench height.

Table 11-8. Resource Model Prototype

	Min	Max	Range	Size	Number
	m	*m*	*m*	*m*	
X	689,450	691,300	1,850	10	185
Y	4,650,050	4,651,110	1,060	10	106
Z	750	1,130	380	10	38

Physical controls used, during the generation of the volumetric block model, include:

- Natural topography wireframe model.
- Mineralised zone envelope wireframe model.
- Dip and strike orientation control strings.

Sub-cells were created at the edge of these structures, down to a resolution of 0.5m. A ZONE identifier field was also set into the model, so as to demarcate individual mineralised zones. Fields set into the volumetric block model include:

ZONE	Mineralised zone identifier
FLAG_SN	Mineralised with respect to Sn grade > 0.07%
FLAG_WO3	Mineralised with respect to WO_3 grade > 0.07%
TRDIPDIR	Dip direction of mineralisation
TRDIP	Dip of mineralisation
DENSITY	Density value.

11.6 Densities

Density measurements have been made from core samples since October 2104, using water immersion. Up until June 2015, the measurements were based on uncovered core. Subsequent measurements were made using plastic film. These results with plastic film show that uncovered density measurements were overstating density values by approximately 7%. These former density values were then adjusted by a factor of 93%. By the

end of September 2015, 1280 density measurements were available. A summary of these density values by rocktypes is summarised in Table 11-9. These measurements were subsequently estimated into the resource block model.

Table 11-9. Summary of Density Measurements

ROCKCODE	Description	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV
EG	Grey Schist	232	2.15	2.91	2.55	0.020	0.14
EGZF	Grey Schist+Faulting	248	1.54	2.77	2.35	0.027	0.16
EM	Mauve Schist	12	2.19	2.40	2.32	0.005	0.07
EMZF	Mauve Schist+Faulting	2	2.23	2.29	2.26	0.001	0.03
EN	Black Schists	318	2.07	3.61	2.53	0.015	0.12
ENZF	Black Schists+Faulting	188	1.96	2.66	2.32	0.015	0.12
EV	Green Schists	100	2.29	3.09	2.81	0.024	0.16
EVZF	Green Schists+Faulting	100	2.02	2.91	2.45	0.031	0.18
F	Quart vein	75	2.08	2.82	2.43	0.010	0.10
FZF	Quart vein+Faulting	4	2.40	2.48	2.44	0.001	0.03

11.7 Grade Estimation

Sn and WO_3 grades were estimated into the volumetric block model, primarily using an ordinary kriging method of estimation. For validation purposes, alternative grades were also estimated using an inverse-distance and a nearest neighbour method. The parameters used for grade estimation are summarised in Table 11-10.

Table 11-10. Grade Estimation Parameters

Fields	Search No.	Distance XYZ m	Min. No. of Composites	Min. No. of Drillholes
Sn and WO_3	1	15 x 15 x 5	6	2
	2	30 x 30 x 10	6	2
	3	50 x 50 x 20	1	1

Notes

. Sn and WO3 interpolated with ordinary kriging (OK)

. Alternative grades also estimated using nearest neighbour (NN) and inverse-distance (ID^2) for validation purposes

. Density estimated using inverse-distance weighting (^2)

. Dynamic anisotropy applied, such that:

x	**Along-strike**
y	**Down-dip**
z	**Cross-strike**

11.8 Mineral Resource Classification

In order to test resource classification criteria, a conditional simulation exercise was completed, which focussed on the precision of evaluation that may be obtained with different drillhole spacings, related to mining blocks containing mineralisation broadly equivalent to 3 months of production and 1 year of production. This analysis was completed with the following stages:

1. A panel was defined, in the central part of the Valtreixal deposit, with an assumed average thickness of 20m, and a length and width of 52.5m. These dimensions were selected, so that the block contains approximately 130 kt of material, which is roughly equivalent to 3 months of production (at a production rate of 500 ktpa) and was used to create a volumetric test model.
2. Based on all available drillholes in the same area, a grid of densely spaced pseudo-samples was generated, based on the same statistical parameters as the original distribution of actual samples. From this set, samples corresponding to any different theoretical drilling grids can be selected. In this way, different composite groups were created for grids spaced at 10m, 15m, etc up to 50m.
3. The mineralised composite set for this central part of the Valtreixal deposit was converted into normal score form (Figure 11-19), and used to provide experimental variograms, from which model variograms were determined, for WO_3.

4. A conditional simulation was then run using each of the different pseudo-drilling grid sets. The parameters used for these simulation runs included:
   a) Sequential gaussian simulation.
   b) An internal point density of 2m x 2m was used inside the test area for simulated points.
   c) 50 simulation runs were completed for each test.
   d) Normal transformed model variograms used.
   e) Horizontal search distances of 80m were used.
   f) Minimum/Maximum no. of composites = 2 / 20

For each conditional simulation run, the distribution of overall average values was approximately normally distributed, as shown in the example in Figure 11-20. The standard deviation of these results was then used to calculate the relative error of the overall average grade, at the 90% probability level.

5. From these results, the relative errors at the 90% probability level were also determined for a block corresponding to approximately one year's production.

An overall summary of these results is shown in Table 11-11.

Figure 11-19. Normal Score Variogram for WO3

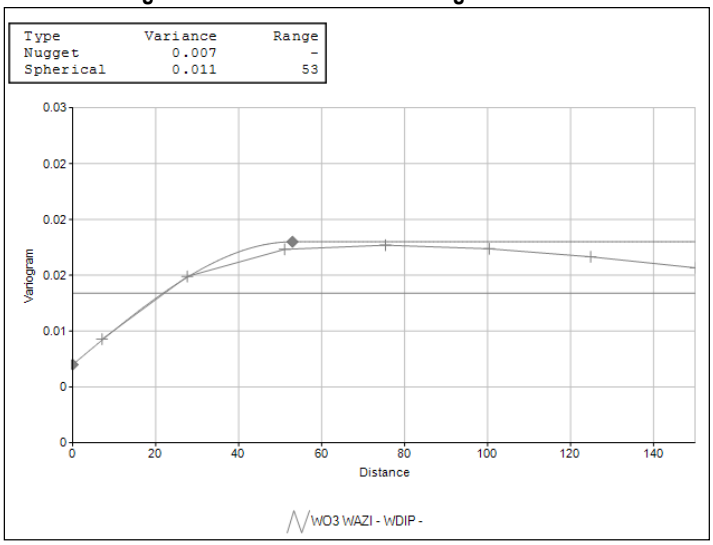


Table 11-11. Resource Classification Testwork

		Results for Quarterly Mining Block (138Kt)						
FIELD	Drilling Grid Spacing m	MEAN	STANDDEV	MINIMUM	MAXIMUM	+/- Tolerance at 90% Probability Level	Relative Error %	Relative Error for Annual Mining Block (550Kt) %
WO3	10	0.275	0.016	0.241	0.320	2.6%	9.6	4.8
WO3	15	0.250	0.022	0.202	0.312	3.6%	14.5	7.2
WO3	20	0.304	0.033	0.239	0.392	5.4%	17.7	8.9
WO3	25	0.153	0.030	0.102	0.235	4.9%	32.2	16.1
WO3	30	0.257	0.047	0.175	0.382	7.7%	29.8	14.9
WO3	35	0.198	0.049	0.121	0.337	8.1%	40.8	20.4
WO3	40	0.129	0.049	0.058	0.262	8.0%	61.6	30.8
WO3	45	0.080	0.037	0.031	0.195	6.1%	76.4	38.2
WO3	50	0.084	0.047	0.028	0.225	7.7%	91.6	45.8

Notes

. 50 simulation runs completed for each test drilling grid

. Conclusions:

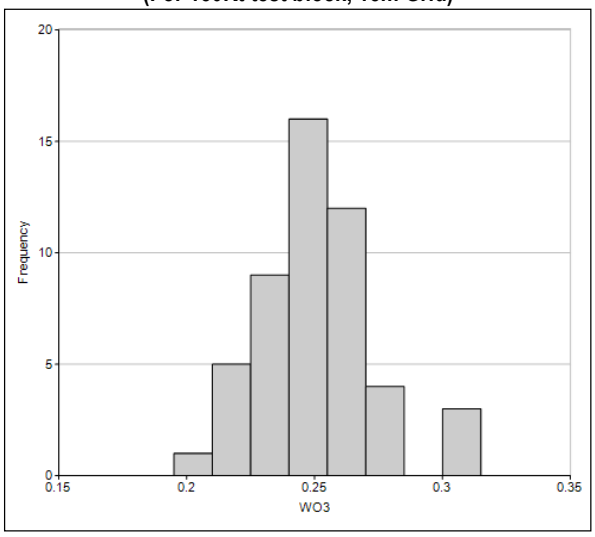
Measured Resources

A drill grid spacing of 15m gives quarterly 90% confidence levels of +/-14.5% for WO3 grade

Indicated Resources

A drill grid spacing of 30m gives annual 90% confidence levels of +/-14.9% for WO3 grade

Figure 11-20. Example Histogram of Simulated Average WO_3 Grades (For 130Kt test block, 15m Grid)



For the assessment of resource classification, it has been assumed that Measured Resources should be known within ±15%, with 90% confidence for a production quarter (3 months). Similarly, it has been assumed that Indicated Resources should be known within ±15%, with 90% confidence on an annual basis. This method of resource classification has wide acceptance. From the results produced, the following criteria were developed and then used for resource classification.

Table 11-12. Resource Classification Criteria

Category	Criteria
Measured	Drill grid spacing of at least 15m (None currently present at Valtreixal)
Indicated	Drill grid spacing of at least 30m Within main interpreted zone
Inferred	Drill grid spacing of +30m Maximum extrapolation of 50m from drillholes or trenchs

These criteria were applied at Valtreixal. There are currently no Measured resources at Valtreixal, as no areas have yet been systematically drilled off with a 15m x 15m grid. The areas classified as Indicated resources, as covered by at least a drilling grid of 30m, are shown in plan in Figure 11-22 and in an example section in Figure 11-21. The maximum extrapolation distance of 50m, used in the approximate estimation of Inferred resources, was selected as being slightly less than double the basic drill grid spacing of 30m.

Figure 11-21. Example Section – Resource Classes

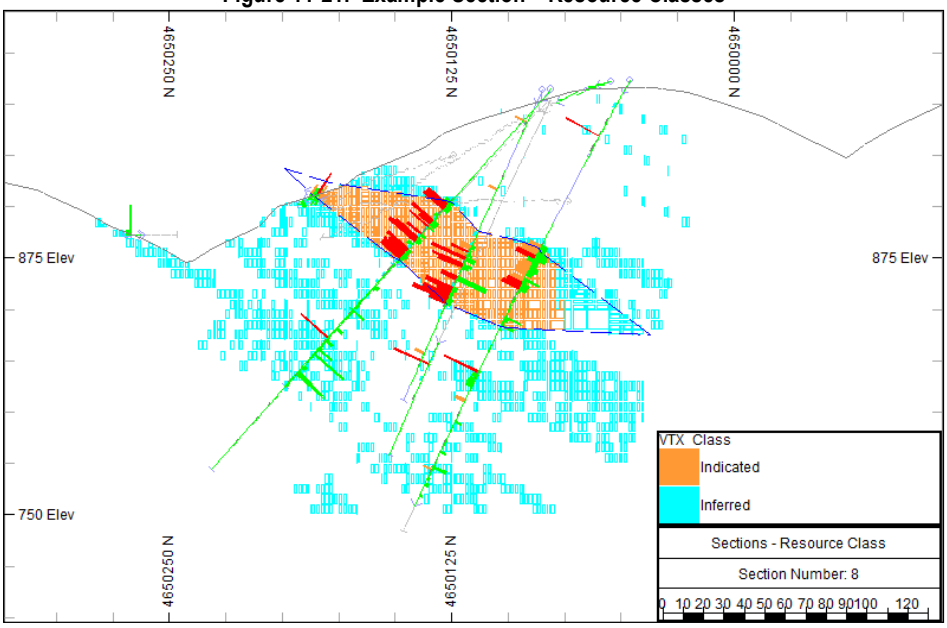
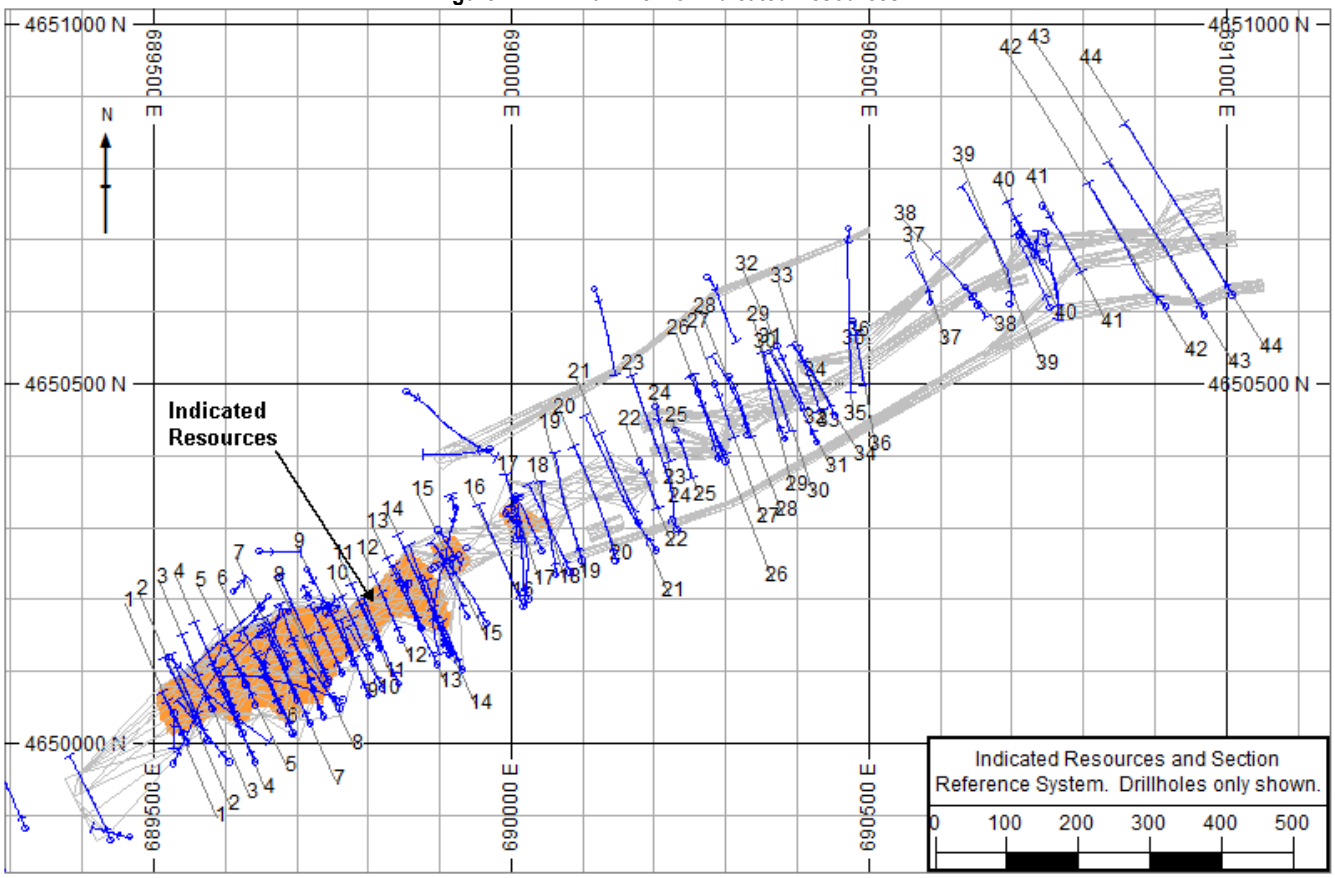


Figure 11-22. Plan View of Indicated Resources



11.9 Model Validation

11.9.1 Visual Comparisons

Sections were created through the resource block model, and compared with the sample composites used for the grade estimation. A reference plan for these sections is shown in Figure 11-22 and example sections at the west end of the deposit (section 2) are shown in Figure 11-24 and Figure 11-25, for Sn and WO_3 respectively. In general, the sections show a fairly good correspondence between estimated and composited sample grades.

11.9.2 Comparison of Global Average Grades

A comparison was made of the average Sn and WO_3 model grades, with the corresponding average sample and composite grades for the different modelled zones. These results are summarised in Table 11-13, and they compare fairly well, particularly given the uneven spread of sample data over the deposit.

Table 11-13. Comparison of Global Average Grades

				Block Model		
ZONE	FIELD	Samples	Composites	OK	ID	NN
1	Sn	0.11	0.11	0.10	0.10	0.10
2	Sn	0.12	0.12	0.10	0.10	0.12
3	Sn	0.12	0.12	0.11	0.12	0.12
4	Sn	0.02	0.02	0.04	0.04	0.03
5	Sn	0.21	0.20	0.11	0.11	0.11
1	WO_3	0.21	0.20	0.19	0.19	0.19
2	WO_3	0.11	0.11	0.10	0.10	0.10
3	WO_3	0.03	0.03	0.04	0.04	0.04
4	WO_3	0.11	0.11	0.10	0.10	0.10
5	WO_3	0.22	0.22	0.22	0.23	0.22

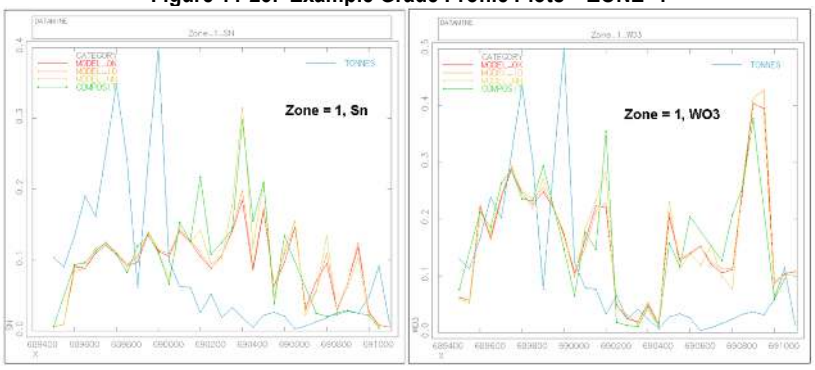
Notes

. ID - grades from inverse distance weighting
. NN - grades from nearest neighbour estimation
. No cut-offs applied
. All grades shown are global average values
. All resource classes shown

11.9.3 Comparison of Local Average Grades

As part of the model validation process, grade profiles (swath plots) were also produced on 50m north-south slices, and the average grades (derived from different estimation methods) per slice, compared with the composites on the same slices. Examples of grade profile plots are shown in Figure 11-23 for Sn and WO_3, respectively, within ZONE=1 material. These show a favourable comparison between composite grades and model grades, derived from inverse distance weighting and nearest neighbour estimation.

Figure 11-23. Example Grade Profile Plots – ZONE=1



11.9.4 Historical Comparison

A historical comparison of the current resource estimates and previous exploration information was also made. This shows a large increase in mineralisation, reflecting the influence of the extensive exploration drilling completed between 2013 and 2015.

Table 11-14. Comparison of Historical Resources
[Cut-Off = 0.07% (Sn+WO_3)]

	Tonnes	Sn	WO_3	Notes
	Mt	*%*	*%*	
2012 Siemcalsa	10.34	0.10	0.11	No resource classification system
Mar-14	8.88	0.11	0.17	Measured, Indicated and Inferred
Oct-15	17.65	0.12	0.11	Measured, Indicated and Inferred

Figure 11-24. Section 2 – Sn

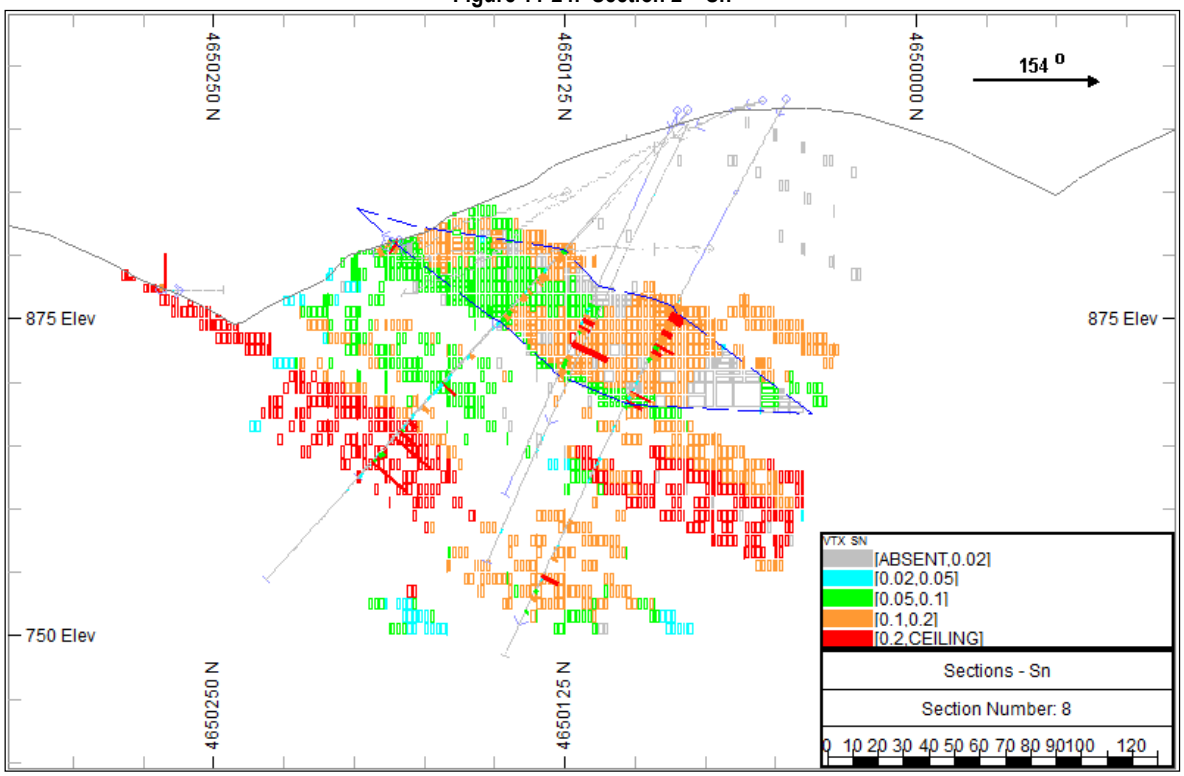
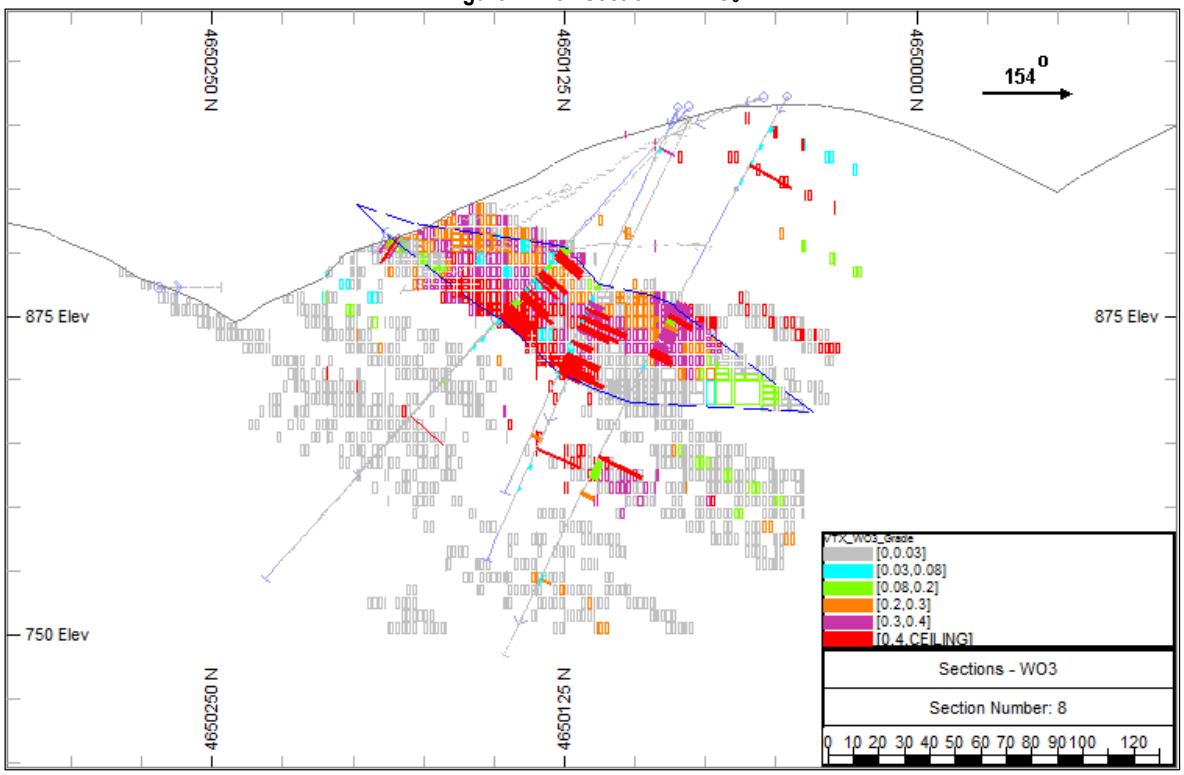


Figure 11-25. Section 2 – WO_3



11.10 Mineral Resource Reporting

A grade-tonnage table of the reported resources is shown in Table 11-16. This is based on the selectivity in the inherent parent block size of the resource block model: 10m x 10m x 10m, although also influenced by the zonal extrapolation applied, which broke blocks down to 5m x 2m x 5m sub-blocks. The overall resource evaluation results' breakdown is shown in Table 11-15 at cut-off grades of 0.05% and 0.10% WO_3_Eq. The WO_3-equivalent grade has been calculated based on the assumed Sn and WO_3 metal prices and recoveries. These cut-off grades have been applied as they are close to the breakeven cut-off grade derived from currently assumed base case parameters.

Table 11-15. Resource Evaluation
As of End-December 2020

	CLASS	Tonnes Kt	Sn %	WO_3 %	WO_3_Eq %
WO_3_Eq >= 0.05%	*Indicated*	2,833	0.13	0.25	0.36
	Inferred	16,755	0.11	0.08	0.18
	TOTAL	19,587	0.11	0.10	0.21

	CLASS	Tonnes Kt	Sn %	WO_3 %	WO_3_Eq %
WO_3_Eq >= 0.10%	*Indicated*	2,674	0.13	0.26	0.38
	Inferred	10,861	0.14	0.11	0.24
	TOTAL	13,535	0.14	0.14	0.27

Notes

. WO_3_Eq = WO_3 + (Sn x 0.91), based on:

	Price	Recovery
WO_3	$35,000/t	55%
Sn	$27,000/t	65%

. Maximum extrapolation = 50m

. Density values estimated from measurements

. Resources shown are inclusive of reserves

A cut-off grade of 0.05%WO_3 corresponds to a WO_3 APT price of $50,000/t, with a total Processing and G&A cost of $11/t, while a cut-off grade of 0.10%WO_3 corresponds to a WO_3 APT price of $35,000/t, with a total Processing and G&A cost of $13.3/t.

The WO_3 equivalent grade was determined using the formula below.

WO3_Eqiv = WO3 + Sn x 0.91

This 0.91 equivalence factor was determined from the different relative metal prices, as shown in the formula below. The metal prices used in this formula are multiplied by a factor of 78% to obtain the received prices, with the costs for concentrate transport and smelting charges have been deducted.

Equivalence factor = (Price_Sn x Rec_Sn) / (Price_WO3 x Rec_WO3)
= (27,000 * 0.78 * 0.65) / (35,000 * 0.78 * 0.55)
= 0.91

Table 11-16. Grade-Tonnage Table – Indicated Resources

WO_3_Eq Cut-Off %	Tonnes Kt	WO_3_Eq %	Sn %	WO3 %
0.05	2,833	0.36	0.13	0.25
0.06	2,821	0.36	0.13	0.25
0.07	2,804	0.36	0.13	0.25
0.08	2,766	0.37	0.13	0.25
0.09	2,730	0.37	0.13	0.26
0.10	2,674	0.38	0.13	0.26
0.11	2,611	0.38	0.13	0.27
0.12	2,556	0.39	0.13	0.27
0.13	2,515	0.39	0.13	0.28
0.14	2,464	0.40	0.13	0.28
0.15	2,416	0.40	0.13	0.29
0.16	2,379	0.41	0.13	0.29
0.17	2,345	0.41	0.13	0.29
0.18	2,316	0.41	0.13	0.30
0.19	2,286	0.42	0.13	0.30
0.20	2,256	0.42	0.13	0.30
0.21	2,223	0.42	0.13	0.31
0.22	2,184	0.43	0.13	0.31
0.23	2,159	0.43	0.13	0.31
0.24	2,129	0.43	0.13	0.31
0.25	2,102	0.44	0.13	0.32
0.26	2,075	0.44	0.13	0.32
0.27	2,044	0.44	0.13	0.32
0.28	2,017	0.44	0.13	0.32
0.29	1,986	0.44	0.13	0.32
0.30	1,950	0.45	0.13	0.33

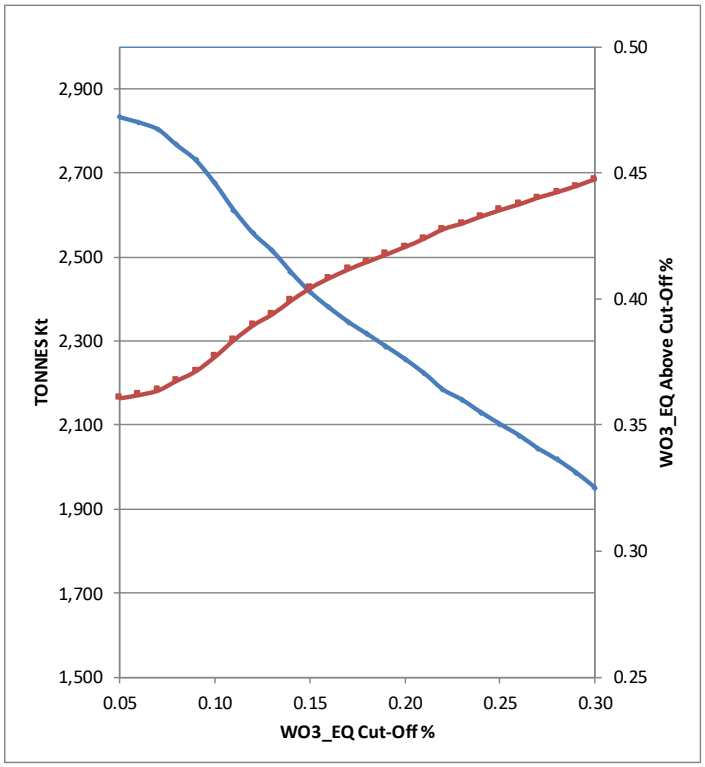
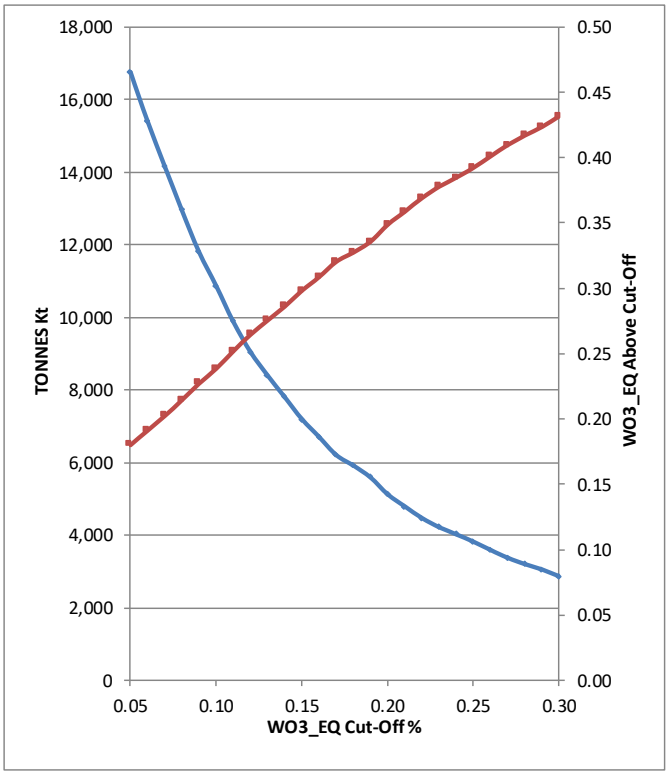


Table 11-17. Grade-Tonnage Table – Inferred Resources

WO_3_Eq Cut-Off %	Tonnes Kt	WO_3_Eq %	Sn %	WO3 %
0.05	16,755	0.18	0.11	0.08
0.06	15,404	0.19	0.12	0.08
0.07	14,154	0.20	0.12	0.09
0.08	12,952	0.21	0.13	0.10
0.09	11,799	0.23	0.13	0.11
0.10	10,861	0.24	0.14	0.11
0.11	9,879	0.25	0.14	0.12
0.12	9,041	0.26	0.14	0.13
0.13	8,392	0.28	0.15	0.14
0.14	7,800	0.29	0.15	0.15
0.15	7,187	0.30	0.15	0.16
0.16	6,703	0.31	0.15	0.17
0.17	6,202	0.32	0.15	0.18
0.18	5,911	0.33	0.15	0.19
0.19	5,591	0.34	0.15	0.20
0.20	5,120	0.35	0.15	0.21
0.21	4,785	0.36	0.16	0.22
0.22	4,466	0.37	0.16	0.22
0.23	4,214	0.38	0.16	0.23
0.24	4,021	0.38	0.16	0.24
0.25	3,815	0.39	0.16	0.25
0.26	3,583	0.40	0.16	0.26
0.27	3,373	0.41	0.16	0.26
0.28	3,198	0.42	0.16	0.27
0.29	3,045	0.42	0.16	0.28
0.30	2,863	0.43	0.16	0.28



12 ORE RESERVE ESTIMATES

12.1 Open Pit Optimisation

The base case parameters used for pit optimisation are summarised in Table 12-2. The base case set of optimisation parameters was developed with reference to current operating cost levels and parameters at Los Santos, as well as reflecting processing recoveries estimated. It should also be noted that these optimisation runs had no physical constraints. Additional mining factors were also applied of 5% dilution and 5% losses (95% mining recovery). Although the current price for this study ($350/mtu WO_3 APT) is slightly lower than optimisation price of $370/ mtu WO_3 APT), this is not considered to have an appreciable effect on the optimised pit shell.

In the absence of geotechnical testwork, actual topographical toes and crest positions have been measured in areas where there are road cuttings or surface excavations for drilling platforms or access purposes. From these measurements, an average face slope angle of 56° was determined. Based on an assumed bench configuration of 10m benches, 4m berms every 2 benches, and 10m wide haul roads (or safety berms), this resulted in an estimated overall slope angle of approximately 42°. This overall slope angle has therefore been applied in optimisation work.

For optimisation work, sensitivities were also applied, representing +/-10% variations of the base case parameters for the metal prices, the mining cost and the processing cost. More optimistic metallurgical recoveries were also tested. The results from the base case optimisation run are shown in Table 12-1. A 3D view for the base case run is shown in Figure 12-2. A graph of profit and discounted cashflows against pit shell, for the base case optimisation, is shown in Figure 12-1. A plan depicting the different optimisation runs' extents is shown in Figure 12-3.

Figure 12-1. Graph of Base Case Optimisation Results

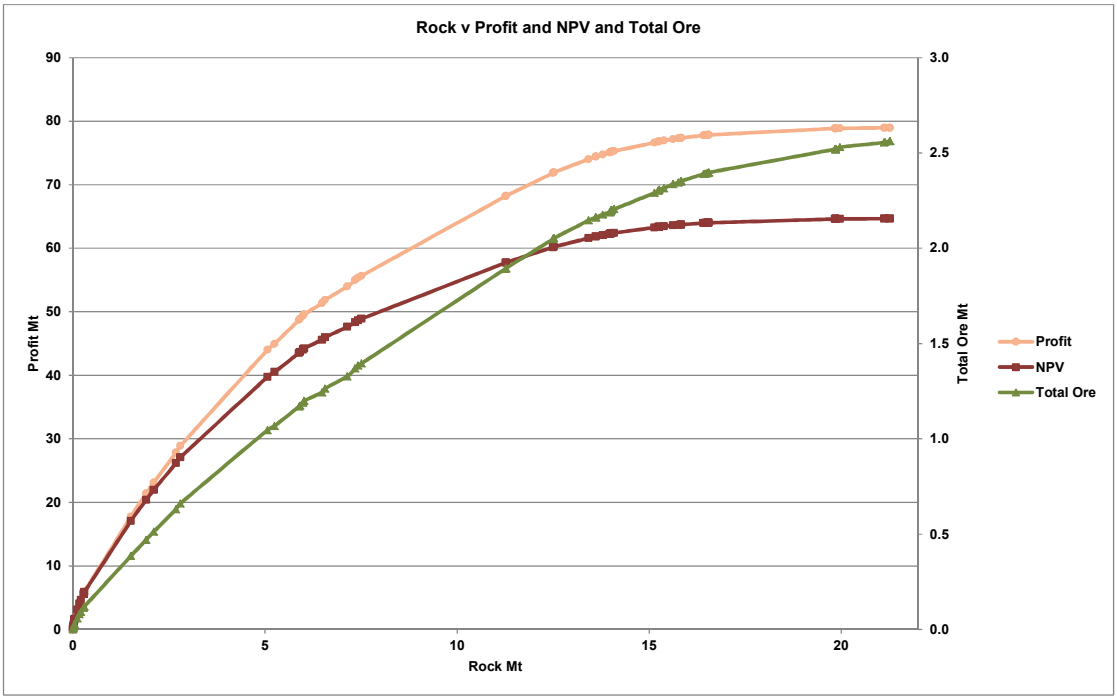


Table 12-1. Optimisation Results' Summary

						Ore Feed					Recovered Products	
DCF $M	Profit $M	Revenue $M	Processing Cost $M	Mining Cost $M	Rock Mt	Ore Mt	Sn %	WO3 %	Total Waste Mt	Strip Ratio	Sn t	WO3 t
64.7	79.0	139.6	33.2	27.4	21.3	2.56	0.12	0.25	18.7	7.3	2,043	3,567

Notes

. Maximum cashflow pit results

Table 12-2. Pit Optimisation Parameters

Description		Unit	Base Case
Resources Enabled			**Ind Only**
Processing			
WO3	APT Price	*$/mtu WO_3*	**370**
	Metal Price - received,	*$/mtu WO_3*	**288**
	after transport + smelting	*$/t WO_3*	28,800
	Recovery	*%*	**55%**
Sn	Metal Price	$/lb	**10.5**
		$/t	23,149
	Received, after transport + smelting	*$/t Sn*	18,036
	Recovery	*%*	**65.0%**
	Processing Cost	*$/t ore*	9.72
	G & A	*$/t ore*	3.25
	Total Applied Ore Cost (Processing+G&A+OreMining-WasteMining)	*$/t ore*	12.94
Mining (No drill and blast required)			
	Contractor Cost	*$/bcm rock*	2.55
	Indirect Cost	*$/bcm rock*	0.67
	Total Mining Cost	*$/bcm rock*	3.22
	Ore mining	*$/t ore*	1.26
	Waste mining	*$/t waste*	1.29
Mining Parameters			
	Mining Recovery	*%*	**95**
	Dilution	*%*	**5**
	Breakeven Economic Cut-Off	*% WO_3*	0.082%
		% Sn	0.110%
Pit Slope Parameters			
	Overall Slope Angle		42°

Key

Bold	**Value supplied**
Normal	Derived
Yellow	Values used directly in optimisation process

Figure 12-2. 3D View of Optimisation Extent – Base Case

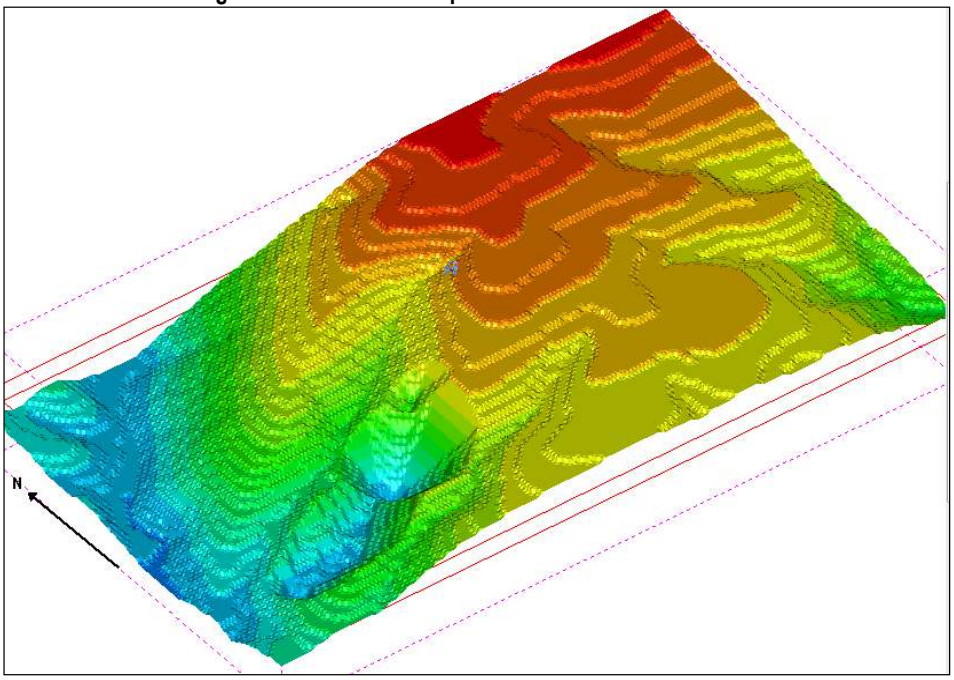
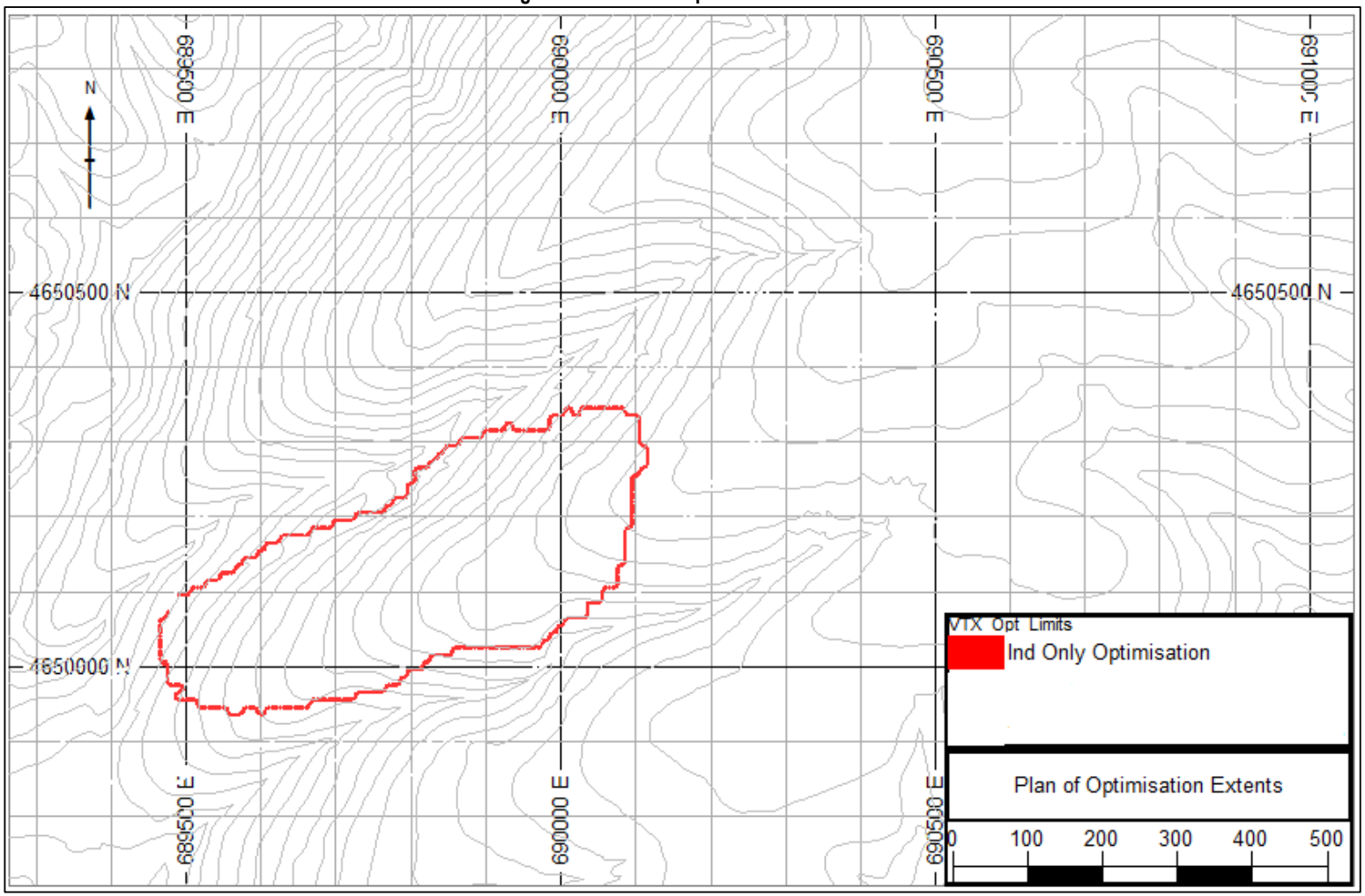


Figure 12-3. Plan of Optimisation Extents



12.2 Pit Design

Almonty management selected the maximum cashflow pit from the base optimisation run as being the most appropriate pit shell for ongoing design purposes. Pit design parameters used are summarized in Table 12-3.

Table 12-3. Pit Design Parameters

	Unit	Value
Bench Configuration		
Face Angle		56°
Berm Width, every 20m	*m*	4
Bench Height	*m*	10
Overall max slope with road intersections		42°
Safety berm width	*m*	14
Safety berm frequency	*m*	60
Haul Road		
Gradient		10%
Width	*m*	10

The resultant pit design is shown in Figure 12-4. A cross-section and 3D view are shown in Figure 12-5 and Figure 12-6, respectively. The majority of the pit design is cut into the west sloping existing hillside. A 10m wide haul road been put into the design with the exit point at the extreme west end, the lowest of point of the optimal pit rim, at an elevation of approximately 870m. This road is used to access lower parts of the design, down towards the lowest point at 820mRL. Access to the eastern, and higher, part of the pit will be gained from temporary access roads from the existing surface on higher benches.

Berms of 4m have been incorporated into the design every 20m vertically. For the extended highwall of the pit up to 1015mRL on the southern and eastern sides of the pit, additional 14m safety berms were put in every 60m vertically. The overall pit is approximately 700m in length along strike, and 300m wide at its widest point.

Figure 12-4. Pit Design Plan

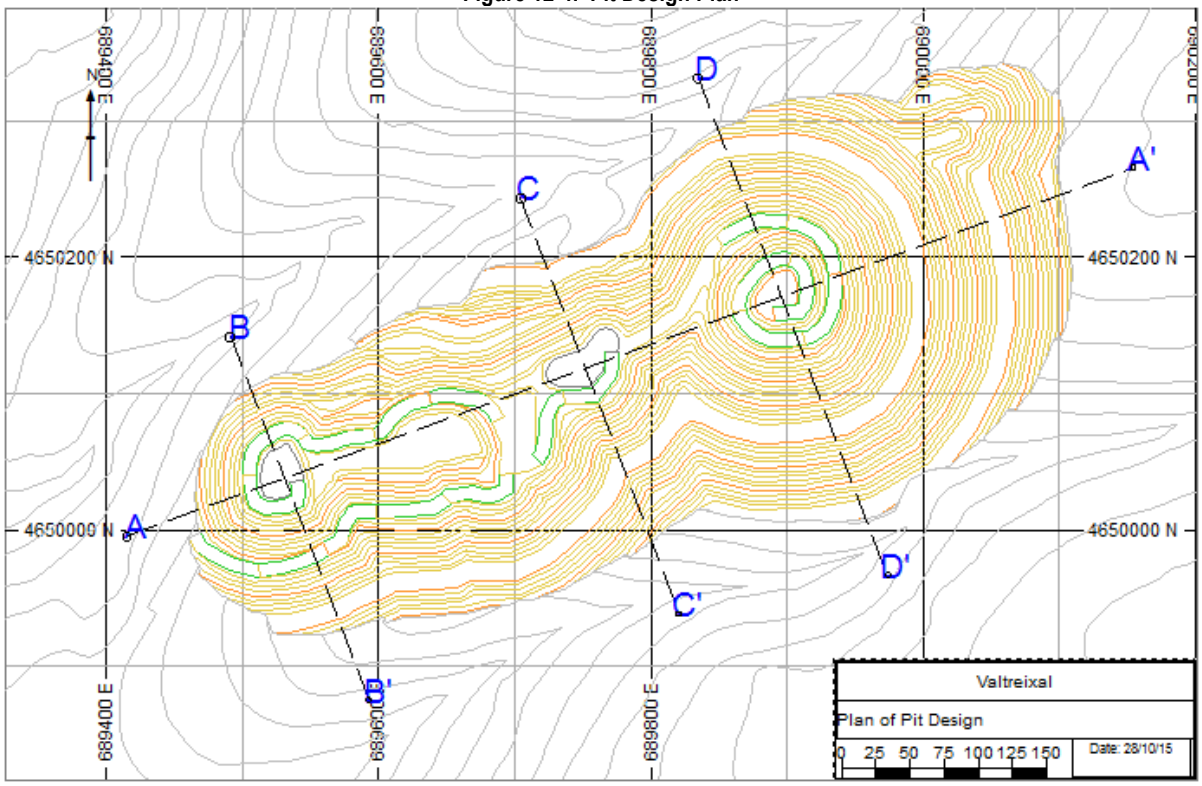


Figure 12-5. Pit Section D-D'

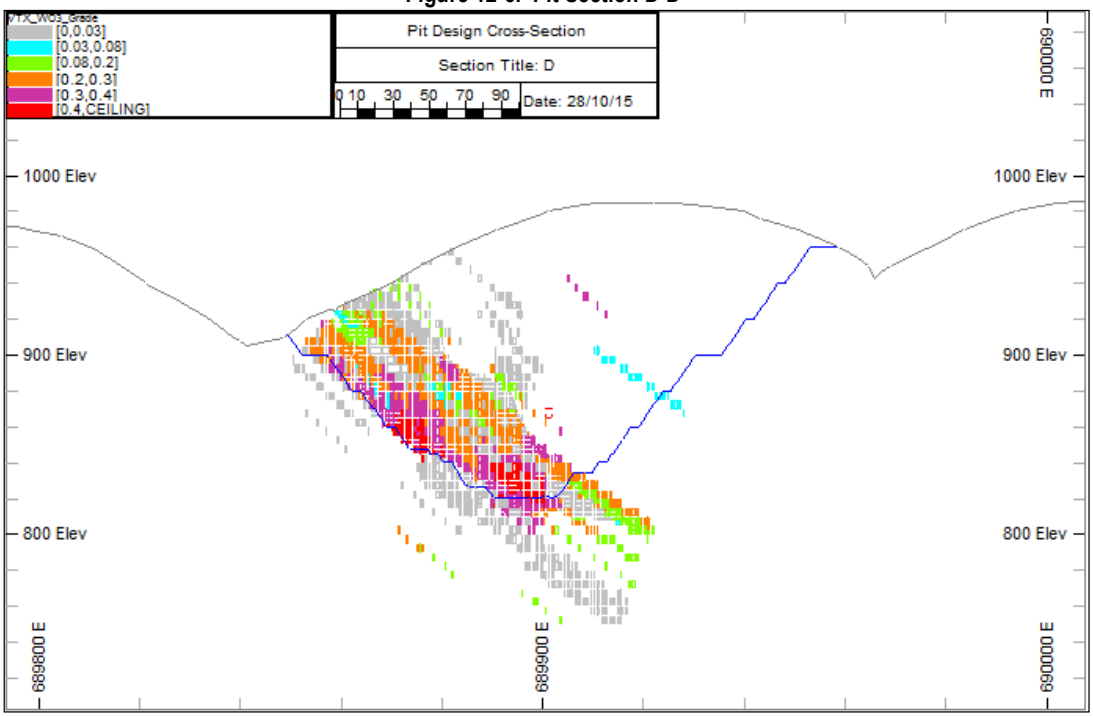
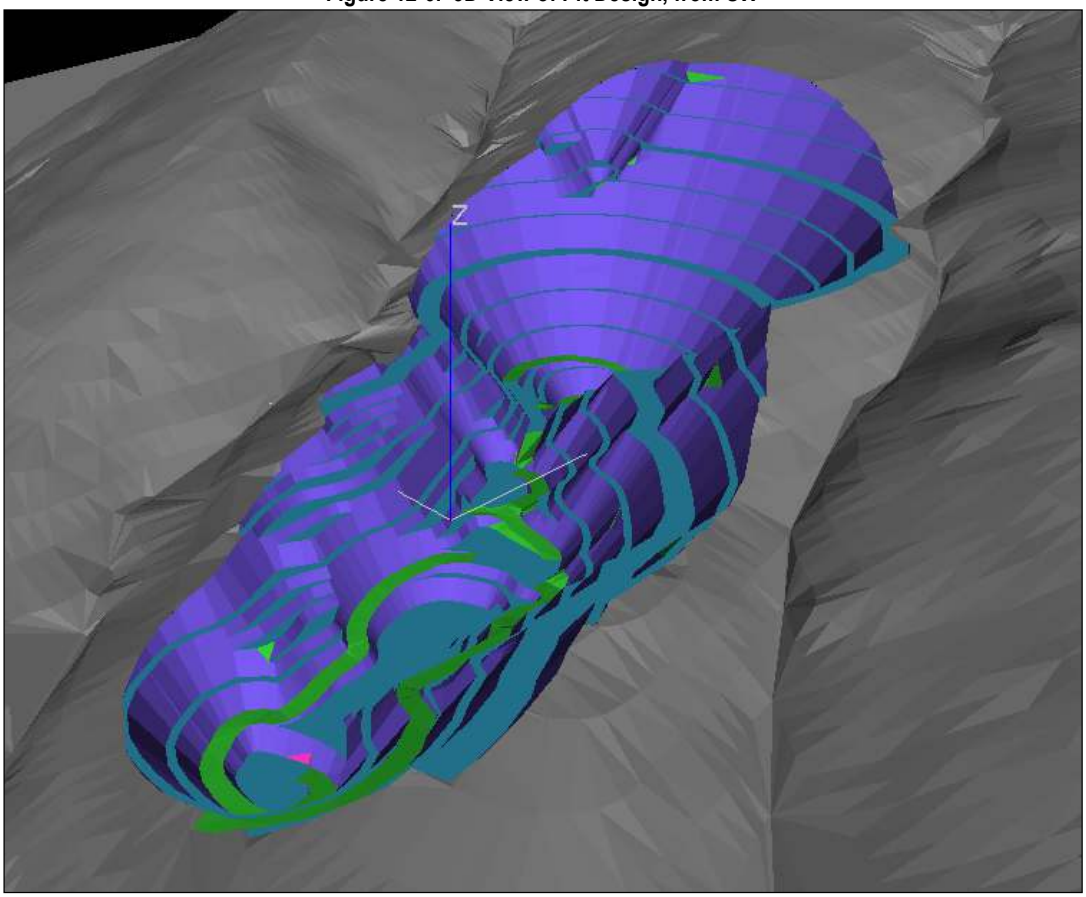


Figure 12-6. 3D View of Pit Design, from SW



12.3 Ore Reserves

Based on this pit design, and for the current economic parameters, reserves have been estimated. Additional mining factors of 5% dilution and 5% mining losses have also been applied. An overall reserve summary is shown in Table 12-5 with a summary the whole pit in Table 12 5. A bench breakdown in Table 12-7 and grade-tonnage table in Table 12-8.

In these evaluations a WO_3 equivalent grade has also been determined. The equivalence factor has been determined based on the relative prices and metallurgical recoveries of WO_3 and Sn. Both of the contributions of WO_3 and Sn have been used to determine ore blocks, which is equivalent to the application of the WO_3 breakeven cut-off, 0.09%, against the WO_3_Eq grade. All of the Indicated resources within the pit design, above the applied cut-off have been converted into Probable reserves.

Table 12-4. Cut-Off Grade Calculation

Description			*Unit*	Value
Processing				
	WO_3	APT Price	*$/mtu WO_3*	**350**
		Metal Price - received,	*$/mtu WO_3*	**273**
		after transport + smelting	*$/t WO_3*	27,265
		Recovery	*%*	**55%**
	Sn	Metal Price	$/lb	**12.2**
			$/t	27,000
		Received, after transport + smelting	*$/t Sn*	24,087
		Recovery	*%*	**65.0%**
		Processing Cost	*$/t ore*	9.98
		G & A	*$/t ore*	3.34
		Total Applied Ore Cost (Processing+G&A+OreMining-WasteMining)	*$/t ore*	13.28
Mining	**(No drill and blast required)**			
		Contractor Cost	*$/bcm rock*	2.62
		Indirect Cost	*$/bcm rock*	0.68
		Total Mining Cost	*$/bcm rock*	3.30
		Ore mining	*$/t ore*	1.29
		Waste mining	*$/t waste*	1.33
Mining Parameters				
		Mining Recovery	*%*	**95**
		Dilution	*%*	**5**
		Breakeven Economic Cut-Off	*% WO_3*	**0.09%**
			% Sn	0.085%

Table 12-5. Ore reserve Summary
As of December 31st, 2020

Reserve Category	Tonnes	Sn	WO_3	WO_3_Equiv
	Kt	%	%	%
Probable Reserves	2,577	0.12	0.25	0.35

Notes

. WO_3_Eq = WO_3 + (Sn x 0.91), based on:

	Price	Recovery
WO_3	$35,000/t	55%
Sn	$27,000/t	65%

. Cut-off applied to WO3_Equiv

Breakeven Cut-off = 0.09% WO_3

. Mining factors applied:

Dilution = 5%

Losses = 5%

Table 12-6. Open Pit Summary

Ore	Waste	Rock	Strip
Kt	Kt	Kt	Ratio
2,577	21,133	23,710	8.2

The WO_3 equivalent grade was determined using the formula below.

The WO3 equivalent grade was determined using the formula below.

WO3_Eqiv = WO3 + Sn x 0.91

This 0.91 equivalence factor was determined from the different relative metal prices, as shown in the formula below. The metal prices used in this formula are multiplied by a factor of 78% to obtain the received prices, with the costs for concentrate transport and smelting charges have been deducted.

Equivalence factor = (Price_Sn x Rec_Sn) / (Price_WO3 x Rec_WO3)

= (27,000 * 0.78 * 0.65) / (35,000 * 0.78 * 0.55)

= 0.91

Table 12-7. Bench Breakdown

	Probable Reserves				Inferred	Waste	Waste+Inf	Total Rock
BENCH	Tonnes	Sn	WO_3	WO_3_Equiv	Tonnes	Tonnes	Tonnes	Tonnes
mRL	Kt	%	%	%	Kt	Kt	Kt	Kt
1010	-				-	10	10	10
1000	-				1	147	149	149
990	-				9	341	350	350
980	-				14	642	655	655
970	0.07	0.17	0.04	0.26	24	1,041	1,065	1,065
960	12	0.16	0.13	0.20	55	1,341	1,396	1,408
950	23	0.14	0.11	0.23	84	1,409	1,493	1,516
940	33	0.13	0.11	0.20	121	1,530	1,650	1,683
930	27	0.13	0.09	0.20	167	1,607	1,774	1,801
920	35	0.12	0.07	0.23	167	1,817	1,984	2,018
910	74	0.11	0.13	0.27	190	1,863	2,053	2,127
900	174	0.11	0.20	0.30	205	1,864	2,069	2,243
890	245	0.11	0.24	0.32	142	1,485	1,627	1,871
880	323	0.11	0.28	0.33	178	1,286	1,464	1,787
870	410	0.12	0.28	0.36	195	942	1,137	1,547
860	428	0.13	0.27	0.38	222	719	941	1,369
850	383	0.13	0.27	0.38	246	391	637	1,020
840	249	0.12	0.25	0.37	190	217	407	656
830	119	0.14	0.28	0.35	110	106	216	336
820	43	0.15	0.34	0.45	30	26	57	99
TOTAL	**2,577**	**0.12**	**0.25**	**0.35**	**2,349**	**18,784**	**21,133**	**23,710**

Notes

. WO_3_Eq = WO_3 + (Sn x 0.91), based on:

	Price	Recovery
WO_3	$35,000/t	55%
Sn	$27,000/t	65%

. Cut-off applied to WO3_Equiv

Breakeven Cut-off = 0.09 WO_3

. Mining factors applied:

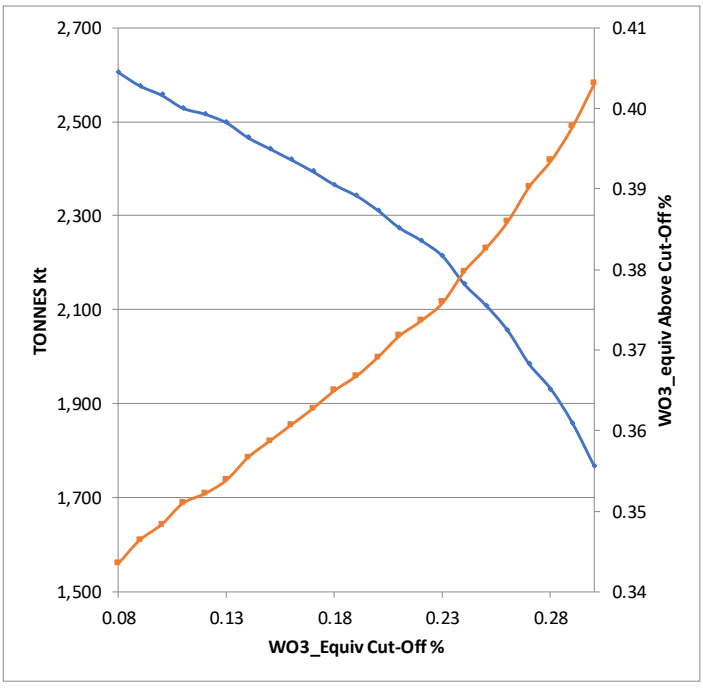
Dilution = 5%

Losses = 5%

. Inferred resources are conservatively assumed to be unmineralised waste, and have been handled in such in pit planning and reserve calculations

Table 12-8. Grade-Tonnage Table –Ore Reserves

WO3_Equiv Cut-Off	Tonnes	WO_3_Equiv	Sn	WO_3
%	Kt	%	%	%
0.08	2,606	0.34	0.12	0.25
0.09	2,577	0.35	0.12	0.25
0.10	2,557	0.35	0.12	0.25
0.11	2,529	0.35	0.12	0.25
0.12	2,516	0.35	0.12	0.25
0.13	2,498	0.35	0.12	0.25
0.14	2,467	0.36	0.12	0.26
0.15	2,443	0.36	0.12	0.26
0.16	2,419	0.36	0.12	0.26
0.17	2,394	0.36	0.12	0.26
0.18	2,366	0.36	0.12	0.26
0.19	2,343	0.37	0.12	0.26
0.20	2,311	0.37	0.12	0.26
0.21	2,274	0.37	0.12	0.27
0.22	2,248	0.37	0.12	0.27
0.23	2,214	0.38	0.12	0.27
0.24	2,154	0.38	0.12	0.27
0.25	2,109	0.38	0.13	0.27
0.26	2,056	0.39	0.13	0.27
0.27	1,984	0.39	0.13	0.28
0.28	1,931	0.39	0.13	0.28
0.29	1,858	0.40	0.13	0.28
0.30	1,767	0.40	0.13	0.28



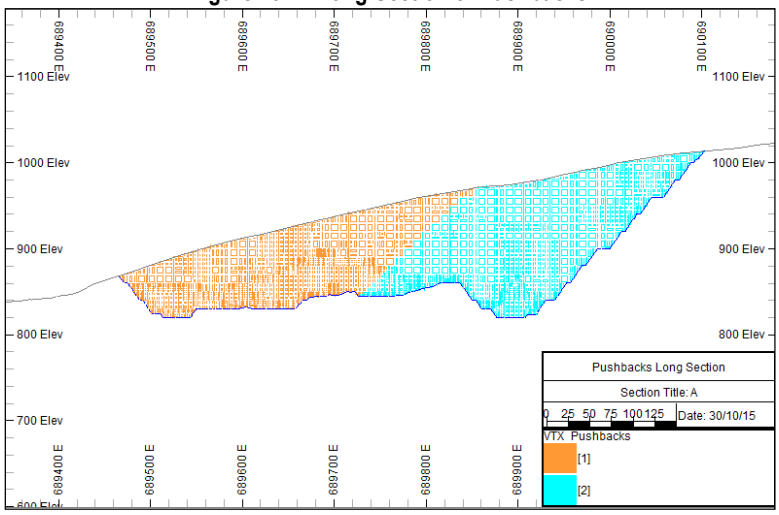
13 MINING METHODS

The earthworks completed over the past 7 years indicate that all of the rock types within the Valtreixal pit can be mined by free digging, and consequently drilling and blasting will not be required; it is assumed that mining operations will be completed by contractors. Unit contract rates have been used from the current mining operations at Los Santos, with adjustments for no drilling and blasting.

Main benches will be 10m high, with 5m sub-benches in ore, in order to assist with ore/waste discrimination. Grade control will be assisted by the taking of bench face and trench samples, as well as UV lights to assist in the identification of scheelite.

For scheduling purposes, the pit has been divided into two pushbacks, dividing the pit into western half and eastern sections (Figure 13-1). Mining will start in the western (lower) pushback. A mining schedule, for 500ktpa ore feed to the plant, with a pre-strip in year 0, is shown in Table 13-1.

Figure 13-1. Long-Section of Pushbacks



The development of the waste dumping facilities will be based on the following guidelines:

- Minimisation of the size of the final open hole from pit excavations.
- Progressive restoration of the exploited areas as the project advances.
- Minimisation of the additional dump of mine waste.
- Reduction of mining costs by reducing haulage distances with in-pit waste dumping.

The general sequencing strategy is to excavate the pit areas from west to east, with the dumping of mine waste from the active east advancing benches into the previously excavated western pit areas.

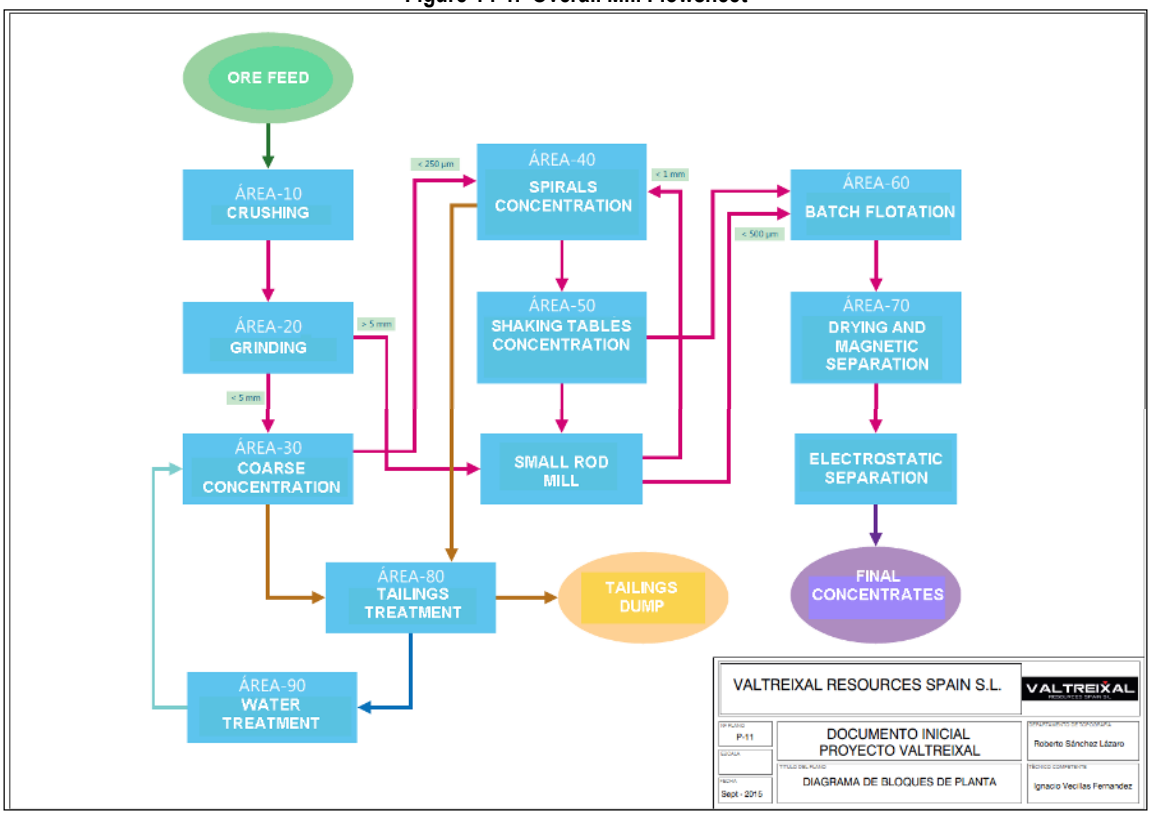
Table 13-1. Mining Schedule

			Year					
	Units	**Total**	**0**	**1**	**2**	**3**	**4**	**5**
----- PUSHBACK 1 ----								
PB 1 VOL WASTE	*m3*	3,314,348	1,665,359	980,572	347,386	217,169	103,863	
PB 1 VOL ORE	*m3*	600,775	18,435	155,569	200,936	149,269	76,565	
PB 1 VOL TOTAL	*m3*	**3,915,123**	1,683,794	1,136,141	548,322	366,438	180,428	
PB 1 TON ORE	*t*	1,535,689	48,522	406,548	509,621	378,135	192,863	
PB 1 WO3 %	*%*	0.28	0.28	0.30	0.29	0.26	0.25	
PB 1 Sn %	*%*	0.12	0.12	0.09	0.13	0.12	0.13	
PB 1 %WO3_EQ	*%*	0.38	0.38	0.38	0.40	0.37	0.37	
PB 1 RATIO (m3)		5.52	90.34	6.30	1.73	1.45	1.36	
----- PUSHBACK 2 -----								
PB 2 VOL WASTE	*m3*	5,156,676		1,393,195	1,072,000	1,175,885	975,185	540,411
PB 2 VOL ORE	*m3*	398,137		4,818	23,256	50,429	125,905	193,729
PB 2 VOL TOTAL	*m3*	**5,554,813**		1,398,013	1,095,256	1,226,314	1,101,090	734,140
PB 2 TON ORE	*t*	1,040,983		12,246	60,494	128,533	328,029	511,681
PB 2 WO3 %	*%*	0.21		0.13	0.11	0.11	0.18	0.27
PB 2 Sn %	*%*	0.13		0.16	0.13	0.12	0.13	0.13
PB 2 %WO3_EQ	*%*	0.33		0.27	0.23	0.22	0.30	0.39
PB 2 RATIO (m3)		12.95		289.18	44.39	24.58	7.78	2.85
---- LIFE OF MINE ----								
Vol Waste	*m3*	8,471,023	1,665,359	2,373,767	1,419,385	1,393,053	1,079,048	540,411
Vol Ore	*m3*	998,912	18,435	160,387	224,193	199,698	202,470	193,729
Vol TOTAL	***m3***	**9,469,936**	1,683,794	2,534,154	1,643,578	1,592,752	1,281,518	734,140
Ton ORE	***t***	**2,576,672**	48,522	418,794	570,115	506,668	520,892	511,681
% WO3	*%*	0.25	0.25	0.30	0.26	0.22	0.21	0.27
% Sn	*%*	0.12	0.10	0.10	0.13	0.13	0.13	0.13
% WO3_EQ	***%***	**0.36**	0.34	0.39	0.38	0.34	0.32	0.39
STRIP RATIO	*t/t*	**8.2**	85.5	14.1	6.2	6.8	5.2	2.6
STRIP RATIO	*m3/m3*	8.5	90.3	14.8	6.3	7.0	5.3	2.8

14 RECOVERY METHODS

Similar to current milling operations at Los Santos, crushing and grinding operations would probably comprise a jaw crusher, cone crushers and a rod mill. This would be followed by separation into different size fractions through hydrocyclones, spirals and shaking tables effect gravity separation. An overall flowsheet is shown in Figure 14-1.

Figure 14-1. Overall Mill Flowsheet



The conceptual recovery process will comprise: mined ore from a ROM pad will be fed to a jaw crusher and it is envisaged that separate stockpiles, according to WO_3 or Sn content will be developed and maintained. The jaw crusher will produce minus 200mm material, which will pass through a cylindrical trommel to separate clay and very fine material, followed by a one or two stage roller mill reducing the feed to minus 5mm. The minus 5mm material will go through a process of pre-concentration, and tests are still being conducted to determine the best dense media or jig arrangement for this stage of the process.

Two process lines will be created through use of a Reichert spiral classifier, based on a 250 micron split, comprising:

- Coarse material for Sn concentration.
- Fine material for WO_3 concentration.

The small rod mill will produce material I<0.5mm, to assist cleaning in the subsequent flotation. At this stage two identical circuits will be used, with successive stages of roughing, cleaning and refining, the roughing step will generate a pre-concentrate which will be passed on to the shaking tables and mixed material will pass through further spirals stages and a hydroclassifier for more detailed separation. There will be three separate lines of Wilfley shaking tables, working on three different granulometric ranges.

A discontinuous flotation process will be used to eliminate sulphides that may accompany ore concentrates and will be performed on the bulk concentrate, from the first concentration step, whose particle size would be between 250 microns and 5mm.

The flotation concentrate will be dried by a rotary drier and subsequently the product will be subjected to magnetic separation, for the removal of metallic or ferromagnetic particles which would incur penalties. Thereafter, the product will pass through an electrostatic separation process (charged induction plate), the low conductivity scheelite adhering to the plate whilst the high conductivity cassiterite is repelled.

Tailings will be generated at three different points: steriles <250 microns and >5mm, generated in the initial dense media/Jig preconcentration; steriles <1mm, from the gravity concentration spirals and steriles <38 microns (slimes) from the overflow of the hydrocyclones located at the start of gravity concentration circuit.

In the tailings treatment plant, the first two groups will be drained through vibrating screens, arranging and accumulating material on a draining floor to reduce its humidity below 10% for subsequent handling and final transport. The third group of tailings will first be subjected to settling in with an anionic flocculant and the decanted solids will pass through a filter press or vacuum filter, to produce material with a humidity below 25% which will be handled along with the thicker dry tailings material. All reclaimed water from tailings treatment will be reused in the gravimetric sorting circuit.

During gravimetric classification it is expected that 600m^3/hour of water flow will be required in the water treatment plant for reuse in the processing plant. Suspended fines will be settled out in the treatment, so clean overflow can be recirculated. On the mine site ditches will collect all surface run-off, which will be collected in settling ponds for reuse or discharge. Two open water tanks, each of 5,000m^3, will be installed.

15 PROJECT INFRASTRUCTURE

Various aspects of the planned infrastructure have been documented in a 'Documento Inicial', which has been submitted to the local authorities in Sept, 2015.

It is envisaged that the initial waste dumping would be to fill a set of small valleys south of the deposit. After this further mining, from new exploitation zones would fill those pit areas already excavated, progressing from the south-west. A waste dump and a dry tailings dump have been designed, as shown in the plan in Figure 15-1. Design parameters for these dump volumes are summarised in Table 15-1. Resultant dump volumes are summarised in Table 15-2. These designed volumes, with some in-pit dumping of waste, would provide sufficient capacity for the mining operations outlined for the reserve pit in the current study.

A potential area for the plant location would be in a small valley south of and parallel to the Valtreixal valley. This would be approximately central with respect to ore transport, and would allow easy access from nearby roads; and connection to electricity and water lines.

Collected pit and underground drainage water will provide a supply of water all year long. In addition to this, water could be obtained from a nearby river, subject to authorisation from Spanish public administration.

Table 15-1. Dump Design Parameters

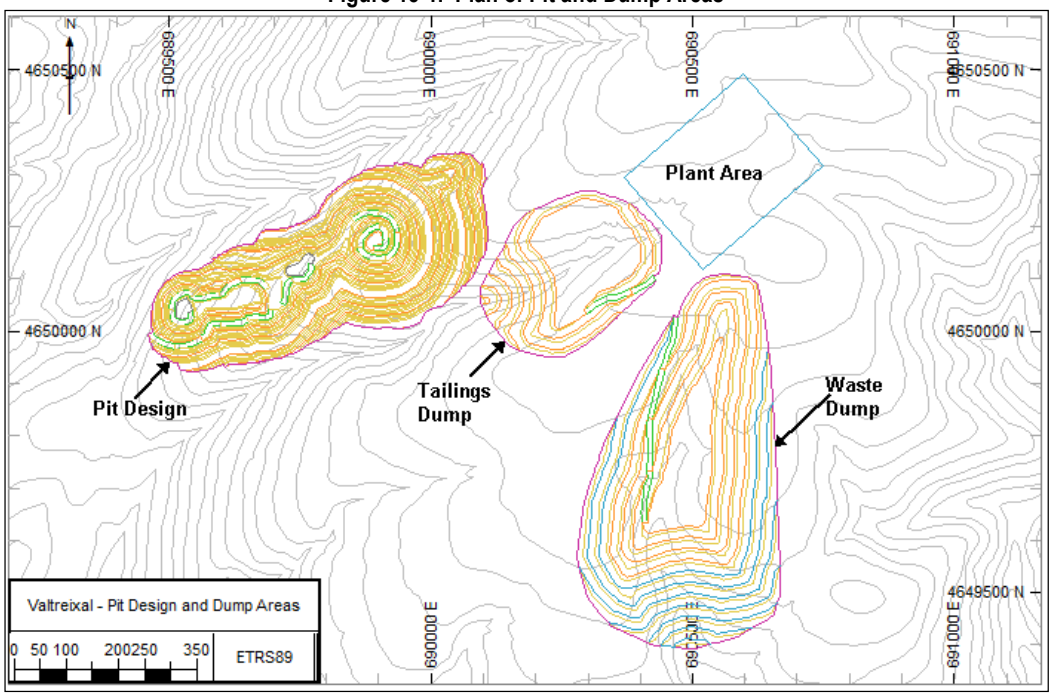
	Unit	Value
Bench Configuration		
Face Angle		35°
Berm Width, every 10m	*m*	7
Bench Height	*m*	10
Overall max slope resulting		24°
Haul Road		
Gradient		10%
Width	*m*	10

Table 15-2. Designed Dump Volumes

Waste Dump	
BENCH mRL	Volume m^3 x 1000
940	7
950	52
960	138
970	290
980	631
990	1,122
1,000	1,279
1,010	1,200
1,020	941
1,030	655
1,040	400
Total	**6,715**

Tailings Dump	
BENCH mRL	Volume m^3 x 1000
960	2
970	20
980	71
990	181
1,000	340
1,010	479
1,020	415
Total	**1,508**

Figure 15-1. Plan of Pit and Dump Areas



Other aspects of project infrastructure which have been planned include:

- ***Offices*** (350m^2) will be in the form of prefabricated modules sited on cement pads.
- ***Laboratory*** (400m^2) will include XRF equipment and cutting and sample preparation facilities.
- ***Maintenance Workshop*** (600m^2) for the maintenance and repair of mining machinery.
- ***ROM Pad*** (15,000m^2) will accommodate 10m banked-up stockpiles, and will have an ore capacity of approximately 120,000t.
- ***Hydrocarbon Storage Area*** (350m^2) will have three tanks for storing hydrocarbons, with a capacity of 40,000 litres each.
- ***Electrical power*** facilities will include a new 45kV overhead supply line, a 45/20kV transformer substation, an underground power line on-site and a 20kv/400v transformer centre

16 MARKET STUDIES AND CONTRACTS

Almonty management is in discussion with parties for an offtake agreement to sell 65% WO_3 concentrate. The price levels used in this study represent the current long term expectations of 350 $/MTU WO3. Actual price levels may differ and there is a risk that no agreement will eventuate.

17 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL IMPACT

Please refer to the Solicitor's Report on Tenements from Felipe Rodriguez Cascon in Appendix H of Almonty's Prospectus .

The western part of the P.I. *Valtreixal No. 1906 licence area* is currently classified as "Reserva de Caza" – hunting reserve, which has a relatively low level of environmental protection. Discussions are in progress to move the affected part of the hunting reserve out of the Valtreixal licence areas.

The C.E. *Alto de Repilados No. 1352* licence area is already an active mining concession, and will only need an EIA for open pit mining exploitation. Ongoing studies of the Valtreixal deposit have been presented to the authorities for both areas to obtain C.E. (Concesion de Explotacion) status. Valtreixal Resources can subsequently submit a mining plan and an EIS in order to seek approval for mining activities.

Estimates are necessary in Capital Costs for the diversion of road ZA-925, the corresponding EIS and the associated burial/deviation of the telephone and power-lines. There are two streams, short lengths of which will need to be diverted through pipes.

Initial tailings disposal dams and waste rock dumps would be located, subject to negotiation, in the government owned forestry area immediately to the south of the open pits. Thereafter the backfilling of worked out sections of the open pits is proposed and future mining schedules will have to take this pit-backfilling requirement into account.

There is very little economic activity in the region where the Valtreixal Project is located, and both Calabor and Valtreixal are old mining areas.

18 CAPITAL AND OPERATING COSTS

Mine and plant operating costs have been derived from operational experience at. Los Santos, as well as the mineral processing study by StB. These parameters have been updated by Almonty since the preliminary optimisation parameters shown in Table 12-2 were estimated. Combined with the estimated metallurgical parameters from StB, this has led to an updated compilation of estimated costs and parameters. Owing to the combined economic contribution of WO_3 and Sn, blocks have been assigned as ore where their combined revenue is greater than the total ore and G&A costs of US$13.28/t.

Operating cost levels, used for this preliminary economic analysis, were derived for current cost level at Los Santos, as summarised in Table 18-1. Mining costs were derived from the current contractor costs at Los Santos, and then modified for the absence of drilling and blasting at Valtreixal, as well as for different rock densities.

Start-up capital costs were estimated by Almonty, and summarised in Table 18-2.

Table 18-1. Estimated Operating Costs

Description			*Unit*	Value
Processing				
	WO_3	APT Price	*$/mtu WO_3*	**350**
		Metal Price - received,	*$/mtu WO_3*	**273**
		after transport + smelting	*$/t WO_3*	27,265
		Recovery	*%*	**55%**
	Sn	Metal Price	$/lb	**12.2**
			$/t	27,000
		Received, after transport + smelting	*$/t Sn*	21,060
		Recovery	*%*	**65.0%**
		Processing Cost	*$/t ore*	9.98
		G & A	*$/t ore*	3.34
		Total Applied Ore Cost (Processing+G&A+OreMining-WasteMining)	*$/t ore*	13.28
Mining	**(No drill and blast required)**			
		Contractor Cost	*$/bcm rock*	2.62
		Indirect Cost	*$/bcm rock*	0.68
		Total Mining Cost	*$/bcm rock*	3.30
		Ore mining	*$/t ore*	1.29
		Waste mining	*$/t waste*	1.33
Mining Parameters				
		Mining Recovery	*%*	**95**
		Dilution	*%*	**5**
		Breakeven Economic Cut-Off	*% WO_3*	0.09%
			% Sn	0.097%

Table 18-2. Estimated Capital Costs

	Category	Amounts US$ x 1000	Sub-total US$ x 1000
Investments Completed	Project purchase	4,198	
	Exploration	3,450	**7,648**
Infrastructure and Mill	Metallurgical testing	230	
	Feasibility Study	1,150	
	Permit application	288	
	Roads and access	288	
	Pit preparation	575	
	Road diversion	2,300	
	Civil works	1,725	
	Mill buildings	863	
	Electric line and transformers	345	
	Process equipment	17,250	
	Equipment installation	4,025	
	Coummunications	58	**29,095**
Mobile equipment	Mixed loader/backhoe	29	
	Telescopic lift	35	
	Fork-lift	29	
	Min scooptram	29	
	2 CAT 962 loaders	230	
	25 t truck	115	
	2 articulated trucks	288	**753**
Buildings	Offices	144	
	Laboratory	345	
	Workshop	230	
	Warehouse	144	
	Changehouse	144	
	Canteen	58	**1,064**
Vehicles	3 all-mine terrain	58	
	1 3, 500 kg truck	29	
	4 transport vehicles	144	**230**
Water handling	Pumps	115	
	Collecting ponds	288	
	Water treatment	173	
	Tanks	173	**748**
	Sub-total		**39,538**
	10% Contingency		**3,954**
	Total		**43,492**

19 ECONOMIC ANALYSIS

A life-of-mine (LOM) schedule was based on all of the reserves developed in this study, in accordance with the JORC Code. The estimated capital and operating costs summarised in Section 18 were then used to develop an economic cashflow model, as summarised in Table 19-1. Important aspects of this economic cashflow include:

a) Year 0 is essentially a pre-strip period building up 49,000 t of ore for mill commissioning.
b) The capital costs for mine start-up include costs estimated for the road, telephone and power line diversions.
c) The mine operating costs are based on the current mine contractor costs at Los Santos, but adjusted to reflect that there will be no drilling and blasting at Valtreixal.
d) Processing and G&A costs are also similarly based on Los Santos.
e) The designed pit also contains 2.2 Mt of Inferred resources which were conservatively assumed to be unmineralised waste, given that the Inferred resources haven't been defined as ore reserves and may not be defined as ore reserves.

Table 19-1. Economic Cashflow Model

				Year					
		Units	**Total**	**0**	**1**	**2**	**3**	**4**	**5**
---- LIFE OF MINE ----									
Vol Waste		*m3*	8,471,023	1,665,359	2,373,767	1,419,385	1,393,053	1,079,048	540,411
Vol Ore		*m3*	998,912	18,435	160,387	224,193	199,698	202,470	193,729
Vol TOTAL		***m3***	**9,469,936**	1,683,794	2,534,154	1,643,578	1,592,752	1,281,518	734,140
Ton ORE		***t***	**2,576,672**	48,522	418,794	570,115	506,668	520,892	511,681
% WO3		*%*	0.25	0.25	0.30	0.26	0.22	0.21	0.27
% Sn		*%*	0.12	0.10	0.10	0.13	0.13	0.13	0.13
% WO3_EQ		***%***	**0.36**	0.34	0.39	0.38	0.34	0.32	0.39
STRIP RATIO		*t/t*	**8.2**	85.5	14.1	6.2	6.8	5.2	2.6
STRIP RATIO		*m3/m3*	8.5	90.3	14.8	6.3	7.0	5.3	2.8
---- PRODUCTS ----									
WO3	t		3,568	67	690	825	619	597	769
Sn	t		2,065	31	275	479	415	424	442
---- CASHFLOW ----									
Revenue	WO_3 Sales	*US$ x 1000*	97,294	1,838	18,805	22,504	16,880	16,288	20,979
	Sn Sales	*US$ x 1000*	43,492	644	5,789	10,089	8,735	8,927	9,309
	Total Revenue	*US$ x 1000*	140,785	2,481	24,595	32,592	25,614	25,215	30,288
Cash Costs	Mining	*US$ x 1000*	31,284	5,562	8,371	5,429	5,262	4,233	2,425
	Mill	*US$ x 1000*	25,708	484	4,178	5,688	5,055	5,197	5,105
	Admin	*US$ x 1000*	8,609	162	1,399	1,905	1,693	1,740	1,710
	Operating Cash Costs	*US$ x 1000*	65,600	6,209	13,949	13,022	12,009	11,171	9,240
Operating Margin		*US$ x 1000*	**75,186**	**-3,727**	**10,646**	**19,570**	**13,605**	**14,044**	**21,048**
Capital Costs	Investments completed	*US$ x 1000*	7,648	7,648					
	Infrastructure and Mill	*US$ x 1000*	29,095	29,095					
	Mobile equipment	*US$ x 1000*	753	753					
	Buildings	*US$ x 1000*	1,064	1,064					
	Vehicles	*US$ x 1000*	230	230					
	Water handling	*US$ x 1000*	748	748					
	Sub-total	*US$ x 1000*	39,538	39,538					
	Contingency 10%	*US$ x 1000*	3,954	3,954					
	Total Capital	***US$ x 1000***	**43,492**	43,492					
Cashflow		***US$ x 1000***	**31,694**	**-47,219**	**10,646**	**19,570**	**13,605**	**14,044**	**21,048**

Net Cash Flow		*US$ x 1000*	**31,694**
NPV	**6%**	*US$ x 1000*	**17,469**
NPV	**10%**	*US$ x 1000*	**10,469**
Internal Rate of Return			**19%**

20 OTHER RELEVANT INFORMATION

Almonty plans to progress with further drilling, metallurgical test and other feasibility study work. As described previously, the 'Documento Inicial; has now been submitted to the local authorities, in order to obtain the necessary mining and environmental permits.

21 RECOMMENDATIONS

For further development of the project the next logical stage is a Feasibility Study, which would include:

1. A geotechnical study for the analysis of pit slope angles.
2. A more detailed mine plan and production schedule.
3. A more detailed study of operating and capital costs.
4. A more detailed development of the milling operation and site infrastructure.
5. A more detailed plan associated with the road, telephone and power line diversions.
6. More drilling to delineate south-western extensions of the deposit.

22 REFERENCES

"Review and Conceptual Study on the Valtreixal Tungsten/Tin Deposit, NW Spain", by Saint Barbara LLP, May 2014.

"Report NI 43-101, Technical Report on the Mineral Resources of the Valtreixal Project, Spain", by Adam Wheeler, September 2014.

Appendix A: JORC Code, 2012 Edition – Table 1

Section 1. Sampling Techniques and Data

Criteria	JORC Explanation	Commentary
Sampling techniques	Sampling overview	Three types of samples are available for resource estimation: underground channel samples, surface trench samples and diamond drillhole samples.
	Measures for representivity and calibration of tools/systems	Drilling was oriented as far as possible to be perpendicular to the mineralised structures, on a regular grid, and to complement information from underground galleries
	Determination of mineralisation	Lithological changes, assisted by ultra-violet (uv) detection of scheelite, augmented by assay measurements.
	Sampling details; non-standard aspects	Almonty surface trenching exploration started in November 2013. The trenches were cut with an excavator which produced trenches approximately 0.50m wide and generally 1m deep, or deeper so as to reach bedrock. The trenches were oriented at right angles to the general direction of mineralisation. Channel samples were taken in the walls of the cut trenches, generally 2m in length. The cutting was done manually as well as with an electric hammer. Typically, the weight per sample was 8-10 kg
Drilling techniques	Drill type and details.	Diamond drilling. Holes were generally collared as PQ (core 122.6mm) and then changed to HQ (core 63.5mm) once the alteration zone was passed. Some of the holes were changed to NQ (core 47.6mm) after approximately 100m.
Drill sample recovery	Method of measurement and recording drill recovery	Drillhole recoveries were not consistently good, with the historical drilling approximately 60% of samples achieved 90%+ recoveries and 80% of samples achieved 50%+ recoveries. The Almonty drilling results were better, with 76% of samples achieving 90%+ recoveries and 97% of samples achieving 50%+ recoveries
	Measures for recovery and representivity	Recovery monitored during campaigns.
	Relationship between sample recovery and grade	There was no evidence of sample bias or any relationship between sample recovery and grade.
Logging	Geological and geotechnical logging details.	All core was transferred directly from the core barrel to correctly sized wooden core trays at the rig site. Wooden core blocks were placed in the trays to record downhole depths at the end of each drill run. At intervals the core trays were transported to a centralised core handling facility in Puebla de Sanabria. Here the core was geologically logged by Almonty geological staff
	Logging qualitative or quantitative, core photography	Logging both qualitative and quantitative. Logging information recorded included: lithology, weathering, mineralisation, vein directions/widths and schistosity directions.
	Total length and % of relevant intersections logged	In the current overall drillhole database, 17,812m have lithological log data, representing 95% of the total drilled length.
Sub-sampling techniques and sample preparation	Core sawing details	These selected samples were sawn such that one half core was sent to the laboratory.
	Non-core sample splitting details	Trench samples split using rotary splitter during sample preparation.
	Nature and quality of sample preparation	Described in Section 8.1
	Quality Control (QC) procedures, for max representivity	All QC procedures described in Section 8.3.
	Measures to ensure sampling representative of material	Field duplicates taken, as described in Section 8.3.
	Samples sizes information	It is considered that the sample sizes used are appropriate for the mineralisation at Valtreixal.
Quality of assay data and lab tests	Assaying and laboratory procedures	Described in Section 8.2.
	Parameters, models for geophysical or other instruments.	No other instruments used other than laboratory techniques described in note above.
	QC procedures, related to accuracy (lack of bias) and precision	Results associated with all QC procedures are described in Section 8.3, as well as check sample results to verify samples from former campaigns, as described in Section 9. These results showed acceptable precision and lack of bias.
Verification of sampling and assaying	Verification of key intersections - independent personnel	Analysis of duplicates for historical samples were re-assayed by Almonty.
	Use of twinned holes	No twinned holes were drilled, but new drillholes supported mineralisation indicated by underground galleries.
	Documentation of primary data, and entry procedures	Primary data has been entered and maintained in an Excel database. Any problems encountered during the hole data import, combination and desurveying process were resolved with the Almonty geologists.

Criteria	JORC Explanation	Commentary
	Adjustments to assay data	The only adjustment made to assay were applied top-cuts during the compositing process.
Location of data points	Accuracy and quality of drillhole and workings' surveys	Updated surveys were made of drillhole collars and topographical data.
	Specification of grid system	Work that was done historically utilised the UTM coordinate system ED50 in time zone 29. In the current work, all coordinate data has been updated to the ETRS89 coordinate system.
	Quality and adequacy of topographic control	In the opinion of the Competent Person, the quality of the topographic data is adequate for the current study being described.
Data spacing and distribution	Spacing for reporting of Exploration Results	Plans of all sample data, overlain on the topographic contours show that the spacing of samples with different historical campaigns has ended up being fairly sporadic, with sections spaced at distances from 30m to 100m
	Assessment of data spacing and distribution	The western part of the deposit has been drilled on a 30m grid. It is considered that the spacing of samples used is sufficient for the Mineral Resources evaluated in the current study.
	Sample compositing	Drillhole, trench and underground channel sample data were composited to 2m lengths, as described in Section 11.3.
Orientation of data in relation to geological structure	Sampling orientation	Most of the trench and drillhole sample lines have been aligned at right angles to the overall deposit orientation, so as achieve unbiased sampling.
	Assessment of orientation	It is not considered that the sampling orientations have introduced any sampling bias.
Sample security	Measures for sample security	All chain of custody procedures have been in place and followed in the exploration process.
Audits or reviews	Results of any audits or reviews	The Competent Person has reviewed the sampling techniques and data and considers them adequate for resource/reserve estimation.

Section 2. Reporting of Exploration Results

Criteria	JORC Explanation	Commentary
Mineral Tenement and Land Tenure Status	License information and data, including royalties	Described in Section 2, and in particular in Table 2-1.
	Security of tenure	Ongoing studies of the Valtreixal deposit have now been presented to the authorities (el Director Facultativo), in order to seek for both areas to get C.E. (Concesion de Explotacion) status. Valtreixal Resources can subsequently submit a mining plan (Proyecto de Explotacion) and an environmental impact study D.I.A. (Declaración de Impacto) in order to seek to have mining activities approved (although there is no guarantee that will occur).
Exploration Done by Other Parties	Other parties	Described in Section 4.
Geology	Deposit type, setting and mineralisation	Described in Sections 5.
Drillhole Information	Drillhole Information	Described in Section 7, Table 7-1 and Table 11-1.
	Explain any excluded data	No information has been excluded.
Data Aggregation Methods	Averaging techniques/truncations	Exploration results not being reported.
	Aggregation methods	Drillhole composited (as described in Section 11.3) and from these 3D block models were developed.
	Assumptions for any metal equivalents	The WO_3-equivalent grade has been calculated (for reporting purposes) based on the assumed Sn and WO_3 metal prices and recoveries, as fully described in Section 12.3.
Relationship between mineralisation widths and intercept lengths	Geometry of mineralisation with respect to drilling	Holes inclined so as get as near to perpendicular intersections as possible.
	Statement related to true width	No downhole lengths or individual intersections being reported.
Diagrams	Maps/sections - discoveries, collars	Refer to Figure 11-2 - Figure 11-5.
Balanced Reporting	High/low grades and widths	Exploration results not being reported.

Other Substantive Exploration Data	Other exploration data.	No meaningful and material exploration data, apart from the borehole database sampling results, have been included in the report.
Further Work	Planned further work	No specific further exploration work has been planned at present.
	Diagrams of extensions, interpretations and future drilling	Not relevant.

Section 3. Estimation and Reporting of Mineral Resources

Criteria	JORC Explanation	Information Required
Database integrity	Measures for error reduction/removal between collection and use for Mineral Resources Estimates (MRE)	The Competent Person undertook the following validation procedures: Inspection of drillhole collars, trench positions, surface outcrops and accessible underground galleries on-site at Valtreixal; inspection of core storage and handling facility at Puebla de Sanabria; check measurement of drillhole collars and gallery portals using handheld GPS.
	Validation procedures	Checks during import, combination and desurveying of data. Check sections and plans also produced.
Site Visits	Visit details	Adam Wheeler visited the Valtreixal site most recently on June 15th and 16th, 2015. Assistance and technical detail were supplied by the technical personnel of Almonty, which is a wholly owned Spanish subsidiary of Almonty
	Explanation if no visit	Not relevant
Geological interpretation	Confidence in geological interpretation	The tin mineralisation, in the form of cassiterite, is hosted by a mixture of individual veins, veinlets and vein swarms, generally with the same overall dip and dip direction. The distribution and width of veins can be quite erratic within localised areas. The tungsten mineralisation, in the form of scheelite, is also associated with the quartz veins, but often occurs laterally outside of, and sub-parallel to, the quartz veins.
	Nature of data, assumptions	As well as drilling data from former and current campaigns, underground access also offers mineralised exposures, which helps to support the geological interpretation. In general, the interpreted vein structures have a consistent strike direction of around 65º, and dip at approximately 45-60º in the direction 155º.
	Effect of alternative interpretations on MRE	Effects of alternative geologic models were not tested.
	Use of geology in controlling MRE	The impact of geology on mineralization has been applied through the use of dynamic anisotropy controlling search envelopes during grade estimation.
	Factors affecting continuity of grade and geology	The main factors affecting continuity and grade is the general sub-parallel structure of Sn and WO_3 higher grade structures.
Dimensions	Extent and variability	Described in Table 11-3.
Estimation and modelling techniques	Estimation techniques: assumptions, software, parameters	An updated mineral resource estimation was completed by the Competent Person. This estimation employed a three-dimensional block modelling approach, using CAE Datamine software, as described in Section 11.
	Check/previous estimates	Check estimates against production data was not possible, as such production data was not available. Check estimates were compared with available historical estimates.
	Assumption with respect to recovery of byproducts	Apart from WO_3 and Sn, no other by-products have been considered.
	Deleterious elements	No particular elements exist, and have therefore not been estimated.
	Block size with respect to sample spacing	The interpretations were used to create a 3D block model, based on a parent block size of 10m x 10m x 10m, with sub-blocks generated down to a resolution of 0.5m.
	Assumption with respect to SMUs	A cross-strike width of 2m was the implied selectivity, as higher grade parts were extrapolated with this block width within the overall mineralised structures.
	Correlation between variables	No assumptions have been made about the correlation between any variables.
	How geology interpretation used to control resource estimates	The interpretation of mineralised zones subsequently controlled selected samples and zone composites, and then the resource block models.
	Grade capping	Grade capping was applied, so as to prevent outlier high grade values from over-estimation of grades, as described in Section 11.3.
	Validation process	Mode validation steps are described in Section 11.9.
Moisture	Method of determination	Tonnages are estimated on a dry basis

Criteria	JORC Explanation	Information Required
Cut-off parameters	Basis and parameters	The main reference cut-offs used for resource estimation were: 0.05% and 0.10% WO3, were selected as being close to potentially possible open mining cut-off grades, as demonstrated by the parameters and derived cut-offs shown in Table 12-2.
Mining factors/assumptions	Mining methods: dimensions, assumptions extraction prospects	A minimum mining width of 2m was applied in the resource estimation, as being realistic for the envisaged open pit mining. All of the rock types within the Valtreixal pit can be mined by free digging, so drilling and blasting will not be required. Main benches will be 10m high, with 5m sub-benches in ore, in order to assist with ore/waste discrimination. .
Metallurgical factors/assumptions	Assumptions re processes and parameters	The milling operation is envisaged as: crushing, grinding and gravity separation of scheelite and cassiterite into a bulk concentrate; removal of sulphides from the bulk concentrate by flotation; and drying and electrostatic separation of the bulk concentrate into scheelite and cassiterite concentrates.
Environmental factors/assumptions	Status of potential environmental impacts	The western part of the P.I. Valtreixal No. 1906 licence area is currently classified as "Reserva de Caza" – hunting reserve, which has a relatively low level of environmental protection.
Bulk Density	Basis and application	Density measurements have been made from core samples since October 2014, using water immersion
	Void spaces	Up until June 2015, the measurements were based on uncovered core. Subsequent measurements were made using plastic film. These results with plastic film show that uncovered density measurements were overstating density values by approximately 7%. These former density values were then adjusted by a factor of 93%.
	Assumptions with respect to the evaluation process	There does not appear to be particular relationship between density and grade values. The approach taken in this study was to estimate density values from the sample measurements, using inverse-distance weighting, as described in Section 11.6.
Classification	Basis for MRE, with varying confidence categories	The basis for resource classification criteria have been described in Section 11.8.
	Factors: tonnes, grades, input data, geology; quality, quantity and distribution	The resource classification criteria have taken into account all relevant factors, as summarised in Section 11.8 and Table 11-12.
	Results reflect CP's view	The resource estimation results reflect the Competent Person's view of the deposit.
Audits/reviews	Results of any previous reviews	No audit or review of the Mineral Resource estimates has been completed by an independent external individual or company. The Competent Person has conducted an internal review of all available data.
Discussion of relative accuracy/confidence	Statement re relative accuracy and confidence level	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resources as per the guidelines of the 2012 JORC code.
	Specifics for global and local estimates, relevant to technical and economic evaluation.	The resource statement relates to global estimates of tonnes and grade.
	Comparison with production data, where available	No historical production figures available.

Section 4. Estimation and Reporting of Ore Reserves

Criteria	JORC Explanation	Information Required
MRE conversion to Ore Reserves (OR)	Description of MRE	Stated in Table 1-1 and Table 1-2.
	MRE - inclusive of, or additional to, OR	The Mineral Resources are reported inclusive of the Ore Reserves.
Site Visit	Comment re CP visit	Adam Wheeler visited the Valtreixal site most recently on June 15th and 16th, 2015.
	If not, why not.	Not relevant.
Study status	Type and level of study undertaken	A Technical Assessment Report on the Mineral Resources and Reserves of the Valtreixal Project, Spain was produced to be compliant with NI43-101 guidelines at a Prefeasibility level. This current report has been produced according to JORC Code and VALMIN Code guidelines.
	At least PFS level required; has a viable mine plan been determined	This current report is at a Prefeasibility (PFS) level. A viable mine plan has been determined, as described in Section 19.
Cut-off parameters	Basis and parameters	For Ore Reserve reporting, a cut-off of 0.09% was applied to the estimated WO3 equivalent grade. This cut-off level was derived from the parameters shown in Table 12-2.
Mining Factors/Assumptions	Methods and assumptions	Ore Reserves were determined from the Indicated Mineral Resources contained within the designed open pit.

Criteria	JORC Explanation	Information Required
	Choice of mining methods and parameters	The mining methods and parameters are described in Section 12.2 and Table 12-3.
	Assumptions for geotechnics, grade control and pre-production drilling	Actual topographical toes and crest positions have been measured in areas where there are road cuttings or surface excavations for drilling platforms or access purposes. From these measurements, an average face slope angle of 56 ^{o} was determined. Based on an assumed bench configuration of 10m benches, 4m berms every 2 benches, and 10m wide haul roads (or safety berms), this resulted in an estimated overall slope angle of approximately 42^{o}. This overall slope angle has therefore been applied in optimisation work.
	Major assumptions used in pit/stope optimisation	The optimisation parameters are summarised in Table 12-2.
	Mining dilution factors	An additional unplanned dilution factor of 5% was applied.
	Mining recovery factors	A mining recovery factor of 95% was applied (5% losses).
	Minimum mining widths	A minimum mining width of 2m has been applied implicitly, stemming from extrapolation of higher grade mineralisation within the block model.
	No use of inferred in MRE in mining studies	Any inferred resource material within the planned open pit was treated as waste, and was excluded from the Ore Reserves.
	Infrastructure requirements	Described in Section 15.
Metallurgical factors/assumptions	Met. Process proposed: appropriateness for mineralisation	Described in Section 14.
	Whether met. process is well tested.	The metallurgical process envisaged is using well-tested technology.
	Nature of met test work	Described in Section 10.
	Assumptions made for deleterious elements	A discontinuous flotation process will be used to eliminate sulphides that may accompany ore concentrates and will be performed on the bulk concentrate.
	Bulk sample/pilot test > orebody representivity	Pilot plant studies and concentration tests have also been performed. From the pilot plant studies, ore beneficiation at Valtreixal is dependent on the fragility of scheelite, which assists in the production of a recoverable amount of ultrafine material, through classical gravity concentration systems. The lithology of the mineralised zone, and its geotechnical characteristics, will allow easy release of the mineral without using excessively aggressive media and should also avoid the production of excessive fines which hamper recovery:
	OR based on appropriate mineralogy	The Ore reserve estimation used assumed metallurgical recoveries based on proposed metallurgical processing that is appropriate for the expected mineralogy.
Environmental	EI studies. Waste rock characterisation. Residue storage, waste dumps.	It was considered that the likely pit geometries, along with the natural topography, lend to an eventual dry disposal of tailings in initial mined out pits. Initial tailings disposal dams and waste rock dumps would be located, subject to negotiation, in the government owned forestry area immediately to the south of the open pits. Thereafter, the backfilling of worked out sections of the open pits was proposed.
Infrastructure	Existing land for development, power, water, transportation, labour.	Described in Section 15.
Costs	Derivation of capital costs.	Capital costs have been derived from operational experience at. Los Santos, and are summarised in Table 18-2
	Methodology for operating costs.	Mine and plant operating costs have been derived from operational experience at. Los Santos, and are summarised in Table 18-1.
	Allowances for deleterious elements.	Costs for the flotation process to eliminate sulphides from the concentrates and included in the operating cost estimates.
	Source of exchange rates.	The exchange rate used in this report is US$1.15 to 1.00 Euro (€).
	Derivation of transport charges.	Transportation costs are part of the mining cost estimates.
	Basis for tc/rc, penalties.	A reduction of 22% has been applied to the base case APT price of $350/MTU, to represent the treatment costs, refining costs and other penalties associated with the post-processing of WO_3 concentrate leaving the site.

Criteria	JORC Explanation	Information Required
	Allowances for royalties.	Please refer to the Solicitor's Report on Tenements from Felipe Rodriguez Cascon in Appendix H of Almonty's Prospectus. A local annual tax Is also required.
Revenue Factors	Assumptions for head grades, exchange rates and other charges.	Main parameters for economic calculations shown in Table 18-1. A metallurgical performance was estimated of to be 65% tin recovery, allowing a 50% Sn concentrate, and a 55% tungsten recovery, allowing a 65% WO3 concentrate,
	Assumptions for metal prices.	The base case price levels are based Almonty' s industrial experience.
Market Assessment	Demand, supply and stock situation	Almonty management is in discussion with parties for an offtake agreement to sell 65% WO_3 concentrate. The price levels used in this study represent the current long term expectations of 350 $/MTU WO_3. Actual price levels may differ and there is a risk that no agreement will eventuate.
	Customer analysis, market windows.	Almonty management is in discussion with parties for an offtake agreement as described above..
	Price and volume forecasts.	The price levels used in this study represent the current long term expectations of US$350/MTU WO_3.
	For industrial minerals: specification, testing and acceptance requirements.	Not relevant.
Economic	Inputs for NPV in study. Source and confidence of economic inputs.	The discounted cashflow analysis has been based on 2020 Constant US$ values. The derivation of the project NPV is described in Section 19.
	NPV ranges and sensitivities.	The NPV results are summarised in Table 19-1.
Social	Status of agreements with key stakeholders, for social license to operate.	There is very little economic activity in the region where the Valtreixal Project is located, and both Calabor and Valtreixal are old mining areas.
Other	Impact of identified material risks.	Please refer to Section 6 of Almonty's Prospectus and the Solicitor's Report on Tenements from Felipe Rodriguez Cascon in Appendix H of Almonty's Prospectus.
	Status of legal agreements and marketing arrangements.	Marketing arrangements are proposed to be similar to those of Almonty's existing Spanish tungsten producer, Los Santos.
	Status of government agreements and approvals.	Ongoing studies of the Valtreixal deposit have been presented to the authorities (el Director Facultativo), in order to seek to obtain C.E. (Concesion de Explotacion) status for both areas. Valtreixal Resources can then submit a mining plan (Proyecto de Explotacion) and an environmental impact study D.I.A. (Declaración de Impacto) in order to seek to have mining activities approved (although there is no guarantee that will occur).
Classification	Basis for classification of OR, into varying confidence categories.	The Ore Reserve estimate considers only Indicated Resources, which inside the designed open pit have been converted into Probable Ore Reserves. Any inferred resource material within the designed pit was treated was waste.
	Whether results reflect CP's view.	The results do reflect the Competent Person's view of the deposit.
	Proportion of Probable Ore Reserves derived from Measured Mineral Resources.	There are no Measured Mineral Resources.
Audits or reviews	Results of any audits/reviews on OR estimates.	No audit or review of the Ore Reserve estimates has been completed by an independent external individual or company.
Discussion of relative accuracy/confidence	Statement of relative accuracy in the OR estimates, or if not appropriate, qualitative discussion.	Carried over from the resource model, the principal control on the resource categories, and consequently reserve categories, are the spacings of diamond drillhole intersections. Key drillhole section spacing limits have been established which are used as a guide in the assignment of resource categories, as described in Table 11-12.
	Relation to global or local estimates.	The Ore Reserve statement relates to global estimates of tonnes and grade.
	Accuracy discussion with respect to any Modifying Factors.	All of the Indicated resources within the designed open pit, above the applied cut-off grade, have been converted into Probable reserves. The Ore Reserve estimation work is described in Section 12.3.
	Where possible, comparison with production data.	Not applicable.

APPENDIX B:

Glossary of Terms

UNITS OF MEASURE AND ABBREVIATIONS

DMT	dry metric tonne
ha	hectares
km	Kilometers
kt	Tonnes x 1,000
Ktpa	Kilo-tonnes per annum
m	meters
m/h	meters per hour
m^3	cubic meter
m^3/h	cubic meters per hour
mtu	metric tonne unit
	1 mtu = 10kg = 0.01t. Normally used to refer to 10kg of WO_3 concentrate at a grade of 100% WO_3.
Mt	Tonnes x 1,000,000
NI	National Instrument (43-101)
NSR	Net smelter return
ppb	Parts per billion
ppm	Parts per million
QA/QC	Quality assurance/ quality control
t	Tonne (1,000 kg)
tpa	Tonnes per annum/year
tph	Tonnes per hour
3D	Three-dimensional
US$	US dollars
UTM	Universal Transverse Mercator
XRF	X-ray fluorescence

APT Pricing

Mined tungsten concentrates are priced by reference to the price of Ammonium Paratungstate (APT), an intermediate product in the production of tungsten metal, powder, tungsten carbide or other end use tungsten products. Prices are quoted “per metric tonne unit” (mtu) which is equivalent to 10 kg of product. An equivalent price per tonne is therefore the price on an mtu basis multiplied by 100.
The price received for concentrate sales are typically subject to a discount to the APT price to cover the cost of converting mined concentrate to APT as in the case of TC//RC charges for base metals.

Appendix F - Independent Technical Assessment (Sangdong Mine)

TECHNICAL ASSESSMENT REPORT ON THE

MINERAL RESOURCES AND ORE RESERVES OF THE

SANGDONG PROJECT, SOUTH KOREA

Prepared for

Almonty Industries Inc.

by

Competent Person:
Adam Wheeler, B.Sc, M.Sc, C. Eng.

31st December 2020



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1 SUMMARY

1.1 Introduction and Overview

This report is part of a Technical Assessment Report (TAR) for Almonty Industries Inc's ("Almonty") properties, and was prepared according to the guidelines of the JORC Code dated 2012, and comprises a review and summary of Resource and Reserve Estimation for the Sangdong project, as of the end of December 2020. The report has also been prepared in accordance with the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("VALMIN Code").

The Sangdong deposit is considered as a potential underground operation, and is located in the Gangwon Region of South Korea. The principal potential products are tungsten and molybdenum.

This report was prepared by Adam Wheeler, an independent mining consultant, at the request of Almonty. Assistance and technical detail were supplied by the technical personnel of the Sangdong Mining Corp. Adam Wheeler last visited the Sangdong site on June 13th- 16th, 2017. The Mineral Resources and Ore Reserves presented in the report are based on, and fairly represent, the information and supporting documentation prepared by Adam Wheeler.

Previous underground mining at Sangdong took place at various times since the original discovery in 1916. The last main operation was from 1952 to closure in 1992. A feasibility study was completed for the Sangdong Project in June 2015. This document describes further development of the project, following the involvement of Almonty, with updated Mineral Resources and Ore Reserves, as a consequence of the updated Phase 7 diamond drilling in 2016.

All measurement units used in this report are metric, and currency is expressed in US Dollars ($US) unless stated otherwise. Costs derived from Republic of Korea Won were converted at a rate of $US 1 = Won 1100.

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves for the Sangdong Project is based on information compiled by Mr Adam Wheeler, who is an independent self-employed mining consultant and is not a permanent employee of Almonty. Mr Wheeler is a Fellow of the Institute of Materials, Minerals and Mining (a Recognised Professional Organisation included in a list promulgated from time to time) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves; (JORC Code 2012 Edition). Mr Wheeler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

1.2 Ownership

Almonty acquired a 100% ownership interest in Woulfe Mining Corp ("WMC") in stages, with the acquisition completed on September 10, 2015 by way of a Plan of Arrangement. WMC, through its wholly owned subsidiary, Almonty Korea Tungsten (AKT) owns a 100% interest in the Sangdong mine.

1.3 Database and Mineral Resource Estimation

The Oriental Minerals ownership period started in 2006. The total number of drillholes (surface and underground) and total metres drilled at Sangdong before and after 2006 comprise 870/84,014m and 507/42,730m respectively. The sample database, in the form of an Excel spreadsheet, comprises data from all available surface and underground drillholes, over recent and historical drilling campaigns.

The resulting spacing of samples with these different historical campaigns has ended up being fairly sporadic, with sections spaced at distances from 30m to 100m. Most of the surface holes are vertical, as are the very deep underground holes. Most of the underground holes are angled up or down so as to give good intersections with the overall mineralised structures, which generally dip at approximately 25° NNE. The database also included physical string and wireframe data, for previous interpretations, mined-out limits, surface and underground topography.

An updated mineral resource estimation was completed by the Competent Person. This estimation employed a three-dimensional block modelling approach, using Datamine software. Two main resource blocks models were developed. The relatively thick hanging wall (HW) zone was modelled using a conventional block model structure. All of the other skarn zones were modelled using the initial generation of 3D digital terrain models (DTMs) for the zone centre-points, onto which thicknesses and grade-accumulations were estimated, using ordinary kriging. This enabled a 3D block model of all these zones to be developed – with columnar sub-blocks representing the vertical thickness of the mineralised skarn bodies. Density values were also estimated from sample measurements.

The models generated were derived from the interpretation of skarn zones, by AKT geologists, with additional intersection checks and refinements by the Competent Person. The defined skarn intersections have been based on a lithological skarn identification, as well as 0.1% WO_3 cut-off

grade. Additional mined-out limits for the principal skarn structures were applied, as well as a 50m remnant surface pillar below the surface topography.

In the resource estimation, a minimum thickness of 2.2m was applied, such that thinner blocks were diluted to 2.2m. Resource class categories were set, such that Indicated resources only used assay data from drillholes after 2006, along with drilling grid criteria.

1.4 Mine Planning

Based on the use of mechanized mining equipment, the latest understanding of the orebody geometry and mining areas, and evaluation of the Indicated resources, including mineralised zone thickness variations, it was decided to apply two proposed mining methods:

- Mechanized Inclined Panel mining (MIP) – areas where the thickness less than 3 metres.
- Cut-and-Fill (CAF) – for areas where the thickness is greater than 3 metres.

Stope blocks were laid out as plan perimeters, bounded by each level, where the football contact of each zone cut through the level's reference elevation. Stope blocks were only laid out in those parts of each zone predominantly demarcated as containing Indicated resources. Any Inferred resource blocks within stope outlines were treated as planned dilution with mineralised waste.

Mining will almost exclusively use mobile diesel-powered equipment. All newly stoped areas will be backfilled with paste backfill. In the evaluation of stope blocks, additional unplanned mining factors of 5% dilution and 5% losses were also applied. Maximum span properties, from a geotechnical study, were superimposed onto the laid-out stopes in each skarn zone, so that higher cut-offs were applied to those zones requiring higher support costs. The applicable cut-offs varied from 0.23% - 0.36% WO_3.

Additional level development has been laid out so as to enable access to the identified ore reserve areas, and to allow truck haulage from these new stoping areas. Main access to the underground mine will use the old entry portals on the Sangdong and Taebak levels as well as a new portal on the -1 level, that will enable ore haulage from the mine directly into the valley, on approximately the same elevation as the intended mill position.

1.5 Mineral Processing

Processing will utilize crushing, grinding (semi-autogenous mill and ball mill) and flotation for scheelite concentration. The processing plant will treat the run-of-mine (ROM) ore from underground at a nominal feed rate of 1,920 tpd. A new processing plant will be constructed, based in the valley, to the south of the Sangdong adit entrance.

A marketable tungsten concentrate grade of 60% WO_3 will be produced. The processing plant recoveries, based on metallurgical testwork, is estimated to be 85%. The main process steps for treating the Sangdong ore are primary, secondary and tertiary crushing and stockpiling; grinding; flotation divided into two (2) sub-circuits (sulphide flotation and tungsten flotation); thickening; filtration and packaging section; a waste water treatment facility; and a services section

The plant design will encompass crushing, grinding and flotation for scheelite concentration. In the future, test work will also investigate the potential recovery of molybdenum into a sulphide flotation concentrate, ahead of the scheelite flotation circuit.

1.6 Infrastructure

Existing infrastructure to be used includes the access road to site; site roads; powerline and stepdown substation, potable water supply and communications and internet service. It also includes some old Korea Tungsten Mining Company Ltd. (“KTMC”) buildings that will be reused and the KTMC slope support at the zone of the plant and water treatment plant.

To aim to return the mine to operation, the existing Sangdong infrastructure will be reconfigured and supplemented by new facilities as required. To accommodate the new waste storage facility the existing buildings at the Sangdong portal level will be demolished to allow for placement of waste from mine development. New site infrastructure will be built in the valley, on the footprint of old KTMC installations. It will include a new mine/administration building (in the Sangdong village), an assay laboratory, warehouse, maintenance shop, recreational facilities for employees, fuel storage, potable and process water supply and water and sewage treatment facilities. The mine backfill plant will be placed at Sangdong Terrace.

1.7 Mineral Resource and Ore Reserve Estimates

The evaluation work was carried out and prepared according to the guidelines of the JORC Code (2012). The current resource estimation is shown in Table 1-1, for a range of different alternative resource cut-off grades. The metal prices that correspond to these different cut-off grades are also shown below, and support these Mineral Resources as having a reasonable prospect for the eventual economic extraction.

Table 1-1. Sangdong – Mineral Resources
As of 31st December, 2020

WO_3 Cut-Off	Resource Class	Tonnes Kt	WO_3 %	MoS_2 %
0.15%	Indicated	8,029	0.51	0.06
	Inferred	50,686	0.43	0.05
0.20%	Indicated	7,864	0.51	0.06
	Inferred	47,630	0.44	0.05
0.30%	Indicated	7,316	0.53	0.06
	Inferred	36,466	0.50	0.06

Notes

. Bed models diluted to a minimum thickness of 2.2m
. Resources shown are inclusive of reserves
. 50m surface pillar material removed
. Indicated HW material based on all samples,
with a maximum search of 35m x 50m (along-strike x down-dip)
. Indicated material in all other beds are based on only PO-P6 samples
with a maximum search of 50m, and sample grid required
. Inferred material based on all samples, up to a maximum search of :
105m x 150m in HW
100m x 100m in all other beds
. Based on the operating parameters presented in this study, these cut-offs relate to breakeven levels, at metal prices of:

Cut-Off WO3 %	WO_3 APT Price $/mtu
0.15%	450
0.20%	350
0.30%	230

The Indicated resources have been used in the development of a mine plan. To start the mine operations, the blocked-out stopes have enabled a reserve evaluation to be made, as summarised in Table 1-2.

Table 1-2. Sangdong – Ore Reserves
As of 31st December, 2020

	Probable Reserves	
	Tonnes Kt	WO_3 %
HW	3,759	0.47
MAIN/F1	1,328	0.34
F2	1,495	0.48
F3	1,249	0.46
F4	65	0.33
TOTAL	**7,896**	**0.45**

Notes

. All reserves have a probable category
. WO_3 Cut-offs applied:
0.36% Max Spans <=3m
0.28% Max Spans >3m <=6m
0.23% Max Spans +6m
Supported by WO_3 APT price of $350/mtu
. Level restrictions:
. Down to -1 level (633m) for the non-HW zones
. Mining Factors applied
. Minimum thickness = 2.2m
. Unplanned dilution = 5%
. Unplanned losses = 5%

1.8 Conclusions

The following conclusions have been reached:

a) The Phase 7 drilling completed in 2016, which was focussed on the HW zone, has helped to verify the old data available in the HW zone. This has helped to support the use of both historical and Phase 0 - Phase 7 drillhole data for the estimation of Indicated HW resources.

b) The updated Feasibility Study calculations have identified Probable Reserves of 7.896 Mt, which with an assumed mill capacity of 640 ktpa, is estimated to sustain a mining operation for approximately 12 years. However, there is no guarantee that will occur. Please also refer to the risk factors described in Section 6 of Almonty's Prospectus.

c) If production recommences, the mine would be estimated to employ 170 people, including mine contractors.

d) There are more areas of the deposit down-dip and to the north-east which have not been currently evaluated.

e) Most of the deposit has not yet been delineated at depth.

2 PROPERTY DESCRIPTION AND LOCATION

The deposit is located at Sangdong in the south-eastern Korean Peninsula, about 170km east south east of the capital city of Seoul, 20km southwest of Taebaek and 55km south east of Wonju, in Yongweol County of Kangwon-Do Province (37°08'N Latitude and 128°50'E Longitude) as shown in Figure 2-1 and Figure 2-2. The main adit is at the head of a short, south-flowing tributary of the Oktong-ch'on (river). The Property comprises 12 Mining Rights with an aggregate area of 3,173ha, held in the name of AKT. The licence areas are shown in Figure 2-3 and details of the licences in Table 2-1.

The existing mining permits cover all the active mining areas discussed in this report. Mining permits are subject to mining-right usage fees (a fixed annual charge), mineral resource compensation fees, and applicable mineral resource taxes.

The mining permits give the right to carry out full mining and mineral processing operations in conjunction with safety and environmental certificates. Approval for installation of mining facilities (Sangdong Portal, Woulfe Portal, Taeback Portal and Baekun Portal) have been issued by East Mine Registration Office of the Ministry of Trade, Industry & Energy. Environmental certificates (Temporary Forest Land Use) have been issued by the Department of Environmental Forest of Yeongwol County. There are no known or recognized environmental issues that might preclude or inhibit a mining operation in this area.

Surface rights for mining purposes are not included in the permits but AKT have leased some of land use for mining and processing plant activities by effecting payment of a purchase fee based on the appraised value of the land. The rest of the necessary lands for mining, waste disposal and processing plant activities (processing plant, offices and accommodations etc.) were guaranteed by Yeongwol County, through written official documentation. A summary of the lease areas is shown in Figure 2-4.

Except for relatively small areas in the south in the main river valley and a few small areas of vegetable farms, the Sangdong property is on government land. On government (i.e. non-private) land, an environmental security bond must be lodged. On private land, access must be negotiated with the individual landowner(s). In the case of mining, there is no formal mediated process for land disturbance, and the purchase or lease of the surface rights would have to be negotiated with the landowner(s).

Environmental certificates have been issued by the Department of Environmental Forest of Yeongwol County and there are no known or recognized environmental issues that might preclude or inhibit a mining operation in this area. Some major land purchases may be required in the future for mine infrastructure purposes (processing plant, waste disposal and offices).

Figure 2-1. Sangdong Project Location Map

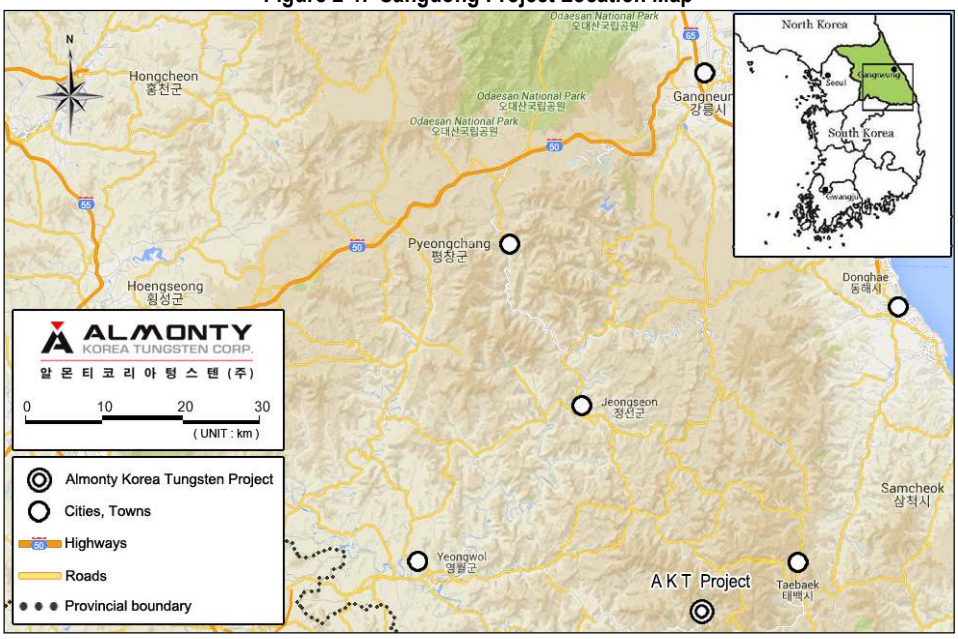


Figure 2-2. Sangdong Mine Area
Showing Sangdong East and West Deposits and Infrastructure

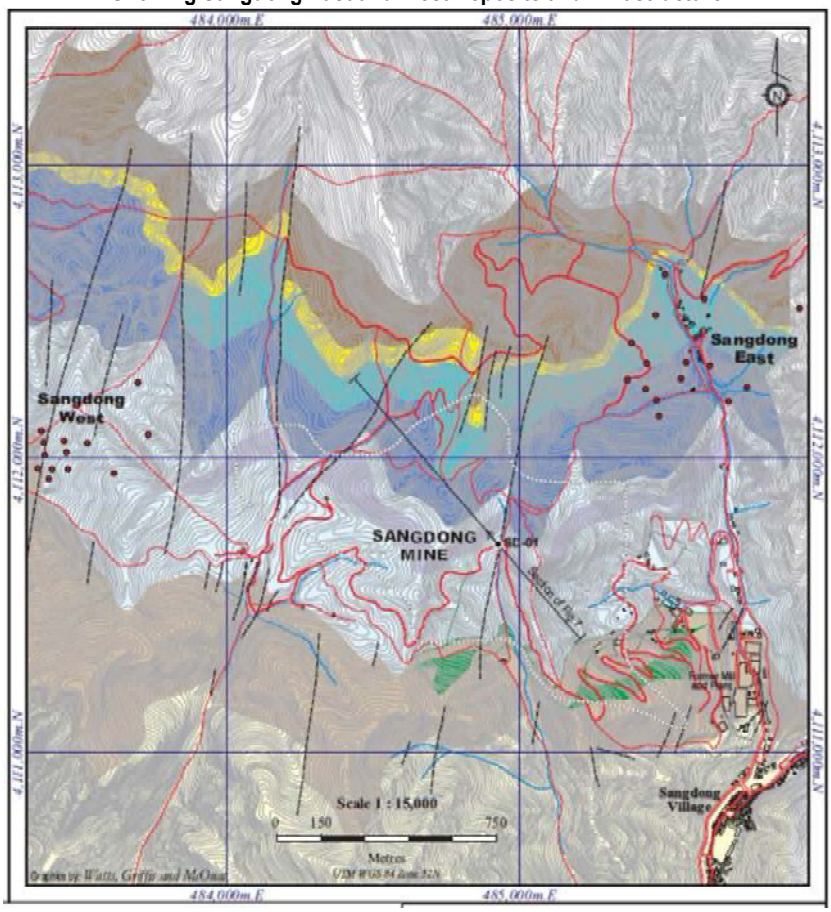


Figure 2-3. Sangdong Project: Mineral Rights Areas

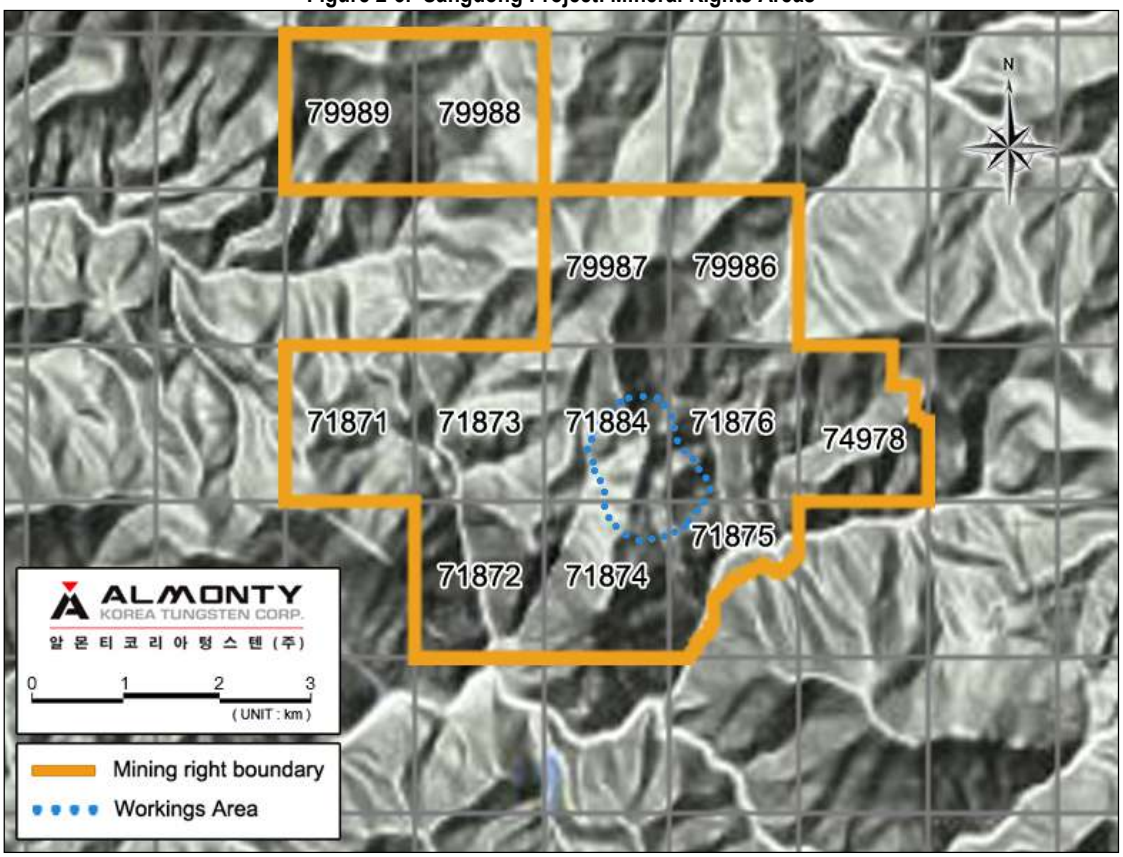


Figure 2-4. Lease Areas



Plot No.	Land Category	Total Area (㎡)	Area (㎡) to be leased	Remarks
106	Building Site	4,539	4,539	To be purchased or leased
109	Building Site	3,068	3,068	
110	Building Site	4,241	4,241	
112	Building Site	3,088	3,088	
114-6	Building Site	996	-	AKT have leased
114-5	Forest	11,006	700	To be permitted for temporary land use (AKT have leased 5474㎡ for 114-4, 3939㎡ for Mt.64)
114-4	Forest	21,278	14,526	
Mt.64	Forest	95,061	3,422	

Table 2-1. Sangdong Project – Licence Details

Sector	District	Block No.	Registration No.	Area (ha)	Mineral	Registration Date	Location Latitude / Longitude
Sangdong	Seobyeok	121	71871	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 09′ ~ 37° 10′ 128°47′10″~128°48′ 10″
	Seobyeok	112	71872	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 08′ ~ 37° 09′ 128°48′10″~128°49′ 10″
	Seobyeok	111	71873	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 09′ ~ 37° 10′ 128°48′10″~128°49′ 10″
	Seobyeok	102	71874	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 08′ ~ 37° 09′ 128°49′10″~128°50′ 10″
	Seobyeok	92	71875	185	Au, Ag, Cu, Pb, Zn, W, Mo, Bi, Si	01-Jun-01	37° 08′ ~ 37° 09′ 128°50′10″~128°51′ 10″
Sangdong 2	Seobyeok	91	71876	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi	02-Jun-01	37° 09′ ~ 37° 10′ 128°50′10″~128°51′ 10″
	Seobyeok	101	71884	274	Au, Ag, Cu, Pb, Zn, W, Mo, Bi	08-Jun-01	37° 09′ ~ 37° 10′ 128°49′10″~128°50′ 10″
Sangdong 6	Seobyeok	81	74978	248	Au, Ag, Cu, Pb, Zn, W, Mo	30-Sep-05	37° 08′ ~ 37° 09′ 129°51′10″~129°52′ 10″
Sangdong 7	Homyeong	100	79986	274	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 11′ ~ 37° 12′ 128°48′10″~128°49′ 10″
	Homyeong	110	79987	274	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 11′ ~ 37° 12′ 128°47′10″~128°48′ 10″
	Homyeong	119	79988	274	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 10′ ~ 37° 11′ 128°50′10″~128°51′ 10″
	Homyeong	129	79989	273	Au, Ag, Cu, Pb, Zn, W, Mo	22-Nov-11	37° 10′ ~ 37° 11′ 128°49′10″~128°50′ 10″

Source: WMC 2014

3 ACCESSIBILITY, LOCAL RESOURCES AND INFRASTRUCTURE

The Sangdong area is in the central portion of the most rugged part of the Taebaek-san in one of the deep valleys running north-south on the southern slopes of Baegun Mountain (Baegun-san 1,428m amsl). The highest outcrop of the Sangdong orebodies is about 800m amsl. The dominant trend of the valleys in the Sangdong mine area is north-south. Despite the terrain, access is well developed countrywide and a paved road passes within several hundred metres of the old mill site and forestry roads traverse the Property. Vegetation in the Taebaek district is dominated by dwarf pines. Thick dense undergrowth, consisting of scrubby thorny vegetation develops in June after the first heavy rains, making access very difficult off walking tracks.

The Sangdong Project is located 175km east-southeast of Seoul, in Yongweol County of Kangwon-Do Province on the eastern side of South Korea. The project is well served by Expressways and Highways from Seoul, allowing a 3.5 hour road journey. Taebaek (population of over 50,000) is located 25km to the east of Sangdong by paved road and is an established coal mining town with most modern facilities. Sangdong, a small rural village with a population of approximately 600, is situated 2km to the south of the mine. The national rail network system services the region. The train journey takes 4.5hrs to Taebaek from Seoul Station. The closest railhead is situated at Yemi 5km north of Sangdong.

The Project experiences seasonal climatic conditions and at Yeongwol can be described as cloudy with a distinct hot wet season followed by a cold dry season during the winter. Daily temperatures average 27°C and rise to a maximum of approximately 30°C. Daily thunderstorms are common in August and the occasional “typhoon” may occur in coastal areas. During September to October, the climate becomes cooler, with daily temperatures reaching 20°C. The winter “dry” season lasts from October to March, with snow falling from December to February. Freezing temperatures occur during this time, occasionally reaching as low as -30°C. Mild temperatures in the spring produce slush and muddy conditions on unsealed roads from March to April. On average there are 129 freezing days each year, 112 days of rainfall and 106 frost days. Of these days, on average, each year there are 105 overcast days, 92 clear days, 29 foggy days, 26 snow days and 19 thunderstorm days.

3.1 Local Resources

The former Sangdong Mine was a major employer in the area, but ceased operations in 1992. It is therefore unlikely that a skilled mining workforce adequate for a new mining operation still exists in the immediate area. Workers with the required skills and provided training would be available locally and from elsewhere within Korea.

Potential sources of surface run-off water supply for future mining and milling operations exist in local streams and rivers. There are also reasonable sources of groundwater contained in the limestones overlying the tungsten skarn.

Sites adequate for the disposal of waste rock exist within the Property in the immediate area west of the former mine. There are extensive deposits of limestone available on the Sangdong Project area for use as neutralising/buffer media for acid generating materials as well as aggregate. The Pungchon Limestone overlies the tungsten skarn of the Myobong Slate. It would provide useful coarse rock aggregate for use in a “french drain” type arrangement at the base of waste dump facilities.

There is no local logging industry within the property. The forest is administered by the Youngwol Forest Service. There is only minor agricultural land within the Property and it is understood that local residents are allowed by the government to grow crops, mostly cabbage, in forest clearings where there is road access.

3.2 Infrastructure

A power line passes within several kilometres of the Property and two high tension power lines cross over the Property Mining Rights boundary, servicing Sangdong village and the Kangwon High Golf and Ski Resorts, situated to the north of the Sangdong Project. 20MVA of electrical supply capacity will be provided for the Sangdong Project mining and milling operation, and the Uljin nuclear power station facility is situated nearby on the coast and would be capable of providing a reliable, long-term and low cost energy supply for the mine.

The rail network is used for passenger service but also the transport of bulk cargoes, including cement, limestone and aggregates, mineral concentrates, sulphuric acid tankers, refrigerated goods and fuel cells. Sangdong is situated 5km south of the Yemi railhead

Uljin is the closest port facility for the Sangdong Project, situated 50km east of Sangdong on the east coast whilst Donghae, an additional port facility is situated 56 km northeast of Sangdong. Donghae is a port mainly used for the export of cement clinker.

4 PROJECT HISTORY

The mine produced tungsten concentrates from 1939 to 1992. A summary of the project history is shown in Table 4-1.

Table 4-1. Summary of Project History

Dates	Company	Notes
1916-1939	Various	Mining at two locations
1939-1949	Sorim Resources	Main Sangdong deposit discovered 1939-40. Mined 1946-49, under US military government office
1949-1951	Korean Tungsten Mining Company	Mining by government agency
1952-1992	KTMC	Mining up to 600Ktpa. Mine developed on 20 levels, from 240-755 masl. Room and pillar mining on HW, Mina, F2 and F3. APT plant produced in 1972. Tungsten concentrate produced throughout. Bismuth concentrate produced from 1961-1987.
2001	See Woo Mining Co. Ltd	Mr Jae Youl Sim acquired 23 Mining Rights over the Sangdong deposit.
2006	Oriental Minerals Inc	Agreement for Oriental to earn up to 100% interest in 23 Mining Rights.
2010	Woulfe Mining Corp.	Name change in the holding company
2011	Woulfe Mining Corp.	Project area reduced to 12 Mining Rights, and Woulfe gains 100% interest.
2015	Almonty Industries	Acquired by Almonty Industries
2016	Almonty Industries	Offtake agreement with GTP (Global Tungsten & Powders)
		Completion of demolition for KTMC's old building and structures that existed in the planned mine plant site.
2018	Almonty Industries	Execution a binding Memorandum of Understanding with the Korea Institute of Geoscience and Mineral Resources (KIGAM) for technological cooperation in the areas of efficient extraction of tungsten and valued by-products through scheelite floatation.
		Start of the gallery development from Alfonse D Adit.
2019	Almonty Industries	Start of operation of the pilot plant.
2020	Almonty Industries	Execution of Memorandum of Understanding with Provincial and County Governments for Collaboration and Supports for Sangdong Mine Development Project.
		Start of the gallery development from Monty B Adit.
		Loan agreement with KFW-IPEX Bank GmBH.

5 GEOLOGY AND MINERALISATION

The Korean Peninsula is situated on the eastern margin of the North China– Korea Platform, a craton composed of three blocks of Archean age, the Nangrim- Pyeongnam Block and the Gyeonggi and Yeongnam Massifs that are separated by the northeast-trending Imjingang and Okcheon mobile belts of Phanerozoic age. The Property is located within the Okcheon Belt.

The Sangdong Project is situated on the southern limb of the east-west orientated Triassic age Hambaek Syncline. Cambro-Ordovician limestone, shale, and quartzite of the Chosun System unconformably overlie the Pre-Cambrian Taebaeksan schist and gneiss.

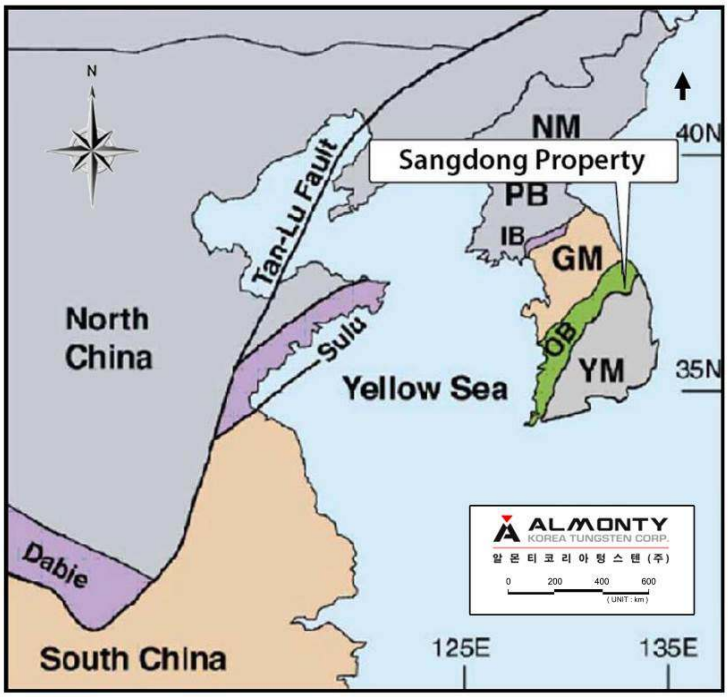
The tungsten mineralisation of the Sangdong deposit is contained in several tabular, bedding-conformable skarns in the Myobong Shale; these skarns have been interpreted as comprising carbonate-bearing horizons that were altered and mineralised by fluids ascending from the underlying Sangdong Granite. From uppermost to lowermost, these horizons are termed the Hangingwall, Main, and Footwall horizons. Calc-silicate layers from 0.50 – 1.0m in thickness have developed on the upper and lower contacts of the Main and Footwall horizons.

The Hangingwall horizon is located near the upper contact of the Myobong shale and varies in thickness from approximately 5m to 30m because of the irregular boundary of the shale with the overlying Pungchon Limestone. This zone has a strike length of about 600m and a down-dip extent of about 800m. Above the most highly-altered portion of the Main horizon, the Hangingwall horizon is not tabular, but extends steeply and irregularly into the overlying limestone. The base of the Hangingwall horizon is approximately 14m above the upper contact of the Main horizon.

The Main horizon dips between 15° and 30°, with a dip direction of approximately 25°. The strike length is in excess of 1,300m and thickness varies from 5.0 – 6.0m. Alteration (skarnification) within the Main horizon forms three concentric, roughly circular zones.

The Footwall horizons comprise multiple layers: Footwall Zone 1 (F1) normally occurs 1m below the Main horizon and is approximately 2m thick; Footwall Zones 2 and 3 (F2, F3) are situated approximately 35 to 40m below the Main horizon and have an average thickness of 2.6m, going up to a maximum of 9m. Further Footwall Zones have been identified beyond F3 and are collectively referred to as F4. Plans of the local and regional geology are shown in Figure 5-1 and Figure 5-2. A schematic section is shown in Figure 5-3. The stratigraphy of the Sangdong Project area is shown in Table 5-1.

Figure 5-1. Regional Geology



Note: Crustal Blocks and massifs of the Korean Peninsula and adjacent northeast Asia: Nangrim massif (NM); Pyeongnam basin (PB); Imjingang Belt (IB); Gyeonggi massif (GM); Okcheon Belt (OB); Yeongnam massif (YM).

Table 5-1. Stratigraphy of the Sangdong Project Area

Geologic Era	Period	System		Formation	Thickness	Remarks
Mesozoic	Cretaceous			Imog Granite Eopyong Granodiorite Sangdong Granite		94 M. A. 107 M. A. 85 M. A.
	Jurassic					
	Triassic	Pyungan		Nogam Sandstone	1,000±	
Paleozoic	Permian			Kobansan Sandstone	500±	
	Carboniferous			Sadong Sandstone	200±	Interbedded coal
				Hongjeom Shale	300±	
	Devonian					
	Silurian					
	Ordovician	Chosun	Great Limestone Series	Makdon Limestone	300±	
				Dumudong Limestone	200±	
				Dongieom Quartzite	30±	
	Cambrian			Hwajeol Limestone	200±	
				Seson Shale	80±	
				Pungchon Limestone	300±	
			Yangduk Series	Myobong Slate	150±	Mineralized W, Mo, Bi
				Jangsan Quartzite	250	Mineralized Mo
Pre-Cambrian		Taebaeksan		Schist		
				Naeduk Granite Nonggeori Granite		

Figure 5-2. Sangdong Project: Local Geology
(Scale 1:30,000) *(TN - vertical grid lines)*

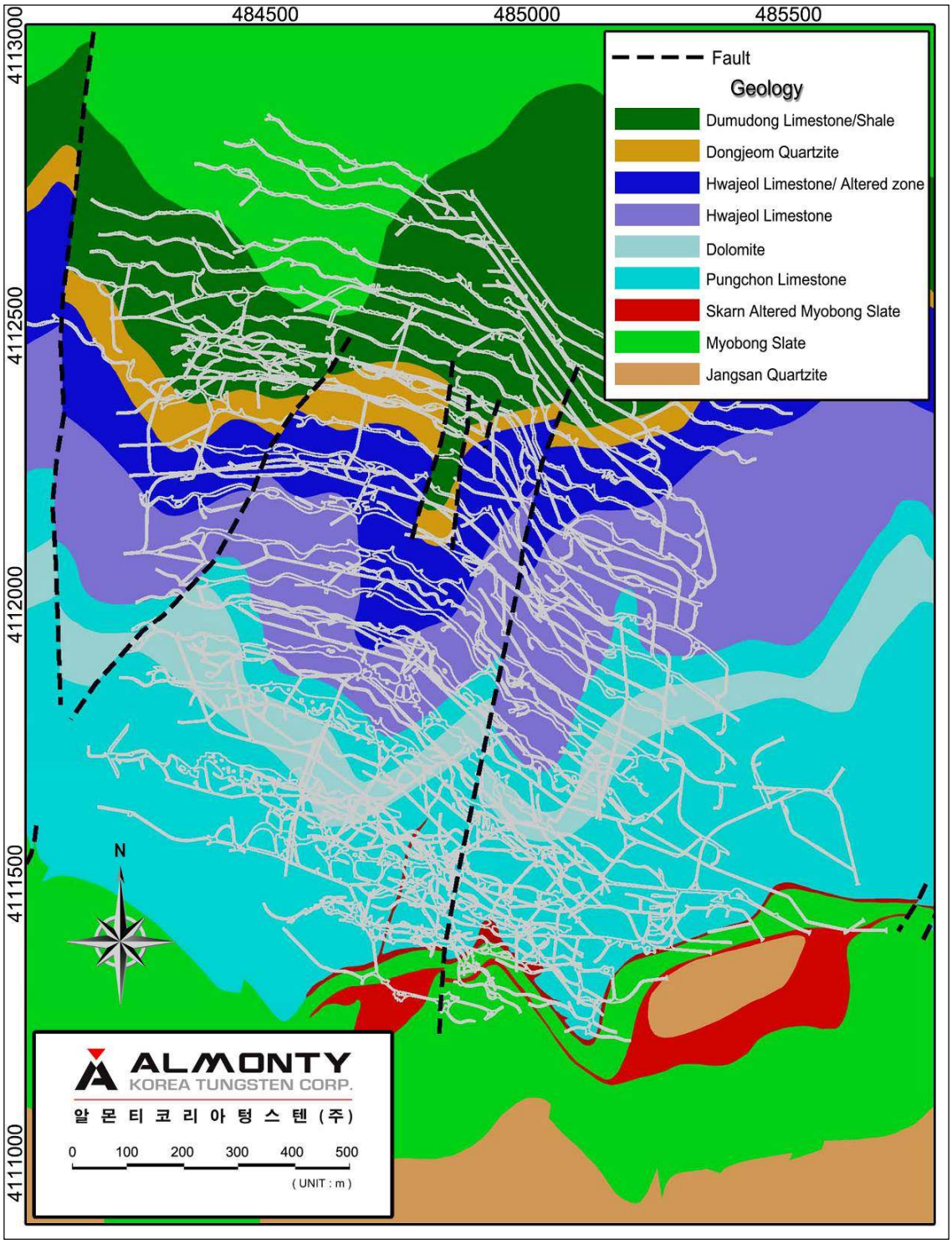
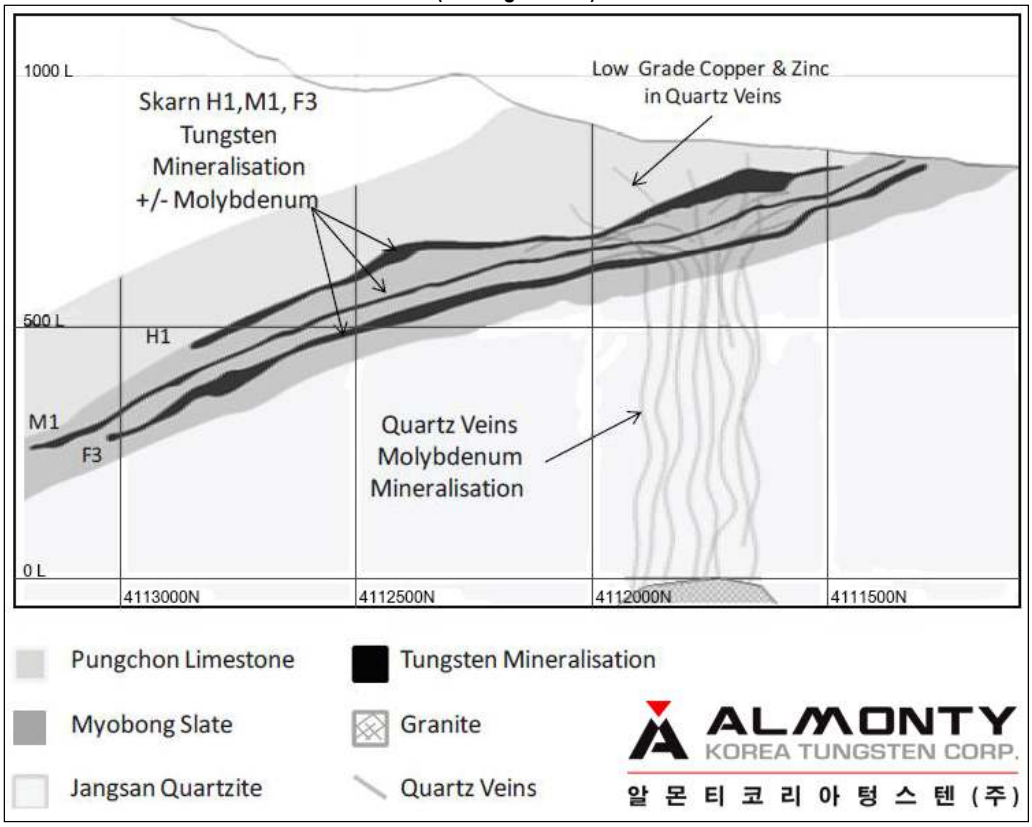


Figure 5-3. Schematic Section of the Sangdong Deposit (looking at 245°)



6 DEPOSIT TYPES

Skarn mineralisation is typically hosted by pure and impure limestones. Deposits form stratiform, tabular and lens-like deposits, which can be continuous for hundreds of metres along intrusive contacts. Principal and subordinate mineralogy comprises scheelite, with molybdenite, chalcopyrite, pyrrhotite, sphalerite, arsenopyrite, pyrite and powellite. Variable amounts of quartz-vein stockwork (with local molybdenite) can cut both the exo- and endoskarn.

Exoskarns occur at, and outside the granite which produced them, and comprise alterations of wall rocks. Exoskarns display a distinctive alteration zonation. Endoskarn alteration exhibits primarily pyroxene, with garnet, biotite, epidote, amphibole, muscovite, plagioclase and pyrite, as well as locally developed greisen.

The location of mineralisation is usually controlled by:

- the presence of carbonate rocks in extensive thermal aureoles of intrusions.
- gently inclined bedding and intrusive contacts.
- structural and/or stratigraphic traps in sedimentary rocks and irregular rock contacts

Due to the paucity of information about the molybdenum-mineralised system beneath the Sangdong underground workings, it is difficult to characterise a model for this mineralisation. However, important molybdenum mineralisation falls into two classes: porphyry-type and granite-related molybdenum-tungsten-tin systems. There is some overlap between the two.

7 EXPLORATION

Mineral Resource definition drilling is the only form of exploration that has been completed by WMC on the Sangdong Property since becoming operators in 2006, and there is no record of exploration other than drilling by previous operators. An aeromagnetic map of the area was reproduced in a scoping report in 2007, but the origin is unknown.

8 DRILLING

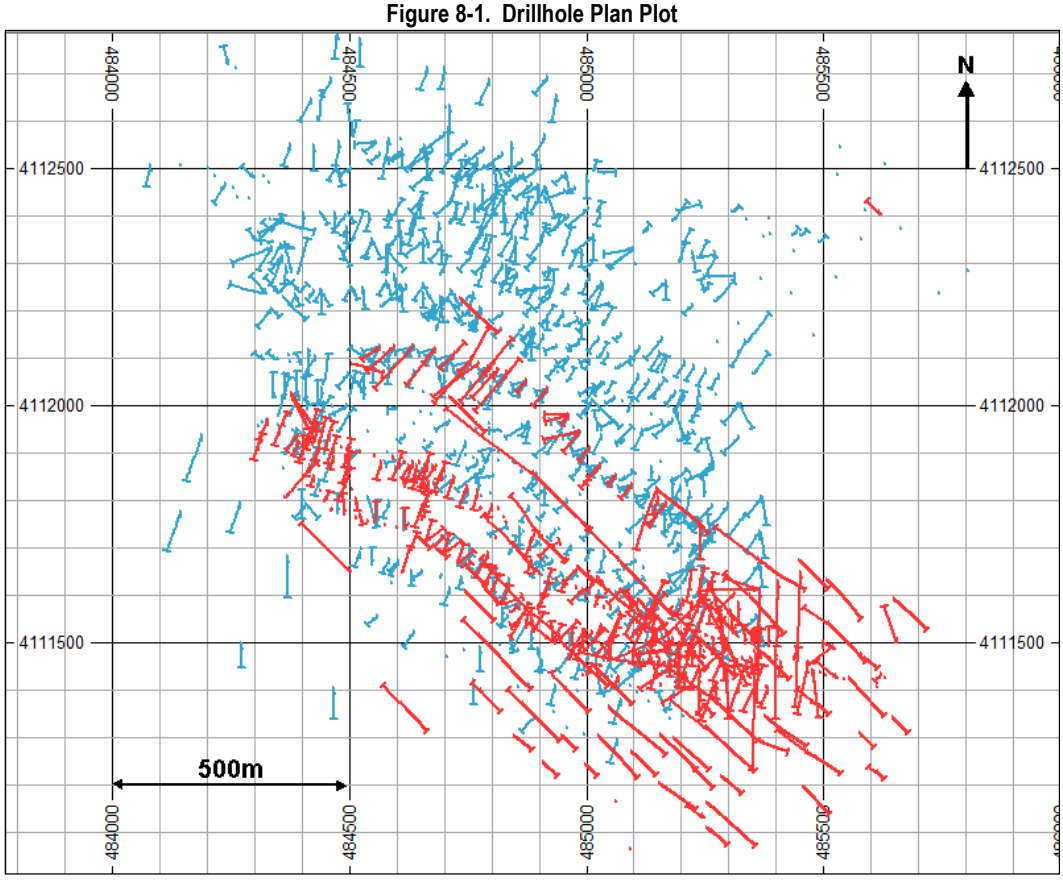
A summary of the different drilling campaigns is shown in Table 8-1.

Table 8-1. Drilling Campaign Summary

Dates	Holes	Metres	Company	Notes
1980-1985	15	8,940	KTMC	East Tungsten zone, 1km east of main Sangdong mine
1979-1989	18	16,502	KTMC	West Tungsten zone, 2km NW of mine area
1980-1987	22	12,390	KTMC	Underground from mine, to investigate Mo mineralisation in quartzite underlying main skarn zones.
Unknown	815	46,186	KTMC	Underground zone exploration
2006-2008	94	23,270	Oriental Minerals	Surface drilling programme, generally in SE part of deposit. Holes generally drilled on 135° or 315° directions. HQ and NQ cores.
2009-2014	413	19,460	WMC	Underground infill and resource definition programme. Orientations varied due to access and the need to intersect all 3 ore horizons. Conical drilling patterns common. Majority of core NQ.
2016	20	1,000	SMC	Phase 7 drilling focussed on improving resource categorisation of HW zone

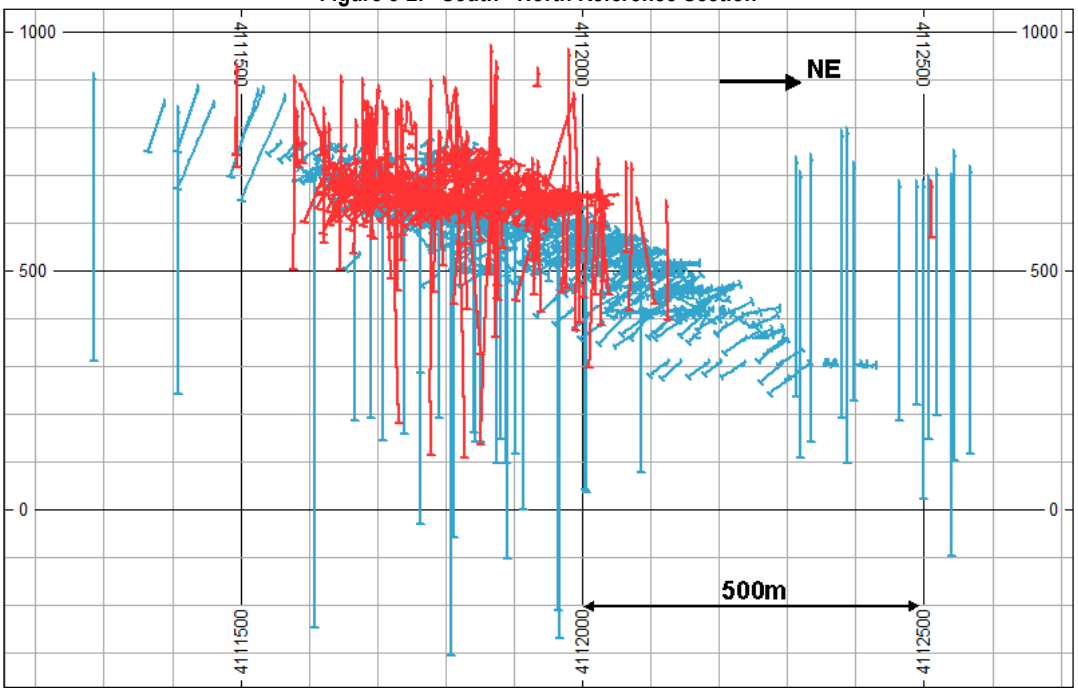
Figure 8-1 shows a drillhole plan and Figure 8-2 shows a South – North reference section through the deposit, clearly demonstrating the absence of down-dip borehole intersections from the more recent drilling programmes.

Figure 8-1. Drillhole Plan Plot



Red Traces – Modern WMC and KMT Drilling; Blue Traces – Historical Drilling

Figure 8-2. South - North Reference Section



8.1 Sampling and Logging Procedures

The drill core was collected from the drill site by WMC personnel on a daily basis and brought to a core logging facility beside the WMC field office. Core was measured for recovery and rock quality designation (RQD) and logged geologically, including the following characteristics:

- Lithology
- Weathering
- Alteration
- Structural features, and orientations where the core was orientated
- UV fluorescence
- Fracture frequency, planarity, roughness, infill, rock strength: geotech parameters

The UV fluorescence was logged in a semi-quantitative way, on an intensity scale from one to five, and by colour (i.e. yellow or blue) and the core marked up for sampling. Samples were collected continuously at one metre increments from the collar or from the uppermost practical limit of bedrock and did not cross geological boundaries. Core was photographed wet and dry and scanned with an ultraviolet lamp to detect the presence of scheelite, and logged in a semi-quantitative way with an intensity scale.

The mean core recovery for the WMC drilling was 91%, while the median value was 98%. The recovery was considered to be suitable to support a Mineral Resource Estimate.

8.2 Bulk Density

Density measurements were routinely determined every 20m using the volume displacement method in a purpose designed tubular jig. Sample lengths for density measurements were approximately between 0.10 and 0.30m. This is considered to be an appropriate method considering the generally solid nature of the core proximal to the ore zones within Sangdong.

In the current resource estimation work, density values (t/m^3) have been estimated from the measurements taken. Blocks without estimated density values after the second estimation pass were assigned average zone density values.

9 SAMPLE PREPARATION, ANALYSES AND SECURITY

9.1 Sample Preparation

An overall summary of quality control samples taken during the WMC drilling campaigns is shown in Table 9-1.

Table 9-1. Summary of WMC Quality Control Samples

		Phase#1	Phase#2	Phase#3	Phase#4	Phase#5	Phase#6	Phase #7	Phases #1 - #7	
Period(Drilled)		Nov. 2010 ~ May 2011	June 2011 ~ Oct. 2011	Nov. 2011 ~ Apr. 2012	May 2012 ~ Apr. 2013	Apr. 2014 ~ June 2014	Nov. 2014 ~ Dec. 2014	~ Jan 2016 Jun 2016		
Batch		#1 ~ #9	#13 ~ #23	#25 ~ #34	#35 ~ #36	#38 ~ #43	#44 ~ #45	#47		
		Number	Number	Number	Number	Number	Number	Number	Number	Prop %
No. of total Samples		4,448	5,556	6,508	6,442	5,010	1,054	1,203	29,018	
No. of core half Samples		3,867	4,830	5,655	5,599	4,359	912	906	25,222	
No. of Repeat		193	243	284	280	217	46	52	1,263	5.0%
No. of Standard	Sum	194	240	285	280	217	46	52	1,262	5.0%
	W-1	52	61	77	78	55	11	13	334	1.3%
	W-2	57	63	76	79	56	12	13	343	1.4%
	W-3	47	61	84	75	47	12	13	326	1.3%
	W-4	-	-	-	-	59	11	13	70	0.3%
	MoS-1	38	55	48	48	-	-	-	189	0.7%
No. of Blanks		194	243	284	283	217	50	53	1,271	5.0%
									Total	20.1%

Sample preparation from core to pulps for analysis is completed on-site. Core is sawn in half, half placed in a plastic sample bag and half replaced in the core box for archival storage. Sample tags are placed in the core box and in the sample bag and the sample number is written on the sample bag as well. Standards are placed into the sample stream at this point in the sampling process, in accordance with a sample list that has been drawn up by the geologist responsible for logging the hole.

Core samples are dried, split, crushed and pulverized on-site by WMC personnel in a preparation lab that was purchased as a modular unit. Equipment is cleaned by brushing and the use of compressed air between each sample.

An approximately 50g split portion of the pulverized sample was sent to Perth, Australia, for analysis. Blanks are inserted one in every twenty samples to ensure there is no contamination (see Section 9.4).

9.2 Analyses

From 2006 to 2008 samples were analysed at an external laboratory in Brisbane by inductively coupled plasma mass spectrometry (ICP- MS) for 41 elements and for ore grade quantities of specific elements by *aqua regia* or four-acid digestion followed by ICP analysis. From 2010, assays were analysed in Perth by X-ray fluorescence (XRF). The sample is fused in a platinum crucible using lithium metaborate/tetraborate flux, the resultant glass bead is irradiated with X-rays and the elements of interest quantified. All quantities are reported in parts per million (ppm).

9.3 Sample Security and Chain of Custody

The sample preparation facility comprised a fenced area beside the WMC accommodation facility. A split portion of the pulp from each sample and coarse rejects were retained in a locked facility at the project site. The pulps are placed in brown paper envelopes and sent by courier to Perth.

9.4 Quality Assurance/Quality Control

The QA/QC protocol included the insertion of the following control samples in the assay batches, as summarised below:

- Pulp duplicates (one in 50, or 2%), consisting of second splits of the pulverized samples that are submitted to the primary laboratory for analysis in the same batches as the original samples, but with different numbers.
- Certified reference materials (CRMs, three in 50, or 6%).

- Coarse blanks (one in 50, or 2%) and fine blanks (one in 50, or 2%), consisting of coarse (approximately 1" diameter) and pulverized material, respectively, whose blank character was demonstrated by laboratory analysis. Initially ground glass was used as blank for Phases #1 to #4 drilling, but was subsequently changed to coarse crystalline feldspar for Phase #5 drilling.
- Check samples (two in 50, or 4%), collected from pulps that were previously assayed at the primary laboratory, were resubmitted to another laboratory in Perth Australia for external control. The check sample batch includes an appropriate proportion of control samples (pulp duplicates, CRMs and fine blanks).
- In addition, the QA/QC protocol includes independent granulometric checks on crushed and pulverized samples (1 in 20 for each type, or 5% each) that are conducted by geological personnel.

Internal laboratory duplicates were two split pulps from the same pulverized sample. These laboratory duplicates are considered to demonstrate good precision if the absolute relative paired difference (RPD) is < 10%, 90% of the time. During the 2012- 2016 reporting period, these types of control samples demonstrated acceptable results, for both WO_3 and MoS_2.

Independent re-assaying of selected pulps from the primary sample by a second laboratory provided a measure of both precision and accuracy. During 2012-2014, 133 samples previously assayed by the primary laboratory were to another laboratory in Perth as an external laboratory check. Over this period, the results were acceptable.

Accuracy of the analytical processes were quantified systematic assaying of Certified Reference Material (CRM) standards into each batch of samples. Four certified reference materials (CRM) for tungsten and one for molybdenum have been in use. These, along with a blank and a re-split coarse duplicate are inserted routinely at every 20th sample interval. The four CRMs were used to cover a range of W assays (from which WO_3 is derived). Overall for these P0-P7 campaigns, these standards' results produced acceptable results.

Laboratory blanks were used so as to provide a test for contamination within the laboratory. The coarse crystalline feldspar blank material, and based on a threshold of three times the practical detection limit of the laboratory, acceptable results were obtained.

The Competent Person considers that the sample preparation, security, analytical procedures and supporting QA/QC results that were used to inform the Sangdong Property block model estimate were collected in line with industry good practice.

10 DATA VERIFICATION

Data verification procedures were applied by at the Sangdong Project since 2006.

The Competent Person visited the Sangdong site in August 2015, and discussed with site geologists all aspects of sample collection, preparation and storage, as well as visiting the core storage and sample preparation areas. The sample database was also reviewed and during the resource estimation update, many aspects of the drillhole data were checked by communication with the Sangdong geologists. The Competent Person, after also checking the Phase 7 results, considers these new results to be demonstrating the same accuracy as previously, which therefore supports their use in Mineral Resource Estimation.

In the Competent Person's opinion, the geological data stemming from drilling data after 2006 were collected in line with good industry practice, allowing the results to be reported according to the guidelines of the JORC Code, and to be potentially used to support the estimation on Indicated resources.

It is not known what quality control procedures were applied to data derived prior to 2006. However, the recent Phase 7 drilling has enabled a verification analysis to be completed, for the HW zone, by the Competent Person (as described in Section 12.5). This has enabled the use of historical data for the HW zone, for estimation of Indicated resources.

11 MINERAL PROCESSING AND METALLURGICAL TESTING

A series of different studies and metallurgical testwork have been completed in different periods. Beneficiation test work of scheelite material from the Sangdong Mine started in 1954. This concluded that sulphur, bismuth, and molybdenum contents could be removed by flotation. It also indicated the feasibility of' a soda-ash roast-leach extraction of sodium tungstate to precipitate an artificial scheelite product.

Mineralogical studies and preliminary metallurgical test work were conducted on four composite core samples taken from the Sangdong deposit, as part of 2010 Scoping Study. The samples represented the four historical mineralised horizons. Conclusions from this testwork included:

- The bond work index was determined as 18.7kW/h/t and the ore is classified as medium hard
- Scheelite becomes increasingly liberated below 500µm down to 50µm, and is not associated with molybdenite or bismuthinite.
- Preconcentration by gravity has given recoveries of 63% for tungsten and 55% for molybdenum.

Although theoretical grade and recovery curves were established as part of the quantitative mineralogical programme, process grade and recovery data remained to be established. A pilot plant scale test was completed on a bulk sample from the Sangdong deposit in late 2012. The results included:

- All products can be separated into saleable products by processing or hydrometallurgy.
- Strong magnetic minerals should be removed to prevent adverse effects on concentrate grade.
- The advised grinding fineness was recommended to be approximately 75µm.
- Main and FW Zones mineralogy are similar, with the same flowsheet recommended.

The overall conclusion from the pilot plant testwork was that the flowsheet proposed in the 2012 Feasibility Study and technological conditions provided by the pilot plant test could be used as the design basis for the processing plant. The testwork also de-risked the processing plant flowsheet and reagents used.

In February 2016, Almonty Industries Inc. signed an agreement with the Korean Institute of Geoscience and Mineral Resources (KIGAM), aiming at the development the flotation regime for Sangdong. The aim of this flotation regime was to represent a viable alternative to the use of Chinese proprietary chemicals and to high temperature scheelite cleaning ("Petrov process"). The method developed by KIGAM, in cooperation with Almonty, makes exclusive use of chemicals readily available in the Western market and the whole process is conducted at low temperatures. This metallurgical testwork was in two phases, in order to test sodium oleate and oleic acid as alternatives for the main scheelite collector. Oleic acid proved to be more powerful than sodium oleate, eliminating the necessity of a high number of rougher and scavenger steps. This testing included multiple-stage cleaning and locked cycle testing using expected mill material, as well as low-grade and high-Mo samples. The projected metallurgical recovery indicated by this testwork was 85.4%, producing a concentrate of 62.4% WO3.

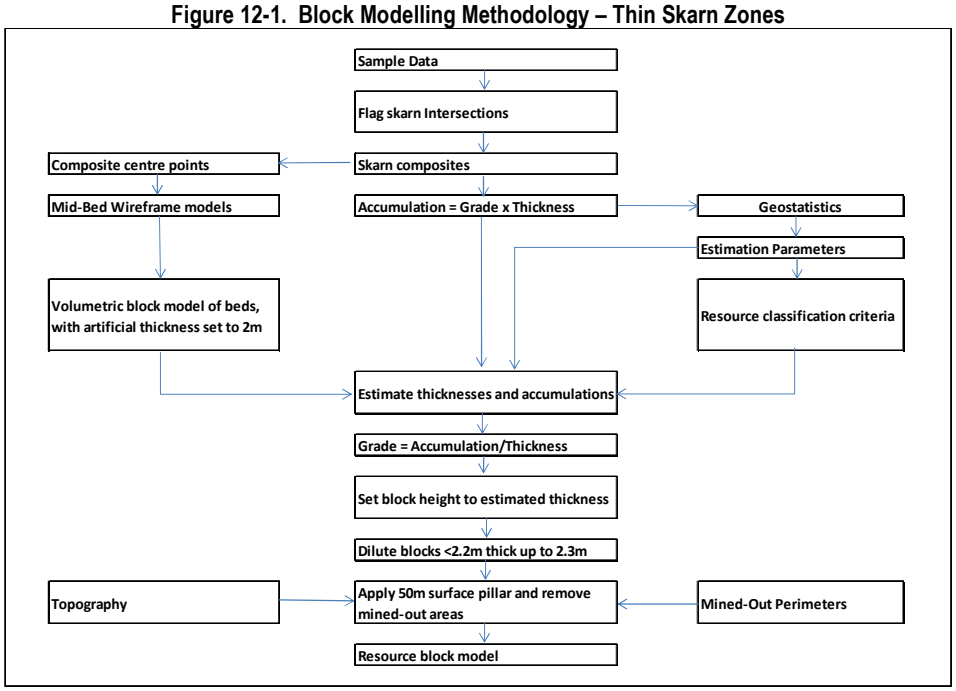
At the Sangdong site, a new pilot plant was built in cooperation with KIGAM and the Korean Government, and was fully commissioned in November 2020, with testwork on-going. Since September 2020, in Portugal, at the national laboratory of National Laboratory of Energy and Geology (LNEG) in Porto, a pilot plant campaign follows with ore especially brought from Sangdong. It is planned to process a total of 7.5 tons of ore.

12 MINERAL RESOURCE ESTIMATES

12.1 General Methodology

A mineral resource estimation was completed by the Competent Person. This estimation employed a three-dimensional block modelling approach, using Datamine software. Two main resource blocks models were developed. The relatively thick hanging-wall (HW) zone was modelled using a conventional block model structure. All of the other bed-like skarn zones were modelled using the initial generation of 3D digital terrain models (DTMs) for the zone centre-points, onto which thicknesses and grade-accumulations were estimated. This general methodology is described in the flowsheet in Figure 12-1.

Figure 12-1. Block Modelling Methodology – Thin Skarn Zones



The interpretation of skarn zones has been generated by AKT geologists, with additional intersection checks and refinements by the Competent Person. The defined skarn intersections have been based on a lithological skarn identification, as well as a 0.1% WO_3 cut-off grade. Additional mined-out limits for the principal skarn structures were applied, as well as a 50m remnant surface pillar below the surface topography.

12.2 Sample Database

The sample database, in the form of an Excel spreadsheet, comprises data from a number of surface and underground drillholes, from recent and historical drilling campaigns. A summary of the available sample data is shown in Table 12-1. Plans of all these sample data are shown in Figure 12-2, colour-coded by sampling campaign. Overlain on these plots are outlines of the mineralised zones.

As can be seen from the plan plots, the resultant spacing of samples with these different historical campaigns has ended up being fairly sporadic, with sections spaced at distances from 30m to 100m. Most of the surface holes are vertical, as are the very deep underground holes. Most of the underground holes are angled up or down so as to provide good intersections with the overall mineralised structures, dipping at approximately 25° NNE. Lithology codes were assigned during logging, using a system of 11 codes, also covering cavities and faults. The main skarn zone sequence is summarised in Table 12-2.

Drillhole recoveries were not consistently good. However, over 75% of the holes having a recovery of over 90%. It is not considered that there is any evidence of sample bias or any relationship between sample recovery and grade.

Table 12-1. Summary of Sample Database

		Surface Holes			Underground Holes			All Holes			WO_3		MoS_2	
Company	Code	Holes	Length m	Average Length / Hole m	Holes	Length m	Average Length / Hole m	Holes	Length m	Average Length / Hole m	Samples	Holes With Samples	Samples	Holes With Samples
Korea Resource Corp	KORE	7	1,185	169				7	1,185	169	795	7	672	7
Korea Tunsten Mining Corp	KTMC	51	38,970	764	812	43,859	54	863	82,829	96	7,758	752	4,961	660
Oriental Minerals	P0	91	22,801	251				91	22,801	251	21,111	91	8,226	88
Woulfe Mining Corp	P1	9	1,744	194	29	2,521	87	38	4,265	112	3,867	32	3,867	32
	P2				51	3,673	72	51	3,673	72	4,830	48	4,830	48
	P3				93	4,049	44	93	4,049	44	5,655	91	5,655	91
	P4				103	4,214	47	103	4,214	41	5,599	101	5,599	101
	P5				121	3,084	25	121	3,084	25	4,359	121	4,359	121
	P6				10	643	64	10	643	64	912	7	912	7
SMC	P7				20	1,004	50	20	1,004	50	905	20	905	20
Total		**158**	**64,700**	**409**	**1,239**	**63,048**	**51**	**1,397**	**127,748**	**91**	**55,791**	**1,270**	**39,986**	**1,175**

Table 12-2. Drillhole Lithology and Skarn Structure Codes

Lithology: CODE	DESCRIPTION
CSC	Colluvium
DUG	Underground Disturbance
DUS	Mine Stope / Cavity
DUV	Natural Cavity / Vugh
FLT	Fault
FMS	Felsic Schist
QTZ	Quartz
SCL	Limestone
SMK	Skarn
SMQ	Quartzite (Leptite)
SMS	Slate

Skarn: AZONE
HW
MAIN
F1
F2
HALO
F3
F4
F5

12.3 Interpretation

The tungsten and molybdenum mineralisation is principally contained within tabular calc-silicate horizons, that are the product of skarn alteration of calcareous layers within the Myobong Shale. These horizons dip at approximately 25°, and have a dip direction of approximately 025°. The underlying Jangsan Quartzite also contain molybdenum mineralisation related to quartz veining and stockwork development. The current estimate work is only focused on the tungsten mineralised skarn horizons. The updated interpretation has been built up using the following procedure:

1. Initial zone intersections recorded by AKT geologists were first processed, for the primary mineralised intersections in each hole.
2. On importing the data, checks have made for any illogical sequencing, and any errors resolved.
3. For the HW zone, those relatively older holes (marked with H- prefix) were those generally drilled into or near the HW zone. For those holes without specific identifications flagged, HW intersections were automatically generated based on a cut-off of 0.2%WO_3. Points of the hanging-wall and foot wall contacts for the HW zone were created, and surface DTMs created.

4. For all the other zones, the mineralised intersections were converted into three-dimensional composites. The centre-points of these composites, along with edge perimeters, were used to generate central DTMs for each zone.
5. The DTMs generated by the steps above were then used to test for any errors or intersections. Sections throughout the deposit were also examined. This process enabled many errors to be corrected, after which the steps above were repeated again.

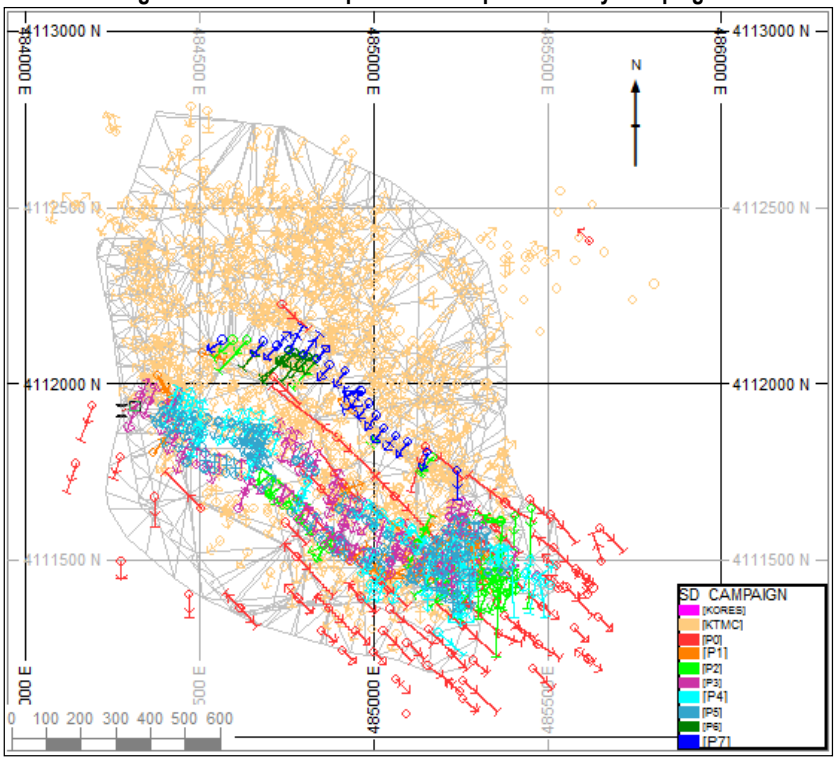
There are a number of post-mineralisation faults. These are generally steep and strike from north to 040°. The overall deposit is approximately bounded by major faults to the west and east. Within the deposit there are areas of smaller faults, typically spaced at 50m apart. The vertical throw of these faults is typically 1-4m. These faulted structures have not been specifically built into the current resource model. However, the DTMs generated directly from the drillhole intersections do have sharp angular deviations, reflecting the overall displacements produced by intersected faults.

A summary of the interpreted mineralised zones is shown in Table 12-3. As can be seen from this table, the individual beds below the HW structure generally have an average thickness of 1-4m. Most of these beds also outcrop. The overall thickness of the entire mineralised tungsten suite of skarn bodies is approximately 130 m.

Table 12-3. Overall Mineralisation Dimensions

			Vertical Limits			True Width			
Zone	Strike Length *m*	Dip Length *m*	Minimum Base Elevation *m RL*	Maximum Elevation *m RL*	Max. depth *m*	Max *m*	Average *m*	Dip Range *(°)*	Average Dip *(°)*
HW	1,300	1,430	330	900	740	73.0	17.4	0-45	25
MAIN	1,600	1,410	300	870	580	14.9	4.7	16-40	24
F1	1,300	740	555	850	370	5.2	1.3	14-36	24
F2	1,540	1,070	435	870	510	8.4	3.5	17-32	25
HALO	820	450	570	760	185	3.3	1.1	15-45	25
F3	1,300	960	430	815	550	9.2	2.6	7-39	23
F4	1,220	980	386	800	580	5.7	2.7	10	24
F5	1,020	580	535	780	420	4.5	2.5	15-36	24
Overall Mineralisation	1,770	1,500	300	900	740	150	130	10-45	25

Figure 12-2. Plan of Exploration Sample Data – By Campaign



12.4 Sample Selection and Compositing

As described in the previous section, samples were selected by two methods:

1. For all of the HW zone data, the top-most and bottom-most intersections were flagged in each hole. Any samples in between these limits, with grades less than 0.2 WO_3, were flagged as waste samples (AZONE=WAST). In addition to this, a customised set of HW contact point exceptions was created, where flagged HW samples were to be excluded as upper or lower contacts.
2. For all the other skarn MAIN and F- beds, samples were selected based on those sampled flagged as such by AKT geologists, as well as additional corrections applied by the Competent Person. The original selection criteria by AKT geologists were based on a combination of logged lithologies, as well as a cut-off of 0.1% WO_3 for continuity.

Based on this selection process, a separate selected sample file was created, as summarised in Table 12-4. In this table, the information has also been broken down between the older KTMC/KORES era of sampling, as compared with the more recent sampling associated with Oriental Minerals and WMC, and the most recent drilling completed by AKT. The two most common sample lengths were 0.5 m and 1 m.

Table 12-4. Selected Sample Summary

		Holes			WO_3		MoS2	
Campaigns	Code	Holes	Length m	Average Length / Hole m	Samples	Holes With Samples	Samples	Holes With Samples
KTMC / KORES	HW	294	3,289	11.2	2,328	835	1,681	606
	MAIN	63	444	7.0	331	63	168	49
	F1	6	6	1.1	10	6	7	4
	F2	2	6	2.8	4	2	2	2
	F3	2	2	1.2	3	2	2	2
	F4	1	5	4.5	9	1	9	1
Oriental Minerals/ WMC	HW	97	1,259	13.0	1,825	252	1,786	249
	MAIN	151	1,007	6.7	1,583	150	1,524	147
	F1	119	224	1.9	374	119	367	112
	F2	246	1,035	4.2	1,704	246	1,616	240
	HALO	118	175	1.5	308	118	299	111
	F3	236	836	3.5	1,402	236	1,308	223
	F4	92	263	2.9	375	92	301	84
	F5	41	117	2.8	155	41	118	38
AKT	HW	19	287	15.1	276	64	276	64
All	HW	410	4,836	11.8	4,429	1,151	3,743	919
	MAIN	214	1,451	6.8	1,914	213	1,692	196
	F1	125	230	1.8	384	125	374	116
	F2	248	1,040	4.2	1,708	248	1,618	242
	HALO	118	175	1.5	308	118	299	111
	F3	238	838	3.5	1,405	238	1,310	225
	F4	93	267	2.9	384	93	310	85
	F5	41	117	2.8	155	41	118	38

Notes:

KORE **Korea Resource Corp**
KTMC **Korea Tunsten Mining Corp**
WMC **Woulfe Mining Corporation**
AKT **Almonty Korea Tungsten Corporation**

For the generation of composites from the selected sample sets, the presence of grade outliers was also tested, to determine if top-cut levels should be applied. This outlier analysis included observations from log-probability plots, decile analyses and coefficient of variation (CV) analyses. The results of all three tests were considered in the selection of appropriate threshold limits for applying top-cuts. The coefficient of variation (CV) is calculated as the Standard deviation divided by the Mean.

In CV analysis, CV values are calculated above progressively higher lower-most grade values of each main zone and grade field. A graph is then plotted of the CV values against its ranking in the CV list. Marked breaks in this variation index indicate particular thresholds at which marked changes in the grade population occur. A similar procedure was repeated for all the principal zones. These threshold levels were then applied during the compositing process, so as to top-cut any outlier values above these top-cut levels. Because of the variable sample lengths, the top-cut levels were applied before the composites were created. Log probability plots for WO_3 grades in the selected samples are shown in Figure 12-3. Example CV plots of WO_3 grades for the HW and MAIN zones are shown in Figure 12-4, with the selected top-cut levels. Using these methods of analysis, the top-cut levels in Table 12-5 were selected.

Table 12-5. Top-Cut Levels

AZONE	WO_3	MoS_2
	%	%
HW	4.0	1
MAIN	4.0	1
F1	3.2	1
F2	3.4	1
HALO	1.6	2
F3	4.1	1.5
F4	1.6	0.7
F5	1.4	0.8

Figure 12-3. Log Probability Plot for WO_3 Grades in Selected Samples

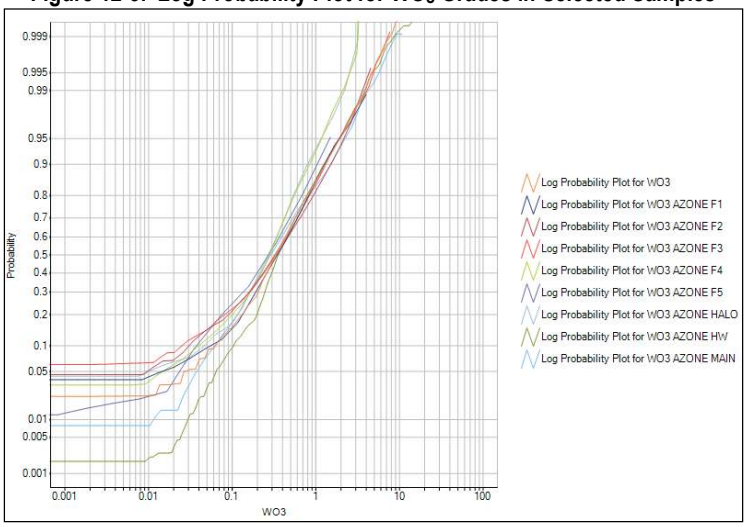
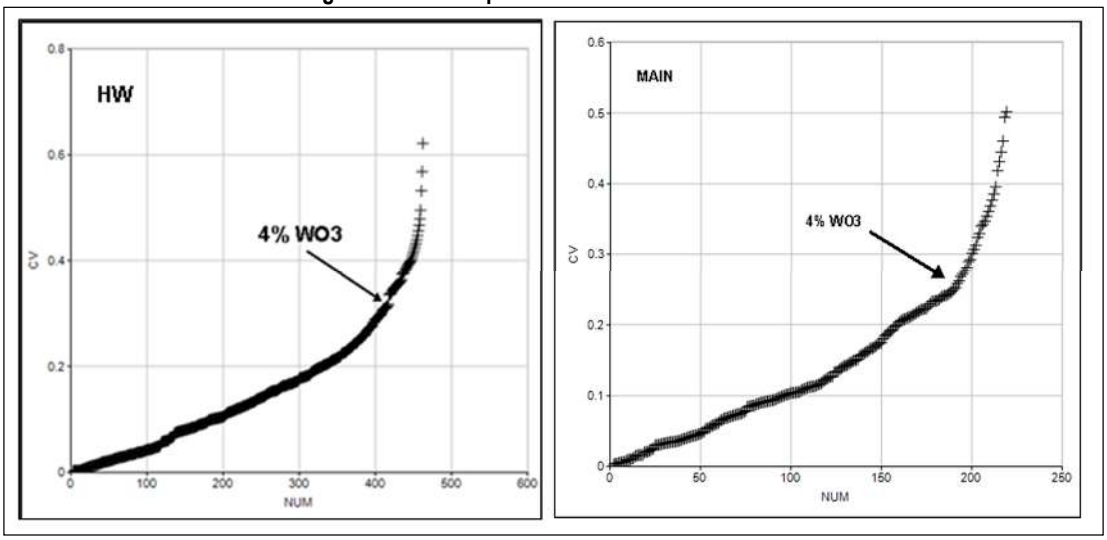


Figure 12-4. Example Coefficient of Variation Plots



The selected and top-cut samples were then composited. For the samples in the HW zone intersections, the following composite controls were applied:

1. Based on samples being flagged as either WASTE or HW within each overall intersection, zonal control was applied, such that separate waste and mineralised composites were created, split on the original sample division.
2. Composite length 5m. This compositing length was applied as slightly variable, such that an equal composite length of approximately 5m was applied across each intersection. This length was chosen to represent vertical selectivity for subsequent underground mining.
3. Minimum composite length = 0.3m.
4. Minimum/maximum gap length = 1m / 2m.

For the samples in the MAIN and footwall zones, the following composite controls were applied:

1. Complete intersection composites were created, across each skarn body defined by its AZONE identifier.
2. Minimum composite length = 0.3m.
3. Minimum/maximum gap length = 1m / 2m.
4. Based on the central DTM of each skarn zone, local dip and dip directions were assigned to all of the composites. Stemming from these dip variables, the intersected composite lengths were used to calculate true thickness and vertical thickness values.
5. For all of the MAIN and F- skarn composites, grade accumulations were calculated, for subsequent analysis and estimation purposes. These accumulations were calculated as the products of grade and intersection vertical thickness.

12.5 HW Analysis

With the new results available from the Phase 7 drilling campaign, there is now much more recent (P0-P7) data available for the HW zone, than there has been previously. This has enabled a much more thorough analysis of these more recent P0-P7 HW samples, as a means of potentially verifying the older historical data for the HW zone.

Summary statistics of selected samples and 5m composites, for the HW zone, are shown in Table 12-6. Separate statistics have also been calculated for the older data, as compared with the more recent PO-P7 data. It can be seen that these statistical parameters compare very closely for the different sample sources.

Table 12-6. Summary Statistics – HW Samples and Composites

Samples

FIELD	CODE	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	CV
WO3	K	2,506	0.00	4.61	0.57	0.29	0.54	0.9
WO3	P	2,578	0.00	18.10	0.50	0.79	0.89	1.8
WO3	All	5,084	0.00	18.10	0.55	0.45	0.67	1.2
MOS2	K	1,988	0.00	2.51	0.08	0.03	0.17	2.3
MOS2	P	2,539	0.00	4.32	0.10	0.04	0.19	2.0
MOS2	All	4,527	0.00	4.32	0.08	0.03	0.18	2.2
DENSITY	P	82	2.50	3.73	3.28	0.06	0.25	0.1

Composites

FIELD	AZONE	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	CV
WO3	K	1,027	0.15	3.82	0.54	0.14	0.37	0.7
WO3	P	358	0.15	2.55	0.51	0.15	0.39	0.8
WO3	All	1,385	0.15	3.82	0.53	0.14	0.37	0.7
MOS2	K	824	0.00	1.00	0.07	0.01	0.10	1.4
MOS2	P	355	0.00	0.49	0.10	0.01	0.09	0.9
MOS2	All	1,179	0.00	1.00	0.08	0.01	0.10	1.2
DENSITY	p	60	2.50	3.73	3.24	0.07	0.27	0.1

Notes

. All statistics length-weighted
. K = KTMC/KORE campaigns
. P = P0-P7 campaigns
. CV = Coefficient of variation

Comparative log-probability plots for the different sample groups are shown in Figure 12-5. These show very similar grade populations between the historical and P0-P7 sample groups. Pairs of intersections were selected where the P0-P7 intersections were very close to existing historical

drillhole i.e. effectively a twin sample. Sections of these paired intersections were examined, and generally showed good correspondence, as shown in the example in Figure 12-6, for both samples and composites.

Figure 12-5. HW Zone – Comparative WO_3 Log-Probability Plots

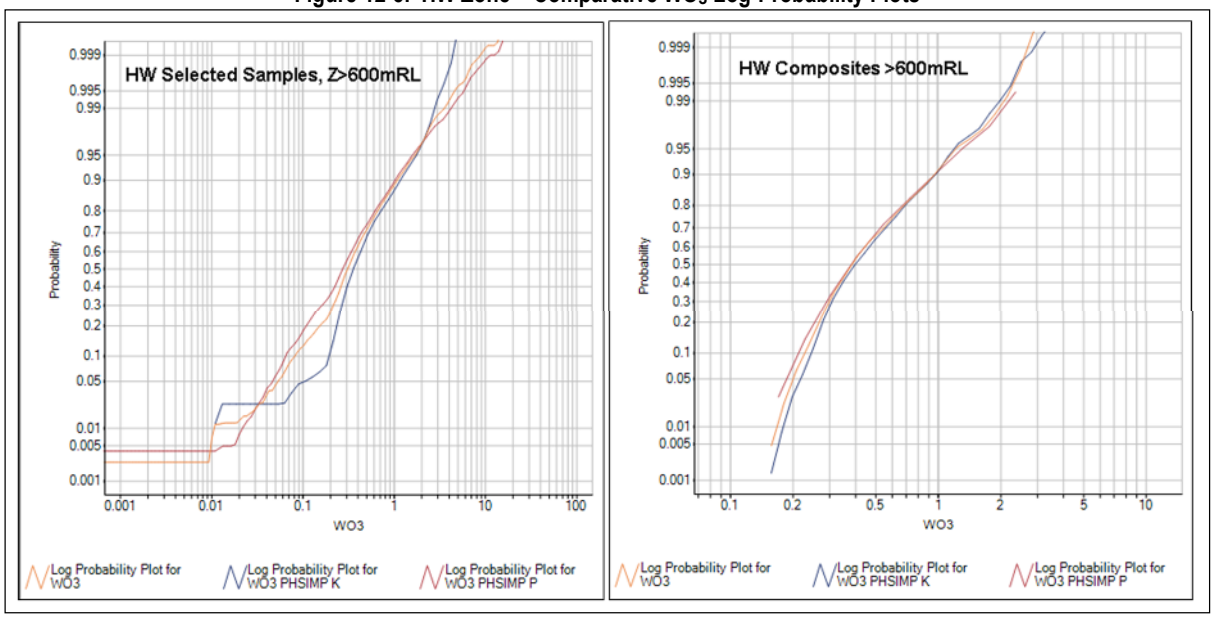
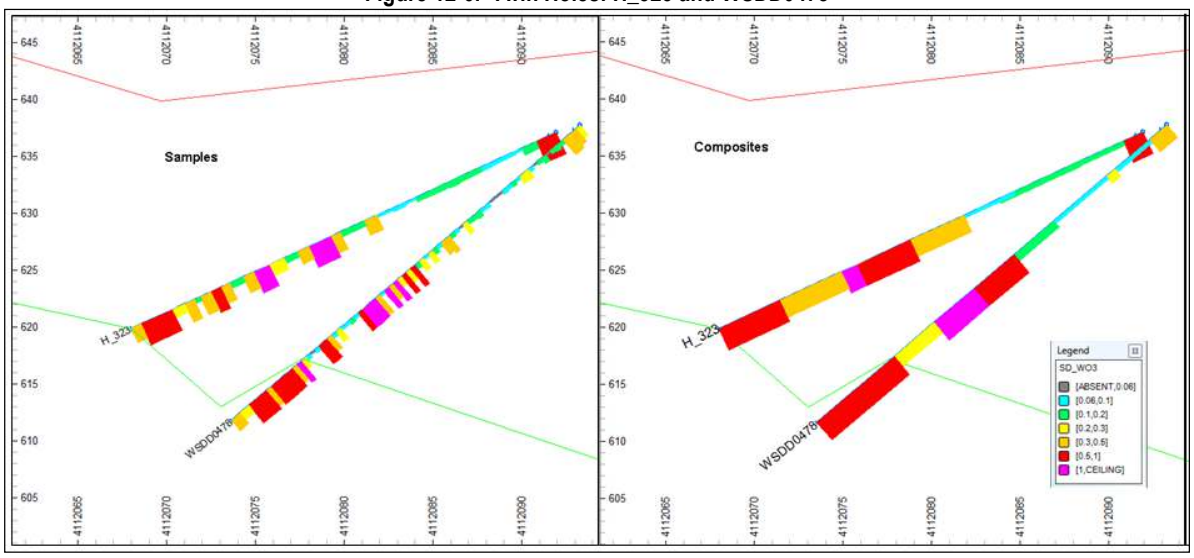


Figure 12-6. Twin Holes: H_323 and WSDD0478



The phase 7 drilling includes results from 20 drillholes, covering 1,004m. The QAQC measures taken as previously have been applied, and the results are acceptable. There is now a high proportion of P0-P7 data available for the HW zone (>25% of all the HW samples), along with a very good correspondence obtained with statistical parameters, grade distributions and twin-holes, when comparing the P0-P7 data with the older data.

The quantity and coverage of the new Phase 7 drilling results have now enabled a much improved analysis between the more recent (PO-P7) drilling results and the older data. This statistical analysis, along with a comparison of specific twin-hole pairs, has supported the validity of the older data. Given this evidence, it is the opinion of the Competent Person that the older data for the HW zone has now been effectively verified. The older data may therefore be used for the estimation of the HW zone, without any restrictions. All of the available data has therefore been used for the estimation of both indicated and inferred HW resources. This has therefore enabled a substantial increase in the proportion of indicated resources, for the HW zone.

12.6 Geostatistics

A statistical summary of the mineralised zone samples is shown in Table 12-7. The CV values for WO_3 are generally just over 1. A statistical summary of the generated composites is shown in Table 12-8, with corresponding log-probability plots in Figure 12-8. It can be seen from Table 12-8 that the coefficient of variation values for WO_3 have been reduced to well below 1.0, by the effect of compositing and top-cut application. Individually the zones' grade populations show very clear log-normal populations.

Table 12-7. Summary Statistics of Mineralised Zone Samples

FIELD	AZONE	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	SKEWNESS	LOGESTMN	COEFF OF VARIATION
WO_3	HW	5,084	0.00	18.10	0.55	0.45	0.67	7.13	0.56	1.2
	MAIN	2,269	0.00	11.63	0.57	0.68	0.83	4.12	0.68	1.5
	F1	514	0.00	4.96	0.52	0.43	0.65	3.24	1.32	1.3
	F2	2,185	0.00	5.19	0.52	0.44	0.67	2.66	1.78	1.3
	HALO	415	0.00	3.80	0.36	0.16	0.40	3.56	0.94	1.1
	F3	1,880	0.00	8.46	0.49	0.47	0.68	3.84	2.58	1.4
	F4	454	0.00	3.67	0.35	0.13	0.37	3.62	0.63	1.1
	F5	167	0.00	2.16	0.38	0.14	0.37	1.87	0.53	1.0
MoS_2	HW	4,527	0.00	4.32	0.083	0.032	0.18	8.69	0.17	2.2
	MAIN	2,070	0.00	4.20	0.046	0.023	0.15	16.25	0.25	3.3
	F1	503	0.00	0.83	0.043	0.010	0.10	5.44	0.23	2.3
	F2	2,095	0.00	3.75	0.045	0.038	0.20	11.19	0.14	4.4
	HALO	406	0.00	3.50	0.042	0.061	0.25	11.45	0.05	5.9
	F3	1,786	0.00	2.30	0.034	0.024	0.15	10.28	0.07	4.5
	F4	380	0.00	2.12	0.040	0.027	0.16	8.53	0.16	4.1
	F5	130	0.00	1.47	0.033	0.016	0.13	8.30	0.13	3.9
DENSITY	HW	82	2.50	3.73	3.28	0.06	0.25	-1.13	3.28	0.1
	MAIN	97	2.57	3.68	3.25	0.07	0.26	-0.25	3.25	0.1
	F1	32	2.71	3.39	3.02	0.03	0.17	0.02	3.02	0.1
	F2	129	2.46	3.48	3.02	0.02	0.14	0.50	3.02	0.0
	HALO	25	2.73	3.22	2.97	0.01	0.11	0.00	2.97	0.0
	F3	129	2.49	3.50	3.05	0.03	0.17	0.06	3.05	0.1
	F4	19	2.84	3.57	3.05	0.03	0.18	0.98	3.05	0.1
	F5	1	3.12	3.12	3.12					

Experimental variograms were generated for the generated composite data sets. Consistent with the estimation of variable thicknesses of the skarn beds, variograms were generated for grade accumulations, as well as thickness values. Example experimental and model variograms are shown in Figure 12-7. In general, there was no particular directional anisotropy observed. Most of the skarn beds' variograms have ranges of influence from 50-100m. For the HW zone, the range of influence is lower - approximately 35m. All of the modelled variogram parameters are summarised in Table 12-9.

Figure 12-7. Experimental and Model Variograms – WO_3

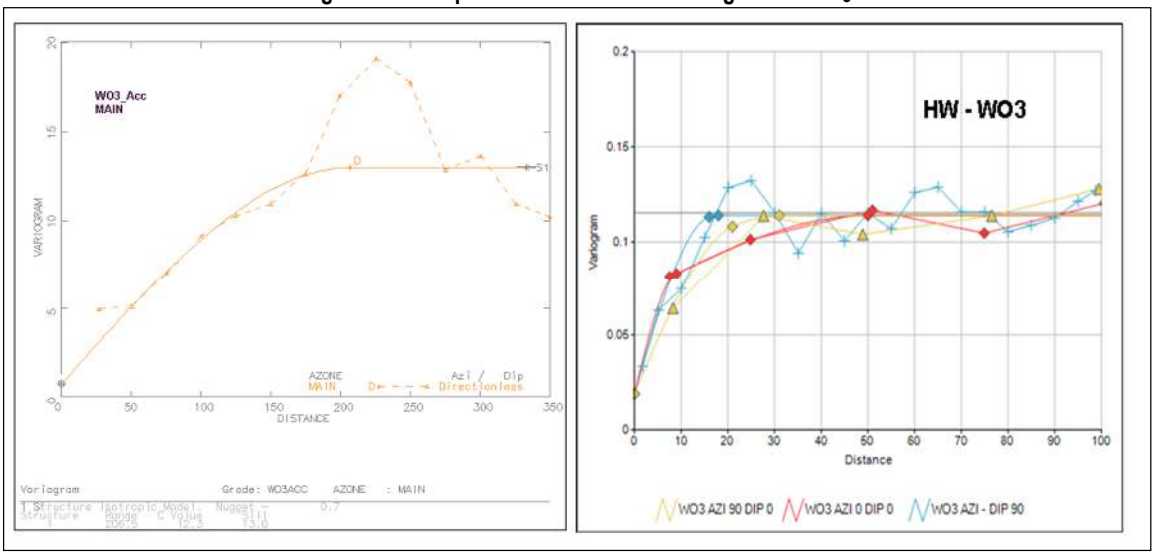


Table 12-8. Summary Statistics of Composites

FIELD	AZONE	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	SKEWNESS	LOGESTMN	COEFF OF VARIATION
WO_3	HW	1,385	0.15	3.82	0.53	0.14	0.37	2.82	0.52	0.7
	MAIN	213	0.09	3.87	0.54	0.09	0.30	2.42	0.54	0.6
	F1	125	0.02	2.46	0.51	0.13	0.36	1.86	0.51	0.7
	F2	248	0.05	1.79	0.52	0.07	0.27	1.56	0.52	0.5
	HALO	118	0.04	1.60	0.35	0.06	0.25	3.16	0.34	0.7
	F3	238	0.15	1.69	0.49	0.07	0.26	2.05	0.49	0.5
	F4	93	0.01	1.60	0.34	0.02	0.14	3.16	0.35	0.4
	F5	41	0.19	1.40	0.37	0.02	0.15	1.91	0.36	0.4
MoS_2	HW	1,179	0	1.00	0.077	0.009	0.10	4.03	0.09	1.2
	MAIN	196	0.00	0.34	0.042	0.002	0.04	3.00	0.05	1.1
	F1	116	0.00	0.31	0.044	0.003	0.06	2.51	0.11	1.3
	F2	242	0.00	0.55	0.038	0.003	0.05	4.04	0.05	1.5
	HALO	111	0.00	0.58	0.037	0.007	0.08	3.64	0.10	2.3
	F3	225	0.00	0.76	0.033	0.004	0.06	5.54	0.06	1.9
	F4	85	0.00	0.47	0.034	0.004	0.06	3.95	0.04	1.9
	F5	38	0.00	0.80	0.030	0.004	0.06	8.18	0.05	2.1
TRUETHK	F1	125	0.18	7.49	1.39	1.34	1.16	2.59	1.37	0.8
	F2	248	0.13	10.92	3.16	4.36	2.09	1.31	3.24	0.7
	F3	238	0.09	9.30	2.74	3.13	1.77	1.41	2.79	0.6
	F4	93	0.46	7.00	2.44	2.14	1.46	0.72	2.52	0.6
	F5	41	0.24	5.32	2.45	2.07	1.44	0.27	2.59	0.6
	HALO	118	0.02	4.70	1.11	1.02	1.01	1.72	1.12	0.9
	MAIN	214	0.05	24.44	4.77	12.95	3.60	2.04	5.24	0.8

Notes

. TRUETHK = True thickness

. Statistics for WO_3 and MoS_2 weighted by true thickness

Figure 12-8. Log Probability Plot – WO_3 – Composites

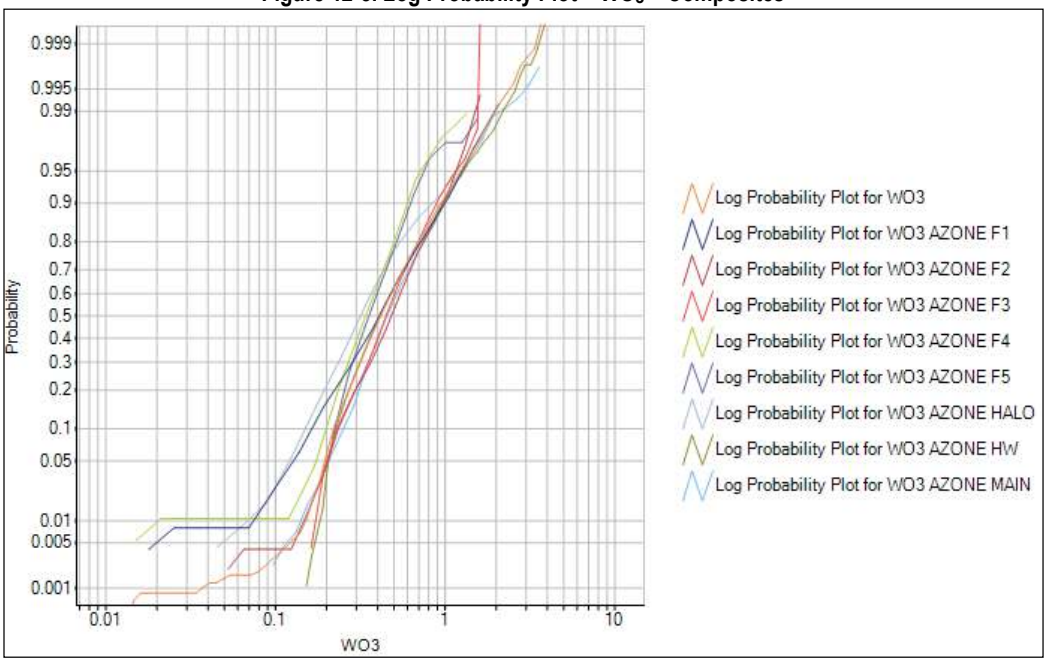


Table 12-9. Model Variogram Parameters

VREFNUM	AZONE	FIELD	TYPE	NUGGET	Range 1 (m)			C1	Range 2 (m)			C2
					1	2	3		1	2	3	
1	MAIN	WO_3	Accum	0.733	206.5	206.5	206.5	12.261	-	-	-	-
2	F1	WO_3	Accum	0.066	84.5	84.5	84.5	0.983	121.8	121.8	121.8	0.530
3	F2	WO_3	Accum	1.057	325.2	325.2	325.2	1.146	-	-	-	-
4	F3	WO_3	Accum	0.913	84.8	84.8	84.8	0.472	-	-	-	-
5	MAIN	WO_3	Thickness	3.761	181.1	181.1	181.1	17.834	-	-	-	-
6	F1	WO_3	Thickness	0.892	90.5	90.5	90.5	1.128	-	-	-	-
7	F2	WO_3	Thickness	3.002	257.5	257.5	257.5	3.123	-	-	-	-
8	F3	WO_3	Thickness	1.798	39.2	39.2	39.2	1.861	75.1	75.1	75.1	0.841
9	MAIN	MoS_2	Accum	0.065	134.5	134.5	134.5	0.097	-	-	-	-
10	F1	MoS_2	Accum	0.001	72.0	72.0	72.0	0.022	-	-	-	-
11	F2	MoS_2	Accum	0.015	112.1	112.1	112.1	0.028	-	-	-	-
12	F3	MoS_2	Accum	0.006	61.7	61.7	61.7	0.033	-	-	-	-
13	HW	WO_3	Grade	0.019	21.0	9.0	16.0	0.053	31.0	50.0	18.0	0.042
14	HW	MoS_2	Grade	0.009	39.2	39.2	39.2	0.008	-	-	-	-

Notes:

HW anisotropy directions:

1	**Along-strike**
2	**Down-dip**
3	**Cross-strike**

12.7 Volumetric Modelling

Two separate resource models were generated: one with a parent block structure of 10m x 10m x 10m blocks (for the HW zone), and the other with a columnar block structure for all the skarn zones. In the columnar block structure used, parent blocks were sized 10m x 10m, and in the vertical dimension single sub-blocks were generated, with a height equivalent to the vertical height of the skarn structure being modelled. In both models, sub-blocks were also generated down to 5m x 5m in the XY directions. Both model structures were orthogonal – no rotation was applied. A summary of the model prototypes is shown in Table 12-10.

Table 12-10. Resource Model Prototypes

				HW		MAIN+F Beds	
	Minimum	Maximum	Range	Size	Number	Size	Number
X	483,900	486,000	2,100	10	210	10	210
Y	4,110,900	4,113,000	2,100	10	210	10	210
Z	0	1,000	1,000	5	200	1000	1

Physical controls used, during the generation of the volumetric block models, included:

- Natural topography wireframe model.
- Top and bottom contact DTMs for the HW zone.
- The central skarn bed DTMs, for the MAIN and F- beds.
- Perimeters demarcating the extent of previous mining for the HW, MAIN, F2 and F3.

For the MAIN and F- beds, an artificial vertical thickness of 2m was set onto model blocks. The vertical thickness was then subsequently estimated onto these blocks and then used for the actual bed thickness. Attribute fields set into the volumetric block models included:

AZONE	Mineralised zone identifier
MINED	Mined flag code (0 = unmined, 1 = mined)

12.8 Densities

Density measurements have been made during the recent WCM campaign, as summarised in Table 12-11. There does not appear to be particular relationship between density and WO_3 grade value. The approach taken in this study was to estimate density values from the sample measurements, using inverse-distance weighting, up to a maximum within-bed distance of 100m. Beyond this distance, where no density samples were available, the average values shown in Table 12-11 were applied.

Table 12-11. Summary of Density Measurements

AZONE	Number of measurements	Average Density t/m^3
HW	82	3.28
MAIN	97	3.25
F1	32	3.02
F2	129	3.02
HALO	25	2.97
F3	129	3.05
F4	19	3.05
F5	1	3.12
Waste	564	2.87
Total	1078	

12.9 Grade Estimation

For the HW zone, composites were first flagged with indicator (0/1) values, according to whether they were proper mineralised HW composites (IND=1), or if they were representing internal waste within the overall limits of the HW structure (IND=0). These indicator values were then estimated into the HW volumetric block model, thus flagging blocks as either mineralised or waste. WO_3 and MoS_2 grades were then estimated, using the corresponding mineralised/waste composites for each block. Progressive search distances were applied, so that if the initial search criteria were not met, another search was then applied with bigger search distances and/or more relaxed parameters. The process was repeated until all mineralised blocks received estimated grades. The initial search applied for the HW zone was 35m x 35m x 5m, oriented parallel with the HW zone. Dynamic anisotropy was applied so that the search orientation varied according to the actual HW zone structure.

For the MAIN and F skarn beds, vertical thicknesses and grade-accumulations were estimated into the volumetric block model, both using ordinary kriging (OK). The estimated vertical thicknesses were then used to set the actual vertical thicknesses of the model blocks and grades were then back-calculated from the estimated accumulations, such that:

Grade = Accumulation / Thickness

Progressive searches were also applied for estimation in the MAIN/F beds, starting off with a horizontal distance of 50 m. This is equivalent to a vertical search distance of 24m, which is generally less than the 30m level interval. An octant search was also applied, so that initial searches were only successful if composites were encountered in at least 3 octants.

For all zones, primary grades were estimated using ordinary kriging (OK). For validation purposes, alternative grades were also estimated using inverse-distance weighting (ID) and nearest neighbour (NN) methods. The grade estimation parameters are summarised in Table 12-12.

Example plans of the WO_3 and thickness variation in the MAIN zone are shown in Figure 12-9 .

Table 12-12. Grade Estimation Parameters

	MAIN/F Beds				HW Zone			
Search No.	Distance (m) X Y	Min. No. of Composites	Min. No. of Drillholes	Octant Control	Distance (m) X Y Z	Min. No. of Composites	Min. No. of Drillholes	Octant Control
1	50 x 50	3	3	Yes	35 x 50 x 5	7	3	Yes
2	100 x 100	3	3	Yes	70 x 100 x 10	7	3	Yes
3	100 x 100	1	1	Yes	70 x 100 x 10	1	1	Yes
4	50 x 50	1	1	No	70 x 100 x 5	1	1	No
5	100 x 100	1	1	No	105 x 150 x 7.5	1	1	No
6	200 x 200	1	1	No	140 x 200 x 10	1	1	No
Composites	Complete bed composites				5m downhole composites			
Primary estimated variables	. Accumulations: WO3ACC and MOS2ACC . Vertical thickness: VERTHK				. WO_3 . MoS_2			
Subsequent Calculation	. WO_3 = WO3ACC / VERTHK . MoS_2 = MOS2ACC / VERTHK . Model ZINC = VERTHK							

Notes:

- . Dynamic anisotropy used to orient searches such that: X = along-strike; Y = down-dip; Z = cross-strike
- . Maximum no. of composites used: MAIN/F 24; HW 15
- . Grades interpolated using Ordinary Kriging (OK)
- . Alternative grades also determined for validation: - Inverse-Distance (^2) weighting (ID); - Nearest neighbour (NN)
- . Octant control: . Min. number of composites per octant = 1; . Max. number of composites per octant = 3; . Minimum octants = 3
- . Density values also estimated by ID

12.10 Mineral Resource Classification

It is considered that none of the resources at the current time should be classified as Measured resources, owing to the lack of detailed fault modelling. The resource classification applied are summarised in Table 12-13.

Table 12-13. Resource Classification Criteria

Category	MAIN and F Zones	HW Zone
Measured	(No material currently classified as measured)	(No material currently classified as measured)
Indicated	At least 3 full intersection composites, within at least 3 octants, with a search of 50m (along-strike) x 50m (down-dip).	At least 7 composites, within at least 3 octants, from at least 3 drillholes, with a search of 35m (along-strike) x 50m (down-dip) x 5m (cross-strike).
	Based on drilling after 2006.	Based on all available drilling.
		Also delineated within defined perimeters, to ensure areas clearly covered by drilling grids.
Inferred	Based on all available drilling.	Based on all available drilling.
	Maximum extrapolation of 200m, no octant control.	Maximum extrapolation of 105 x 150m, no octant control.

Figure 12-9. Plan of MAIN Zone – Resource Model WO_3 and Thickness

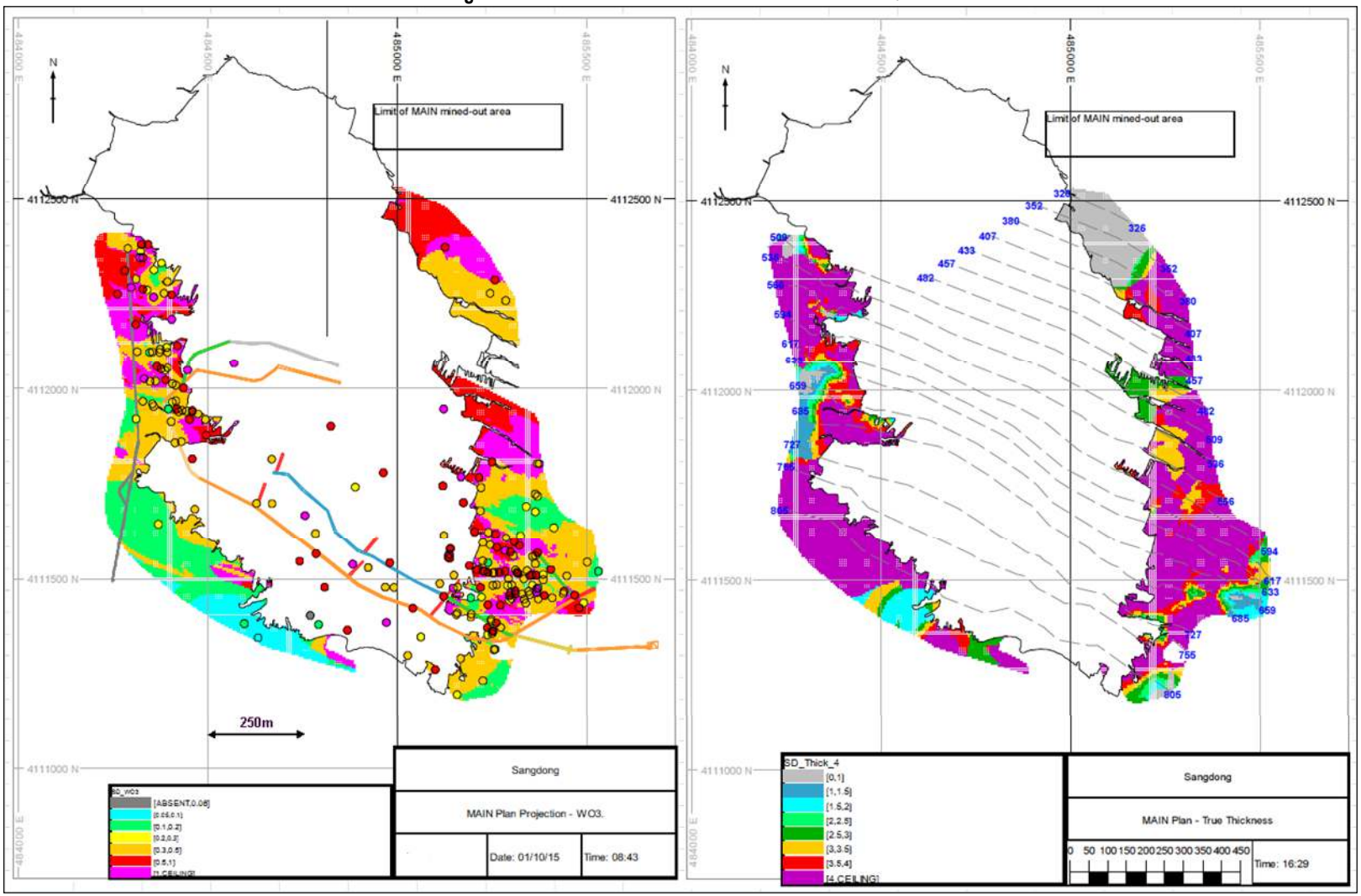
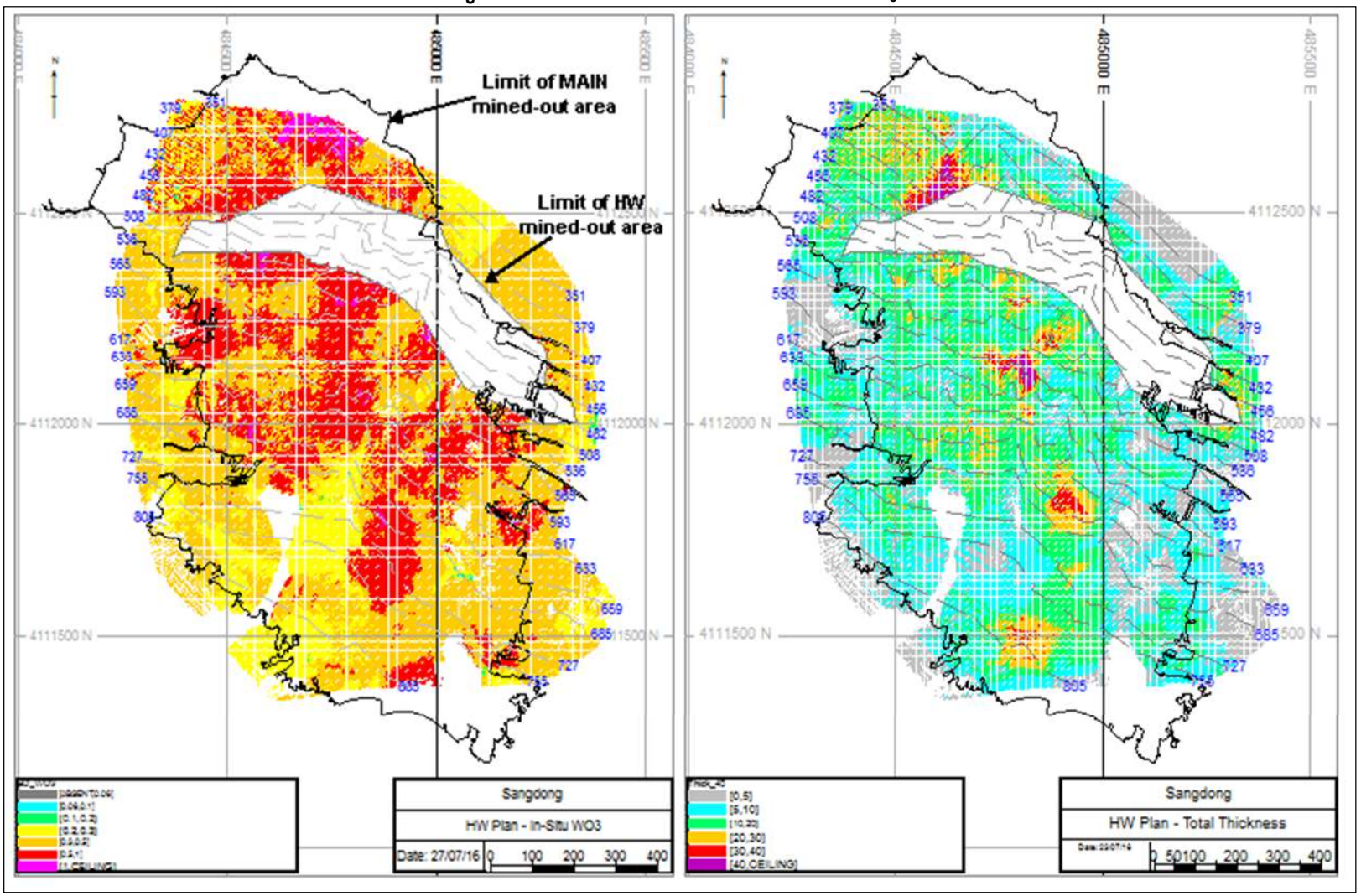
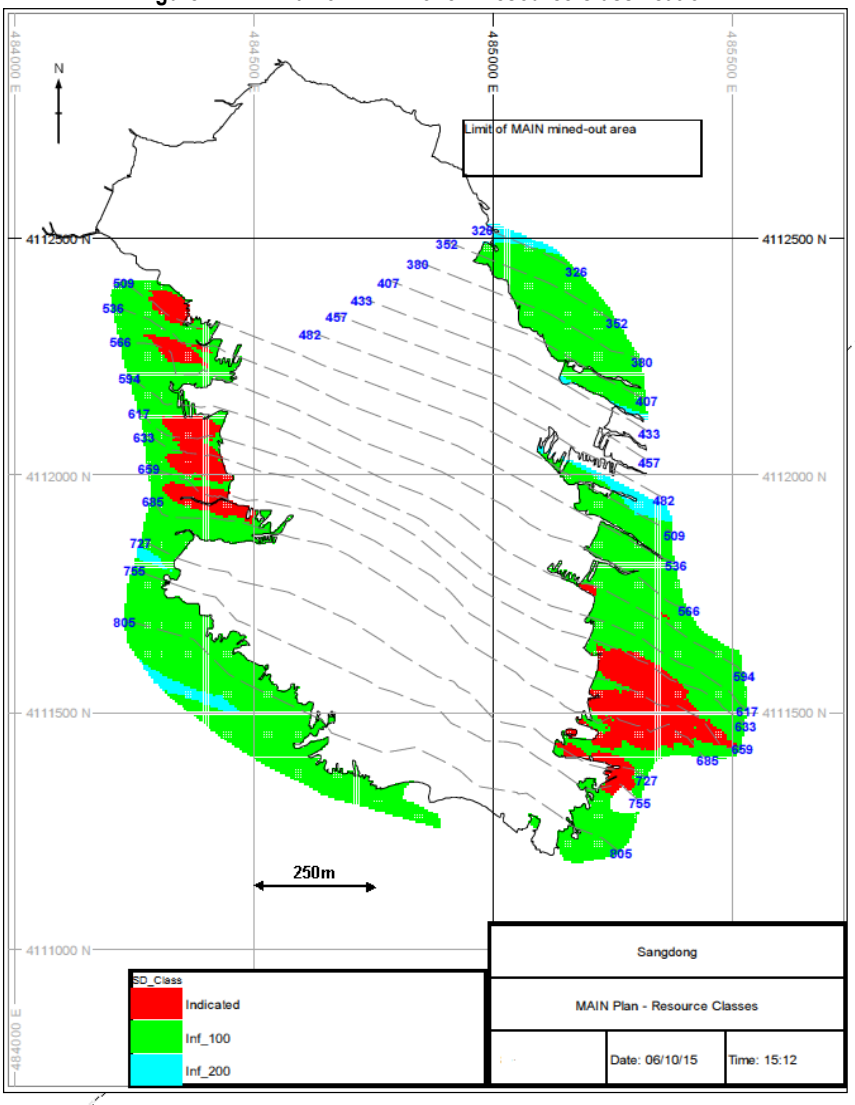


Figure 12-10. Plan of HW Zone – Resource Model WO_3 and Thickness



The distances applied for Indicated resources stem from the variographic analysis, and generally correspond to the range or less. The 50m applied for the MAIN and F beds is equivalent to a vertical interval of approximately 24m. An example plan depicting the resource classification for the MAIN zone is shown in Figure 12-11.

Figure 12-11. Plan of MAIN Zone – Resource Classification



12.11 Model Validation

For visual comparison checks, plan projections and sections were created from the resource block model, and compared with the sample composites used in grade estimation. Example plans of grade and thickness for the MAIN zones are shown in Figure 12-9. Sections were also produced over the whole deposit, and checked for inconsistencies. In general, these plans and sections show a fairly good correspondence between estimated and composited sample grades.

Comparison of global grade averages for each separate bed, were derived from samples, composites and the resource block model. For validation purposes, alternative block model grades derived from nearest neighbour (NN) and inverse-distance (ID) estimates were also used in this comparison. The comparison was also done with alternative model estimates: one with all samples, and one with both samples data and model pertaining just to the post-2006 campaigns. These results gave acceptable comparisons.

12.12 Mineral Resource Reporting

A summary of the updated Mineral Resources is shown in Table 12-14, relating to a cut-off grade of 0.15% WO_3 cut-off grade, for areas above 594mrl. The resources summarised for different cut-offs are shown in Table 12-15. These resources have an effective date of end-December 2020, and are inclusive of reserves. Grade-tonnage tables, and associated curves are shown in Table 12-16. The extrapolation distances used for the approximated Inferred resources are also shown in Table 12-14.

Table 12-14. Resource Estimation Summary
As of December 31st, 2020

Resource Category	Mineralised Zone	Tonnes Kt	WO_3 %	MoS_2 %
Indicated	HW	3,121	0.55	0.10
	MAIN	854	0.49	0.04
	F1	295	0.44	0.04
	F2	1,554	0.52	0.04
	HALO	311	0.22	0.02
	F3	1,578	0.51	0.03
	F4	253	0.33	0.04
	F5	63	0.36	0.02
	Total	**8,029**	**0.51**	**0.06**
Inferred	HW	29,208	0.46	0.06
	MAIN	4,235	0.47	0.02
	F1	467	0.27	0.02
	F2	3,935	0.41	0.04
	HALO	104	0.20	0.01
	F3	4,386	0.39	0.03
	F4	5,800	0.32	0.03
	F5	2,552	0.33	0.03
	Total	**50,686**	**0.43**	**0.05**

Notes

- Cut-off = 0.15% WO_3
- Bed models diluted to a minimum thickness of 2.2m
- Resources shown are inclusive of reserves
- 50m surface pillar material removed
- Indicated HW material based on all samples with a maximum search of 35m x 50m (along-strike x down-dip)
- Indicated material in all other beds are based on only PO-P6 samples, with a maximum search of 50m, and sample grid required
- Inferred material based on all samples, up to a maximum search of :
  - 105m x 150m in HW
  - 100m x 100m in all other beds

Table 12-15. Resource Summaries At Different Cut-Offs

WO_3 Cut-Off	Resource Class	Tonnes Kt	WO_3 %	MoS_2 %
0.15%	Indicated	8,029	0.51	0.06
	Inferred	50,686	0.43	0.05
0.20%	Indicated	7,864	0.51	0.06
	Inferred	47,630	0.44	0.05
0.30%	Indicated	7,316	0.53	0.06
	Inferred	36,466	0.50	0.06

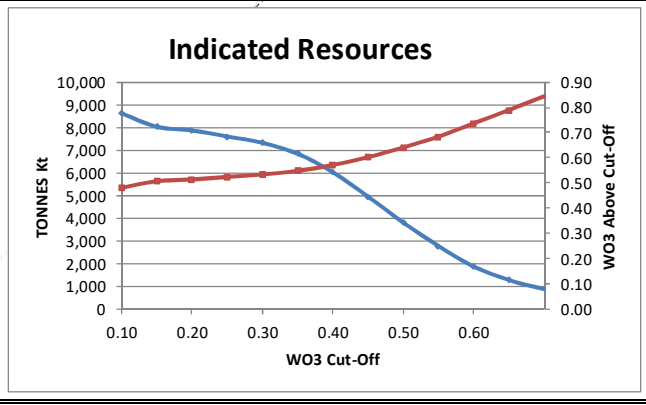
Notes

. Bed models diluted to a minimum thickness of 2.2m
. Resources shown are inclusive of reserves
. 50m surface pillar material removed
. Indicated HW material based on all samples,
with a maximum search of 35m x 50m (along-strike x down-dip)
. Indicated material in all other beds are based on only PO-P6 samples
with a maximum search of 50m, and sample grid required
. Inferred material based on all samples, up to a maximum search of :
105m x 150m in HW
100m x 100m in all other beds
. Based on the operating parameters presented in this study,
with a total Processing, G&A and Mining cost of $43.24/t, these
cut-offs relate to breakeven levels, at metal prices of:

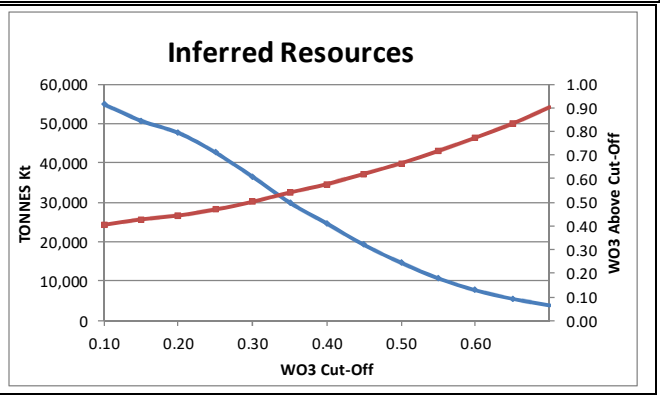
Cut-Off WO3 %	WO_3 APT Price $/mtu
0.15%	450
0.20%	350
0.30%	230

Table 12-16. Resource – Grade-Tonnage Tables

WO3 Cut_off %	Tonnes Kt	WO3 %
0.10	8,611	0.48
0.15	8,029	0.51
0.20	7,864	0.51
0.25	7,596	0.52
0.30	7,316	0.53
0.35	6,836	0.55
0.40	6,022	0.57
0.45	4,952	0.60
0.50	3,811	0.64
0.55	2,777	0.68
0.60	1,871	0.74
0.65	1,275	0.79
0.70	868	0.84



WO3 Cut_off %	Tonnes Kt	WO3 %
0.10	54,889	0.40
0.15	50,686	0.43
0.20	47,630	0.44
0.25	42,667	0.47
0.30	36,466	0.50
0.35	29,945	0.54
0.40	24,645	0.58
0.45	19,209	0.62
0.50	14,661	0.67
0.55	10,725	0.72
0.60	7,700	0.77
0.65	5,516	0.83
0.70	3,874	0.90



13 ORE RESERVE ESTIMATE

The Ore Reserves were derived from the Mineral Resource block model described in Section 12. The Ore Reserves are those Indicated Mineral Resources (there are no Measured Resources in the current estimate) that have been identified as being economically extractable and which incorporate mining losses and the addition of mining dilution. The Ore Reserves form the basis for the mine plan presented in Section 14.

13.1 Block Model Preparation

The steps taken in block model (and other data) preparation for stope planning included:

1. Maps of maximum span distances, that had previously been prepared in a geotechnical study in 2014, were used to create perimeters pertaining to maximum span limits of 3, 6 and 10m.
2. These perimeters of maximum span properties were then available to be superimposed onto the block model and areas of potential stope design.
3. Because of the close proximity of the different narrow skarn zones, alternative test block models were created with combinations of an upper bed, the intermediate waste and the underlying bed. These combined models were created, so as to test the feasibility of mining thicker bed systems with lower mining cost. All possible different bed combinations were tested. After this analysis, the only combined set which was selected for subsequent mine planning was the MAIN-F1 combination.
4. Level strings were created where the base of each modelled skarn zone intersected the relevant level elevation. These strings were used for string construction during stope layout.
5. For each skarn zone, the resource model blocks were split into separate block models for each zone, and projected so that all grades or other model properties could be viewed and used in a plan projection view.

13.2 Stoping Methods

A mine plan was developed, using cut-and-fill (CAF) and mechanised inclined panel (MIP) mining. The planning and development of these methods have evolved from the Up-Dip Panel (UDP) mining, for narrower or poorer ground areas, and Inclined Panel (IP) mining methods proposed in the 2015 feasibility study. Details of the currently applied CAF and MIP methods are described in Section 16.

In the current study, the same processing and G&A unit costs were applied as in the previous feasibility study. The mining costs have been updated in the current study, to reflect the updated mining methods and mining costs estimates from Korean mining contractors, as summarised in Table 13-1. With respect to cut-off grades, information was also used from the 2014 geotechnical study, so as to also consider recommended maximum span ranges.

A summary of the cut-off calculations and parameters is shown in Table 13-1. Using the updated mining costs, breakeven cut-off grades of 0.18% WO_3 for CAF and 0.22% WO_3 for MIP were estimated. Based on the overall reserve proportions of 60% CAF and 40% MIP, an overall combined breakeven cut-off of 0.20% was determined. The applied cut-off in the current study was 0.23% WO_3 for the majority of stope blocks. Where recommended maximum spans were limited by geotechnical recommendations, elevated cut-offs of 0.28% WO_3 for 3-6m, and 0.36% WO_3 for less than 3m were applied. These elevated cut-offs were only applicable to 26% of the reserve base, and ensure that such blocks would still be profitable, even if substantial additional support costs are required. Mining factors of 5% losses and 5% additional unplanned dilution have been assumed.

13.3 Stope Layout

Stope blocks were laid out as plan perimeters, bounded by horizontal parts on each level, where the footwall contact of each zone cut through a level's reference elevation. In general, most stope blocks were limited to a maximum of 100m along strike. Stope blocks were only laid out in those parts of each zone predominantly demarcated as containing Indicated resources. For reference during this planning process, the model blocks were coded with WO_3 grade, so as to highlight those blocks above the cut-offs. Any Inferred resource blocks within stope outlines were treated as mineralised waste dilution, with grades capped at 0.2% WO_3. They therefore do not positively contribute to the NPV estimate in Table 20-2.

All stope blocks were automatically assigned block IDs, based on the level interval to which they belong. An example of the stope block layouts of the F2 skarn zone is shown in Figure 13-1. This also shows the maximum span limits for F2, stemming from geotechnical limit maps. Mining factors of 5% losses and 5% additional unplanned dilution have been assumed. The stope block layouts for the updated HW zone are shown in Figure 13-2.

13.4 Ore Reserve Estimation

Stope blocks, depicted in Figure 13-1 and Figure 13-2, were overlaid onto the resource block model, and evaluated. Cut-off parameters are summarised in Table 13-1. At the same time, the tonnages relating to the different span limits within each stope block were also determined, from which an aggregate cut-off grade for the stope block was determined. The stope blocks' average grades were determined, included any waste as planned dilution. The grades were then further decreased with the unplanned dilution factor of 5%. Block contents were only confirmed as reserves if the resultant average stope grades were above the derived block cut-off. A summary of the resultant reserves is shown in Table 13-2. A grade-tonnage table of the stope block reserves is shown in Table 13-3.

Table 13-1. Underground Cut-Off Parameters

Description		*Unit*	CAF	MIP	Mine Average: 60% CAF, 40% MIP
Prices					
	APT Price	*$/mtu WO_3*	**350**	**350**	**350**
	Metal Price - received	*$/mtu WO_3*	**272**	**272**	**272**
Costs					
	Recovery	*%*	**85.0%**	**85.0%**	**85.0%**
	Processing Cost	*$/t ore*	**13.74**	**13.74**	**13.74**
	G & A	*$/t ore*	**5.22**	**5.22**	**5.22**
	Ore mining	*$/t ore*	**21.32**	**28.73**	**24.28**
	Total Applied Ore Cost (Processing+G&A+OreMining)	*$/t ore*	40.28	47.69	43.24
Mining Factors					
	Production rate	*tpd*	**1,820**	**1,820**	**1,820**
	Mining Recovery		95%	95%	95%
	Dilution		5%	5%	5%
Cut-Offs					
	Breakeven Economic Cut-Off	*% WO_3*	0.18%	0.22%	0.20%

Notes

CAF Cut-and-fill
MIP Mechanised Inclined Panel Mining

Applied Cut-Off Grades:

Maximum Span Criteria	<=3m	>3m <=6m	+6m
Cut-Offs %WO_3	0.36%	0.28%	0.23%
Proportion of Reserve Base	4%	15%	81%

Figure 13-1. Stope Block Layout – F2

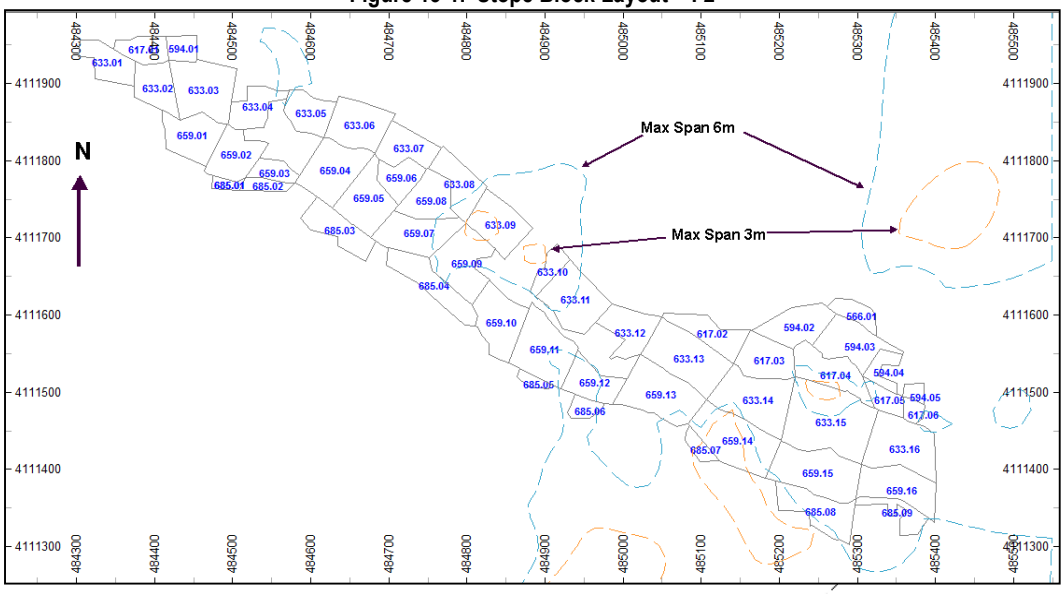


Figure 13-2. Stope Block Layout – HW

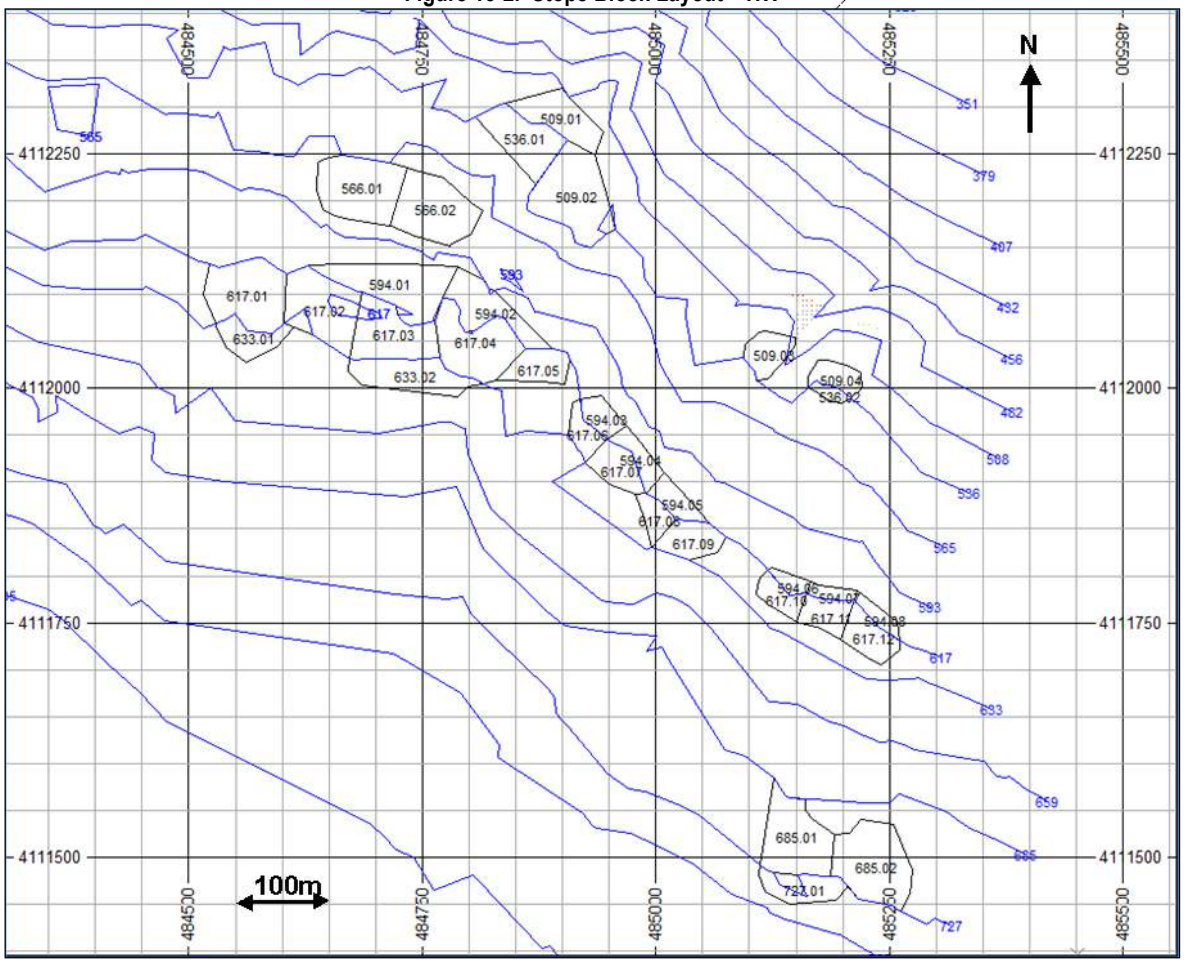


Table 13-2. Summary of Ore Reserves
As of December 31st, 2020

	ZONE											
	HW		MAINF1		F2		F3		F4		TOTAL	
LEVEL_Elevation	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %	Tonnes Kt	WO_3 %
Jangsan_755	-		-		-		-		15	0.42	15	0.42
Baegun_727	47	0.45	20	0.34	-		-		10	0.35	78	0.41
Taebak_685	320	0.37	392	0.36	196	0.42	66	0.38	-		974	0.38
Sangdong_659			518	0.32	752	0.48	527	0.47	2	0.26	1,800	0.43
-1_633	266	0.49	398	0.35	546	0.48	656	0.46	37	0.30	1,902	0.45
-2_617	1,061	0.52	-		-		-		-		1,061	0.52
-3_594	755	0.53									755	0.53
-4_566	506	0.45									506	0.45
-5_536	173	0.46									173	0.46
-6_509	632	0.40									632	0.40
TOTAL	**3,759**	**0.47**	**1,328**	**0.34**	**1,495**	**0.48**	**1,249**	**0.46**	**65**	**0.33**	**7,896**	**0.45**

Notes

. All reserves have a probable category

. WO_3 Cut-offs applied:

0.36% Max Spans <=3m
0.28% Max Spans >3m <=6m
0.23% Max Spans +6m

. Level restrictions:

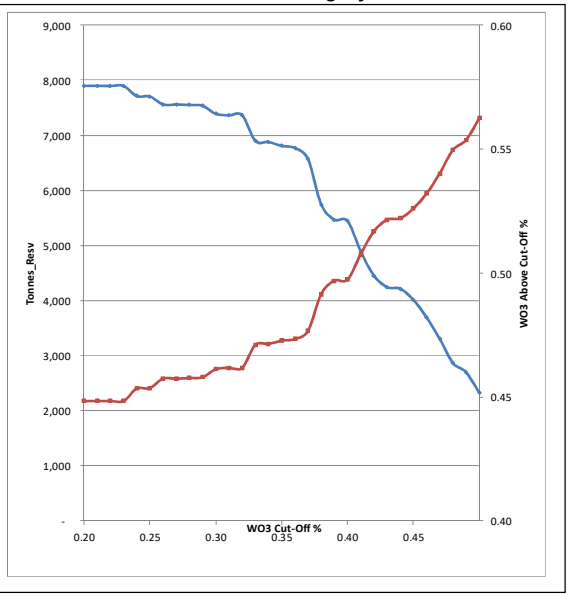
. Down to -1 level (633m) for the non-HW zones

. Mining Factors applied

. Minimum thickness = 2.2m
. Unplanned dilution = 5%
. Unplanned losses = 5%

Table 13-3. Grade-Tonnage Table of Stope Block Reserves
All reserves are of Probable Reserve Category

WO3 Cut-Off %	Tonnes Kt	WO3 %
0.20	7,896	0.45
0.21	7,896	0.45
0.22	7,894	0.45
0.23	7,894	0.45
0.24	7,711	0.45
0.25	7,702	0.45
0.26	7,559	0.46
0.27	7,557	0.46
0.28	7,549	0.46
0.29	7,534	0.46
0.30	7,389	0.46
0.31	7,362	0.46
0.32	7,362	0.46
0.33	6,899	0.47
0.34	6,876	0.47
0.35	6,808	0.47
0.36	6,769	0.47
0.37	6,569	0.48
0.38	5,744	0.49
0.39	5,467	0.50
0.40	5,444	0.50
0.41	4,894	0.51
0.42	4,455	0.52
0.43	4,242	0.52
0.44	4,214	0.52
0.45	4,011	0.53
0.46	3,696	0.53
0.47	3,302	0.54
0.48	2,866	0.55
0.49	2,698	0.55
0.50	2,326	0.56



14 MINING METHODS

14.1 Existing Mine Infrastructure

Extensive mining has taken place within the Sangdong Mine property and at the time of its closure, the mine had been developed on more than 20 levels, between the elevations of 242 and 755 masl, with a total length of 20 km of development. The mine is flooded to -1 level (633mRL) where a tunnel and trench, situated at the level floor elevation, drains water out to a valley. The level reference system is summarised in Table 14-1. The mine is located on a mountainside, with two old and one new entry portals situated on the Sangdong level. Old entry portals are also located on the Taebaek, Baegun, Jangsang and Sunyeong levels. A ramp from the Sangdong accesses the -1 level at the eastern end of the level. There are several inclined shafts and vertical shafts that were used to access lower levels. A plan of all levels, overlain with sample data, is shown in Figure 14-1.

Existing verified level development on levels Taebaek and Sangdong are shown in Figure 14-2 and Figure 14-3. A significant portion of the opening accessing the Main zone, where it was mined, have caved in but can be rehabilitated if required. The old ventilation incline located at the west end of mine is in good condition and may be used as the main exhaust air shaft and a secondary egress. The existing administration and geology buildings are located on surface on a plateau near the Sangdong portals.

Table 14-1. Level Reference System

Level Name	Elevation (mRL)	Level Name	Elevation (mRL)
Ventilation	856.0	-5	536.3
Sungyeong	804.7	-6	508.6
Jangsan	751.5	-7	482.1
Baegun	724.0	-8	456.8
Shaft	725.0	-9	432.6
Taebak	683.6	-10	407.4
Sangdong	656.8	-11	379.7
2nd Sangdong	655.8	-12	351.8
Woulfe	656.3	-13	325.5
-1	632.6	-14	298.2
Drainage	629.0	-15	269.5
-2	617.5	-16	242.6
-3	593.8	-17	224.0
-4	565.8		

Figure 14-1. Plan of All Levels, With Drillhole Data

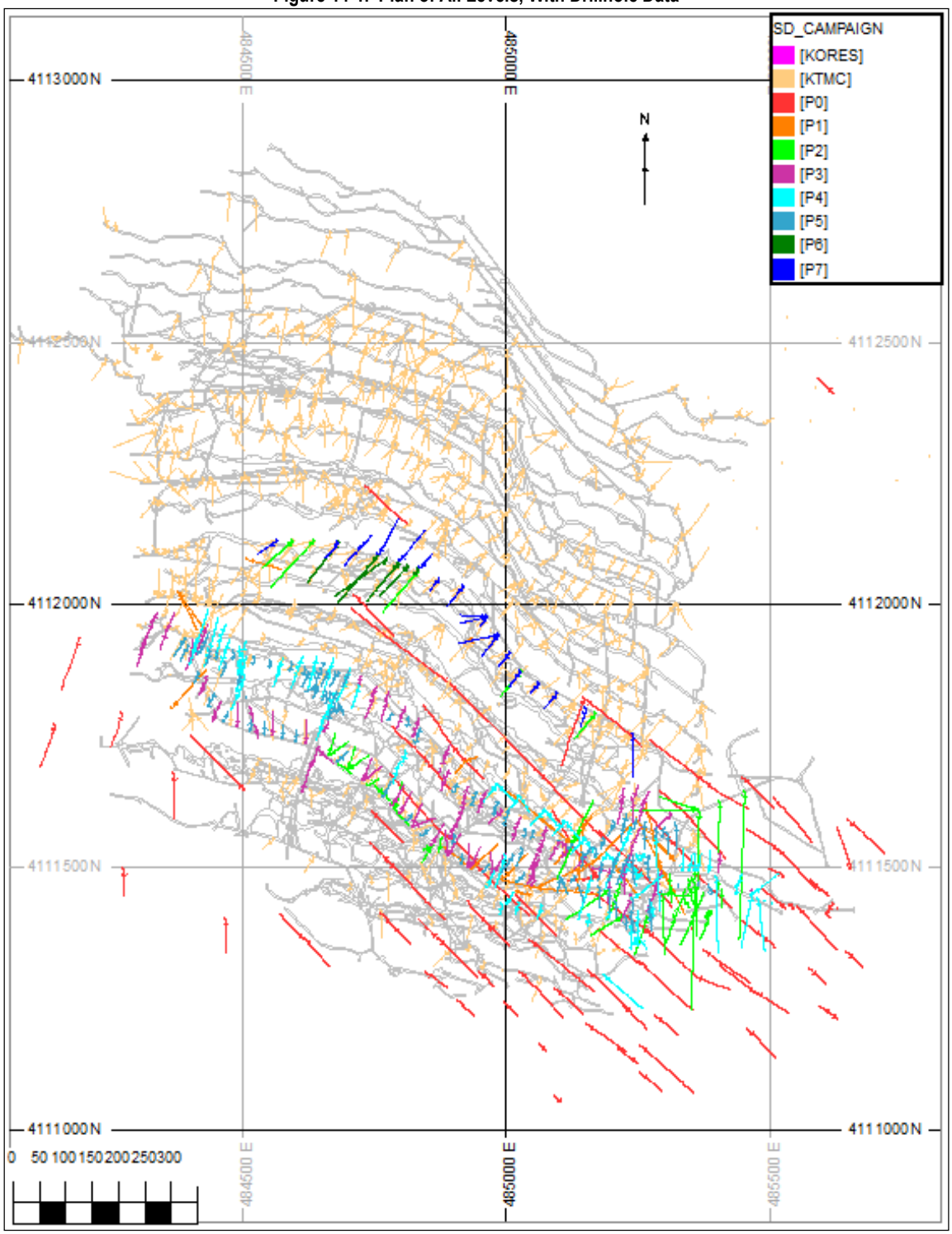


Figure 14-2. Existing Level Development on Taebaek Level

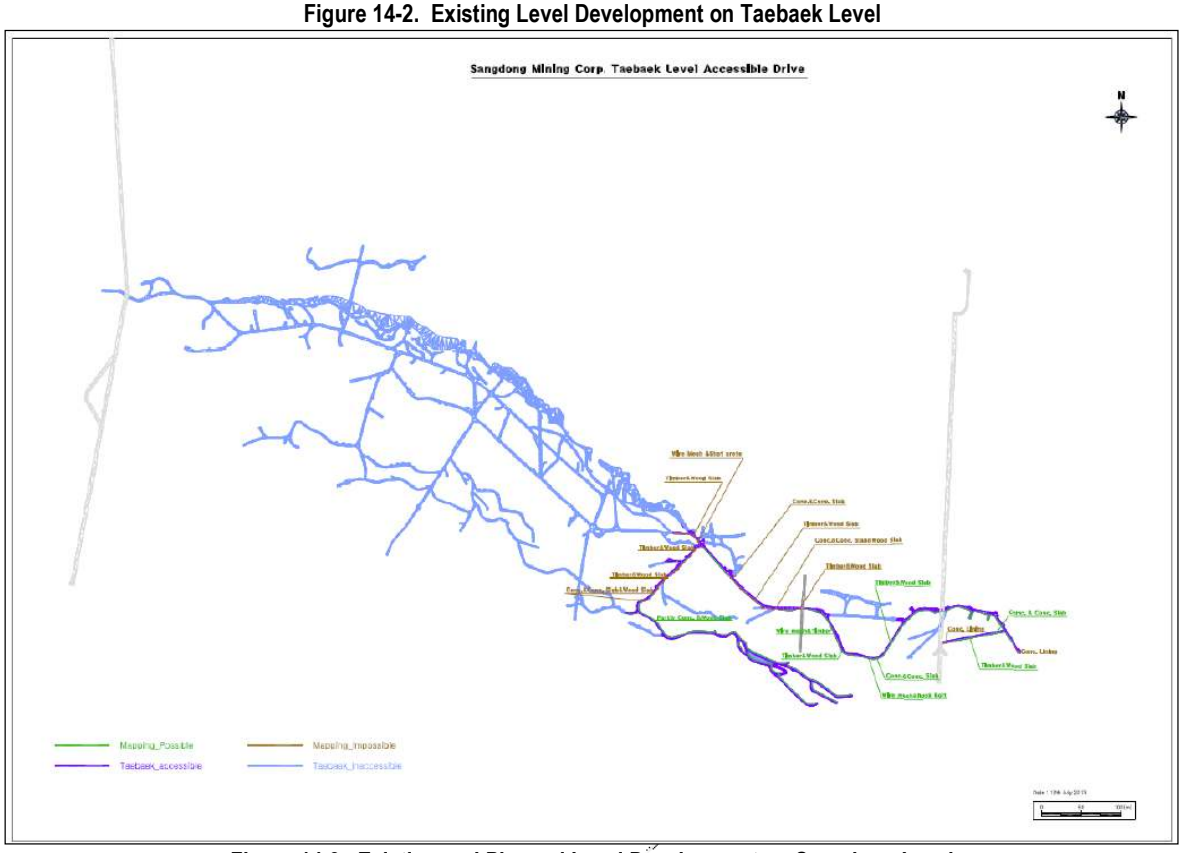
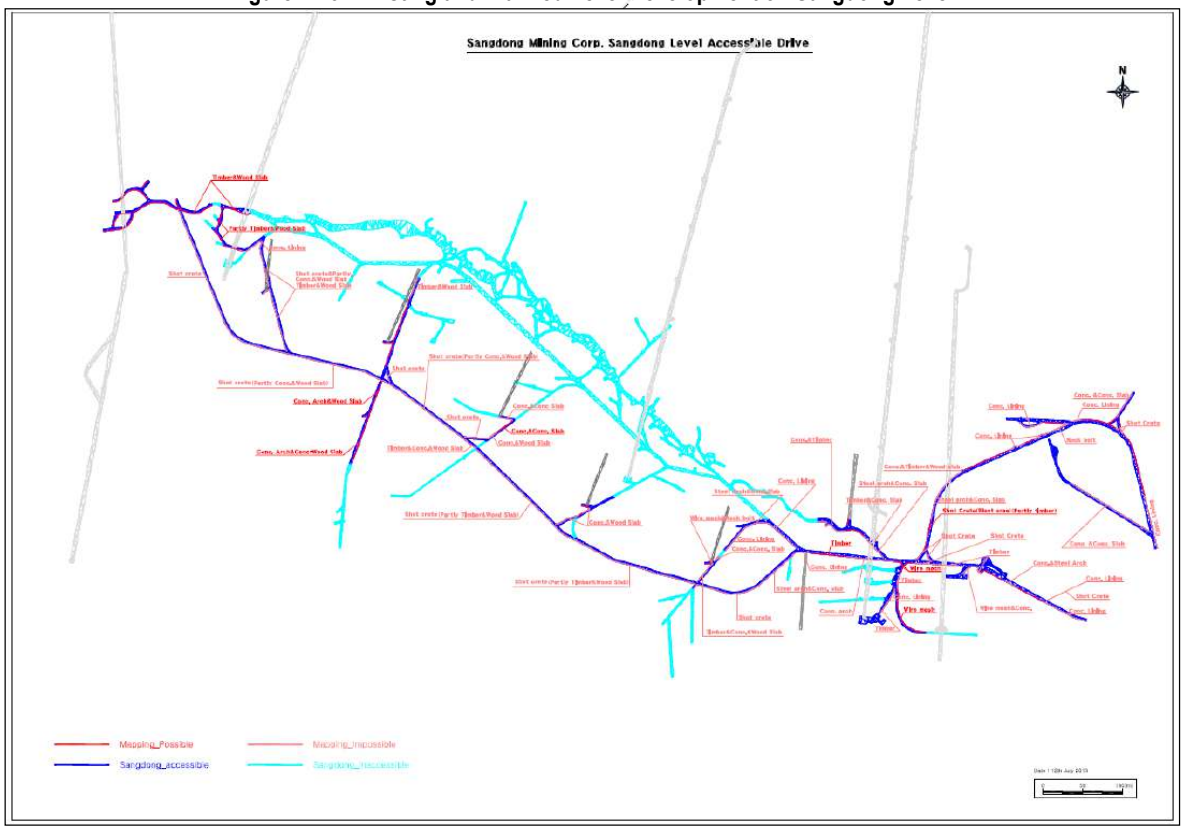


Figure 14-3. Existing and Planned Level Development on Sangdong Level



14.2 Geotechnical Parameters

A geotechnical study was completed in 2014. The geotechnical study was focussed on the HW, Main, F2 and F3 zones. Intact rock tests were also undertaken. There are no records found of stress measurements having been undertaken at Sangdong. The stress regime used for stability analyses has therefore been estimated, giving a representative virgin stress of 10 MPa and hangingwall stoping stress of 15 MPa.

The Q-system was used to determine the rockmass strength, calculated for the hangingwall domains of each of the zones, for the zones themselves and for the footwall of the F3 Zone (where permanent access would be located). The results for Q at Sangdong are all in the 'poor' and 'fair' categories. RQD and Q values have been contoured for each zone.

Two empirical methods have been used to determine the maximum spans: 1) Stability graph method, 2) Maximum unsupported span (MUS). Data have been related to geotechnical reference data, so as to determine critical hydraulic spans by orebody. Maximum unsupported span variations were determined for each zone, and contoured maps prepared. These were overlain on plans for the reserve blocking-out process in the current study. Support requirements have been estimated from core logging data using empirical analysis based on indexes of RQD, Q and from observations of exposed rock mass. Small-sized development would require Category 3 support, i.e. 'systematic bolting', and jumbo development would require Category 4 support i.e. 'systematic bolting and mesh'.

In current underground excavations, falls of ground are generally located at the intersection of faults or jointing. These sections of poor ground are generally supported with timber sets which have deteriorated and require re-supporting. Additional local support requirements will therefore include resoration of deteriorated timber sets and old shotcrete. Cable-bolts will also be required for wide 3-way and 4-way intersections.

The seismic hazard data for the Sangdong area have been assessed from the Global Seismic Hazard Assessment Program data (GSHAP, 1999[1]). The data indicated a 10% probability of exceeding between 0.2 and 0.8 m/s^2 peak ground acceleration over 50 years (based on a 475 year return period). This falls in the low-hazard category and increased acceleration has not been considered in any design analysis.

14.3 Mining Methods

14.3.1 Method Selection

Selection of the mining method requires a flexible design, which is suitable to the geometry of the ore body and typical variations. The majority of the ore zones to be mined are relatively shallow dipping between 20° and 30°, so ore will not naturally flow by gravity on the footwall.

For this present study, it was decided to focus on the use of mechanized mobile diesel-powered mining equipment. It was decided to apply two proposed mining methods, as summarised below:

- Mechanized Inclined Panel mining (MIP) – areas where the thickness less than 3 metres.
- Cut-and-Fill (CAF) – for areas where the thickness is greater than 3 metres.

Selection of these mining methods was based on plan projections of grades and thicknesses, along with examination of many cross-sections across the whole orebody. For mechanised access, the geological models have all initially been diluted to a minimum thickness of 2.2m. Based on assessment of the relative proportions of these different thickness thresholds for the two mining methods, the approximate split between MIP and CAF mining will be approximately 40%:60%.

A plan view of the current ore reserves, with the different areas split by mining method, is shown in Figure 14-4. The central and western part of the F2 and F3 reserves are generally below 3m true thickness, and so are proposed to be mined by MIP. The rest of actual reserves are proposed to be exploited by CAF. Within the eastern part of the F2 and F3, certain parts of the Halo zone in-between will also be mineable, allowing a greater overall thickness, which will enable CAF stoping, as depicted in Figure 14-5. Some areas of the F2 and F3 reserves will represent a transition from thicker (CAF) to thinner (MIP) parts.

The eastern part of the Main zone is 8m+ thick, and so amenable to CAF. Parts of the F1 unit will also be mined in combined stopes along with MAIN zone.

The entire HW zone reserve area on the -1 and Sangdong levels has an appreciable thickness and so can be exploited in Cut-and-fill. A plan of the of the western part of the HW reserve area is shown in Figure 14-6.

[1] None of the authors of books, journals and comparable publications cited in this report has consented to the inclusion of any statements in Almonty Industries Inc.'s Prospectus.

14.3.2 Mechanised Inclined Panel (MIP) Method

The envisaged MIP method involves drifting on apparent dip, so as not to exceed a gradient of 15%, and so allow trackless equipment. The stope development is planned to be symmetrical, with panels being extended both up and down from access galleries. This method is also flexible in that it can be easily adapted to room and pillar (as used previously at Sangdong) if local conditions do not favour complete extraction with primary and secondary panels.

This method is very flexible, in allowing working upwards or downwards, and conversion to cut-and-fill. The development of HW zone can be done in between stope access to F2 and F3, which will save development lengths between the base development and stope access. The F2 can be mined from the Sangdong level to the -1 Level, and at the same time upwards into the F3 between the Sangdong and Taebaek levels. After stoping and backfilling operations have finished in these two zones, the mining direction can be reversed, exploiting F2 upwards and F3 downwards from Sangdong level.

The sequencing of MIP stoping operations is proposed to be:

1. Development of level strike drives, the base transport gallery.
2. Ore Drifts will be developed oblique to the strike drive, at a maximum gradient of 15%. These drifts will be 3m x 3m, spaced 12m apart, to form one side of each primary panel. These drives will be extended to the next upper or lower level, and so will have a strike length of approximately 175m.
3. The ore drives will be slashed out an additional width of 3m, to leave the primary panels 6m wide. For ore regions less than 3m in thickness, the slash height can be limited down to 1.5 m minimum.
4. When the primary panels are complete, fill barricades will be required at the base level of each panel. No barricade will be needed in downwardly developed panels, if they have not connected with the base strike drifts. The barricades can be constructed from waste piles, which are then shotcreted to prevent fill leakage.
5. The primary panel(s) can then be backfilled with paste backfill and cement. As the drifts are inclined this filling should end up tight to the back.
6. After curing the primary panels' backfill, secondary panels can be mined out in the same way as the primaries. The backfilling of secondary stopes can be done with a reduced amount of cement.

Figure 14-4. Plan - Ore Reserve Zones By Mining Method

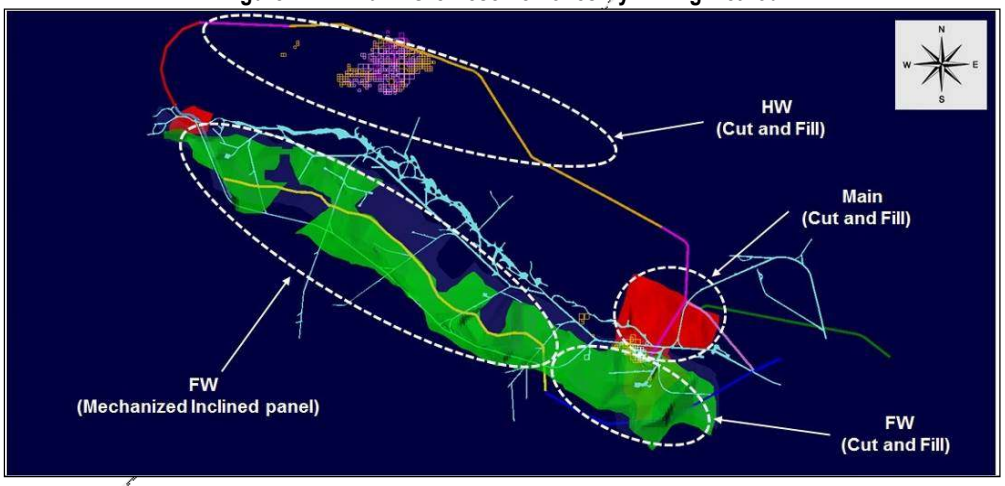


Figure 14-5. Plan- F2 and F3 Reserve Areas

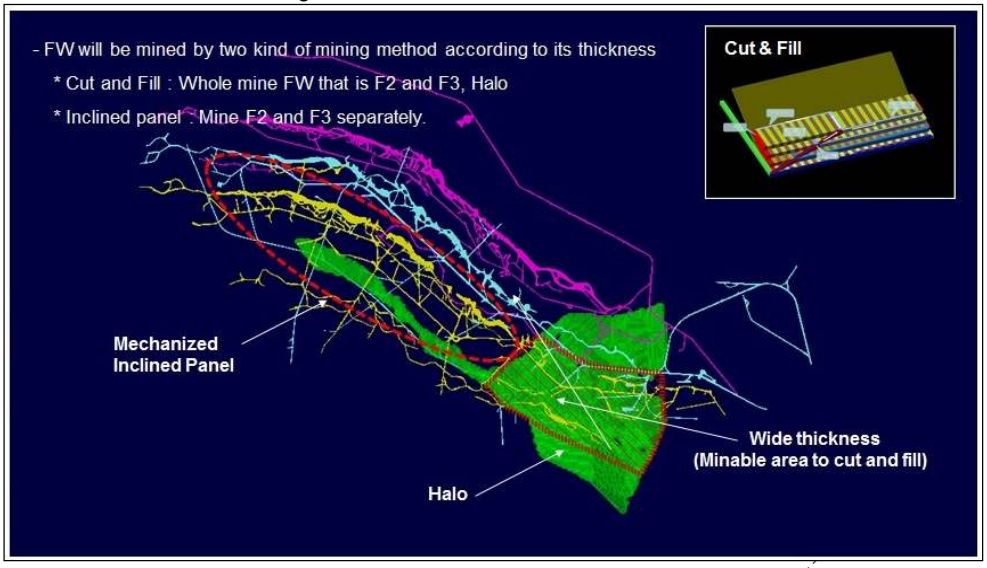
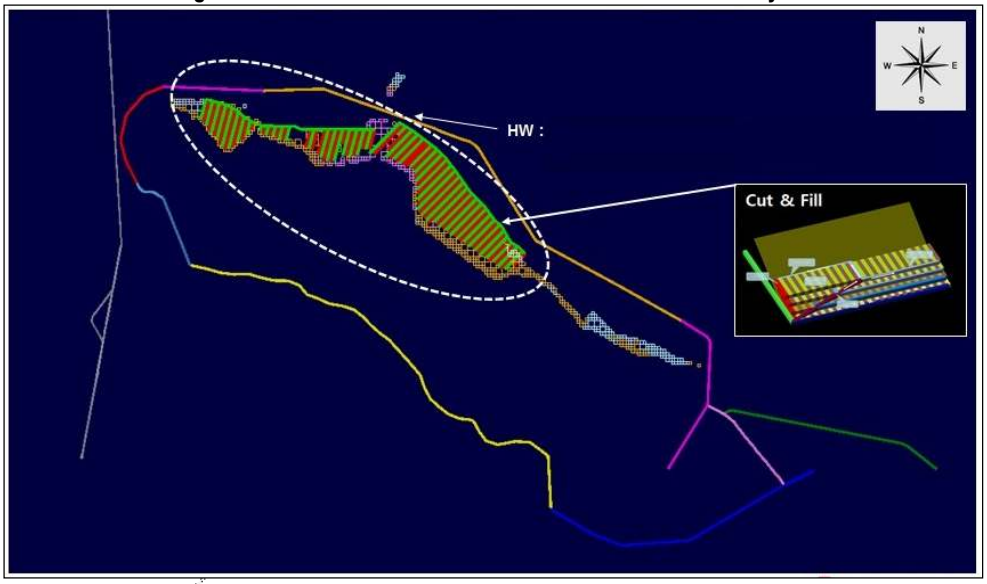


Figure 14-6. Plan of Western Part of HW Zone – With CAF Layout



To reduce the dilution associated with the development of the primary drives, separate blasts can be made on faces with narrow ore thicknesses, so that some waste can mined separately. This will reduce likely dilution in this phase to approximately 15%. This primary and secondary blasting has been accounted for in estimating the stoping costs. In the slashing operation, dilution can be dramatically reduced, with parallel drilling to the ore structure, as well as a much reduced height. All drilling for these slashes can be inside the mineralized structure, with up to two blasts of 1.5 m width on the up-side. Dilution of 15% (maximum) on drifting and almost no dilution with slashing, should give a combined maximum dilution of 7.5 %, and an average dilution of approximately 5%.

Another important characteristic of scheelite is the visual recognition of that mineral under short wave UV light. With this feature, internal waste dilution can be reduced by blasting and transporting waste to separate neighbouring stopes for backfill. The ore blasted in the Mechanized Inclined Panel stopes will be loaded by LHDs to 40t dump trucks, or alternatively smaller 15t Korean trucks, in the main development adjacent to the strike drives. A mining recovery of 95% has been assumed, based on the stoping method envisaged, and the ability of visual recognition of scheelite using UV light.

14.3.3 Cut-and-Fill (CAF) Method

This method will be applied to ore zone areas with a thickness of 3m and higher, up to 20m depending on the local ore thickness. It can be considered a simplification of the previous Inclined Panel Stoping, and in some areas it could also be adapted with uppers for extraction of panels up to 12m in height. One particular advantage of this method is the potential high selectivity, with separate removal of internal waste encountered.

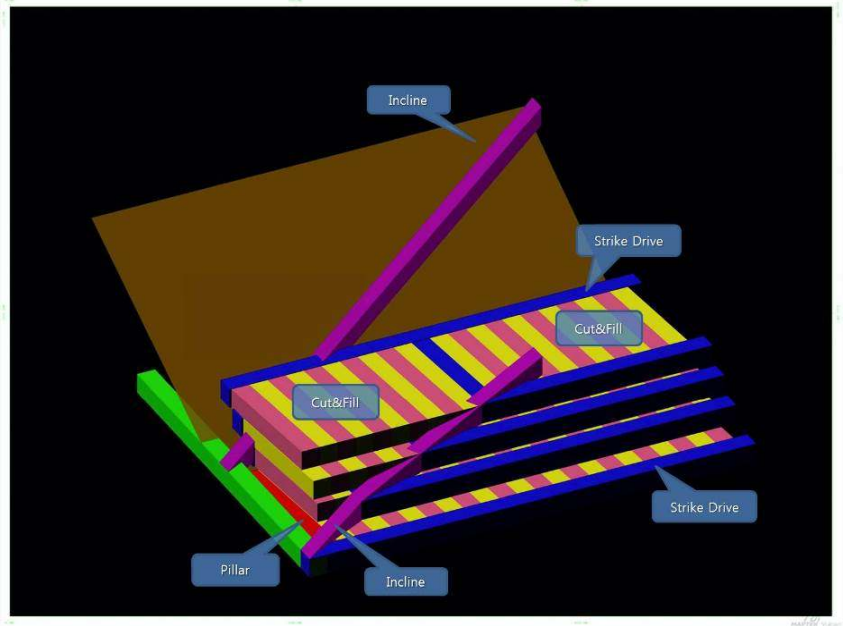
From the base gallery, a cross cut can be opened up, mining though to the footwall of the ore structure. A strike drive can then be developed in ore at the footwall contact, for the length of the stope panel. From the strike drive, the primary panels are opened in the ore, perpendicular to the strike drive and developed across to the footwall contact. These panels wiil be inclined upwards, to a maximum gradient of 15% to assist with tightfilling during subsequent backfilling operations, and also to create longer stopes. Primary and secondary panels are nominally planned to be 6m x 6m in cross-section.

An additional footwall drive will facilitate ventilation and backfilling. Some others will need individual barricades. After primary panels have been backfilled, and time left for curing, secondary stope panels can be opened up. For the excavated secondaries, many panels may be backfilled with just two fill barricades. Some others will need individual barricades, depending on local conditions.

After backfilling of the entire first 6 m lift, access to the next 6m lift will be from the hanging-wall incline. Access to stope panels behind the incline will need to be done by the footwall strike drift. The backfilling will continue through the footwall strike drive, with multiple barricades in the primary stope panels and with two barricades per sector for secondary stope panels.

A diagram showing the mining of several stope lifts is depicted in Figure 14-7. All mining operations will be from inside areas of relatively thick ore, so dilution will be minimised. There will be some dilution in secondary panels from primary panels' backfill. Overall, a 5% dilution has been assumed for this method, after the application of a 2.2m minimum mining thickness.

Figure 14-7. CAF – Overall Schematic



14.4 Stoping Operations

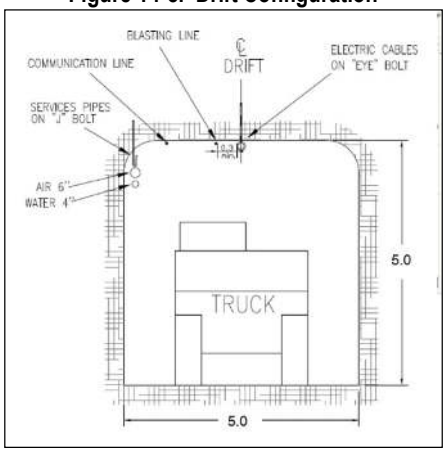
In the MIP mining, drilling will be with single electric/hydraulic jumbos, with a drifting advance/blast of 2.1m. In the CAF zones, drilling will be with two arm electric-hydraulic jumbos, with an effective 2.6 m advance per blast. All zones to be mined will be well drained and production drillholes will be blasted with ANFO. Any occasional wet zones will be blasted with cartridge emulsions. Mucking and drilling operations will run 2 shifts, with the 3rd shift for blasting and ventilation.

Haulage drifts, main access drifts and CAF stope cross-cuts will be supported with swellex and welded wire mesh screen. The majority of MIP panels will not require support, but in some poorer zones, swellex bolts will be installed. All support drilling will be drilled with jumbo and installed from scissor lift trucks in the trackless development headings or from the floor and muckpiles. Generally, cable bolts will not be required. In the zones of worst quality ground identified in the geotechnical study, additional cable-bolting will be required. Mucking will be done only by LHDs. In the MIP stopes, 2.3m^3 LHDs will be used, and in CAF, bigger 5.25 m^3 may also be used. The ore will then be loaded onto dump trucks, for direct transportation to the processing plant.

14.5 Development

New development headings will be drilled off using 44 mm diameter drill holes, with 4 cut holes reamed. Slashes will be drilled off to the required width and height using 44 mm diameter drill holes as well. Headings will be blasted using a combination of ANFO, stick emulsion for the lifters, perimeter blasting products for the wall and back holes and nonel caps, initiated by electric caps. A typical drift cross-section is shown in Figure 14-8.

Figure 14-8. Drift Configuration



Ground support will consist of 1.8 metres long resin grouted rebar, installed on a 1.2 m by 1.2 m pattern, along with welded wire mesh screen on the backs and walls to within 1.5 m of the floor. Services installed in these drifts and ramps will include a 152 mm service waterline, a 152 mm discharge water line, 500 MCM power cable, 1000 volt cable, 48-fibre fibre optic data and communication cable and a central blasting line.

For stope development, the ore haulage drifts will initially be developed with the back of the drifts located at the hanging-wall ore/waste contact, at the end of the access cross-cuts. The drifts will be developed nominally 5m wide x 5 m high, with a shanty back to the up-dip side of the drive. This will accommodate the mining equipment, allow loading of trucks in the cross-cut entrances and coincide with the 6m mining slices planned across much of the ore body. Ore cross-cuts and raises will be developed off these drifts as stope accesses. A 10 m pillar will be left between the ore haulage drift and the stoping panels. The stoping panels will be developed from the ore cross-cuts.

14.6 Mining Equipment

The mine development will require two 2 boom electric/hydraulic jumbos, two 5.25 cubic metre bucket LHDs, 2 platforms for explosive chargers, 2 back hoes for scaling, small cleaning works and accessory works, 6 Dump Trucks of 15ton and three light utility vehicles.

Mine production (done by contractors) will require 1 jumbo of 2 arms, 3 jumbos of 1 arm, 2 platforms for explosive charge and accessory services, 1 back hoe of 0.6 m^3 and 1 back hoe of 0.15 m^3, 1 LHD of 2.3 m^3 and 1 LHD of 5.25 m^3. Production works will also require 2 light utility vehicles. The equipment list for the underground mine is shown in Table 14-2.

Table 14-2. Mine Equipment

Equipment	Development	Production	Services	Maintenance	Staff
Electric/Hydraulic 2 Boom Jumbo	2	1			
Electric/Hydraulic 1 Boom Jumbo		3			
Anfo charger	2	2			
LHD 5.25 m3	2	1			
LHD 2.3 m3		1			
Excavator 0.6 m3	2	1	1		
Excavator 0.15 m3			1		
Haulage trucks	6	5			
Light service vehicle (Van)	3	2			
Man carrier	2	2		1	2
Shotcrete machine	1	1			
Concrete mixer	3	3			
High Place Operation Car	1	1	1		
Equipment Carrier	1	1			
Light service vehicle	2		1		2

Mine staff, engineering and geology will require two light utility vehicles. Ore and waste haulage to surface will require six 15 tonne trucks. Those trucks are not normal mine trucks, but reinforced road trucks as used in Korea for tunneling and underground limestone quarries.

Underground operations and maintenance personnel will be transported to their working places in personnel carriers. During the shift, workers will travel around the mine in light utility vehicles with bench seats. Service vehicles for materials and parts will consist of flat bed or pickup trucks with boxes for palletized, containerized or individual items.

14.7 Mining Schedule

Mine production of 640 ktpa is scheduled. Mining will take place initially on the -1 Level, both on the Main and F2 structures. Stoping will then proceed onto other mineralized structures and towards higher levels. Zones above the Jangsan and below -1 Levels will be left until later in the mine life.Development crews in waste headings will generally have multiple headings available. For development scheduling, each crew and equipment is scheduled to advance 2.6 rounds (each of 2.6 metres length) per day, on 4 m by 4m or 5m by 5m headings. This will give a total for the two crews of 270m/month, or 3200 m of advance per year.

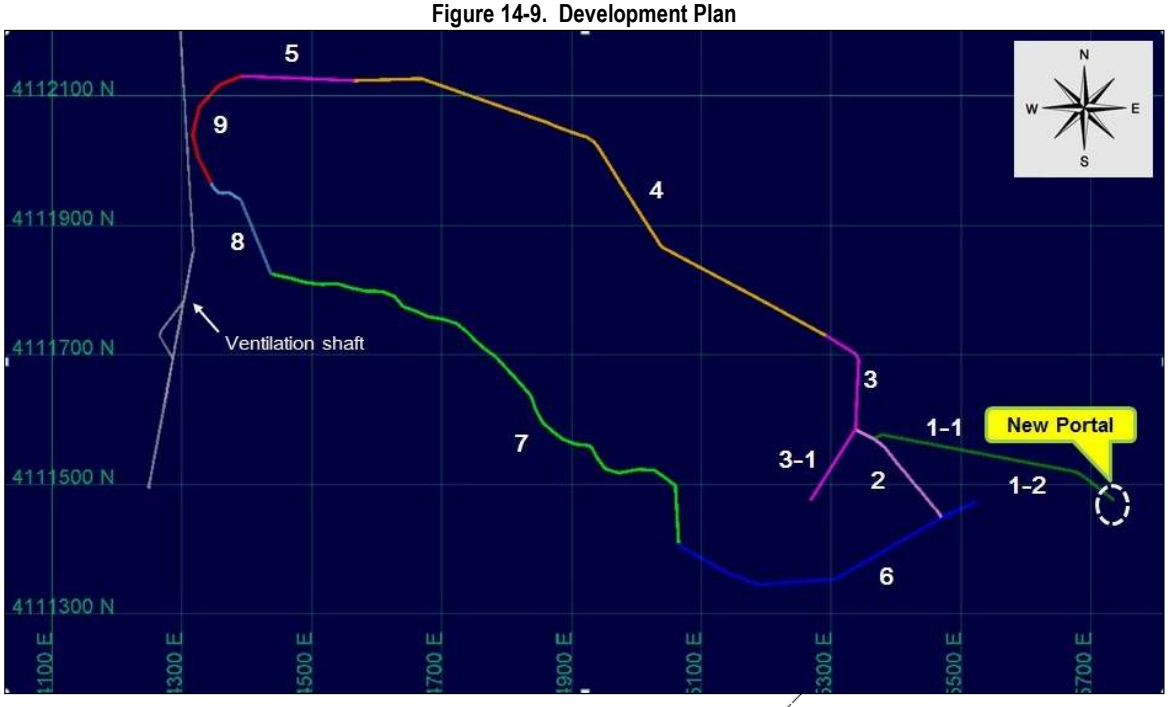
MIP stopes in the drifting phase will produce 60t/blast, so 13 blasts/day would be required if all ore comes from drifting. This would be achievable with 3 jumbos working the 2 production shifts, making a minimum of 2.1 faces/shift. The MIP method has multiple faces were both jumbos and LHDs can go from one face to another with a minimum loss of time, giving an efficient usage of the equipment; as blasting times are in the 3rd shift. Jumbos and LHDs can also go continuously from one face to another, making advance on 3 faces/shift quite realistic. The situation described as all-drifting is conservative, as half of the production from MIP stopes will come from slashing.

It is assumed for the current study that at any time, two MIP stopes will be in full production, one in the preparation phase and one in the backfilling phase; for a total of 4 active stopes. In reality, only 3 active stopes will be required, as strike drives can be developed simultaneously with the stoping phase in the same stopes. Each face in CAF mining will produce an advance/blast of 2.6m, for 270t of ore. This means that four faces will be required for daily production. One two-boom jumbo can be used for the drilling required in 2 shifts, as the faces will be close together and always available for mucking and drilling.

Prior to multiple faces being available, stope preparation will require execution of an incline up to the upper level for ventilation and backfilling. For a typical CAF stope of 250m length, it could take up to 10 days for backfilling, plus 28 days for curing, meaning that each stope could involve almost 2 months without production over the whole stope cycle. It has therefore been estimated that the mine will require a minimum of 3 CAF stopes active at any time: one in preparation, one in production and the other in backfilling phase. This is readily achievable in the zone accessible via -1 Level gallery into the HW zone.

The mine development schedule also includes rehabilitation and enlarging of existing lateral development, as well as new waste and ore development. The development schedule will provide access in place, at least one year before ore zone stope development and mining is required. Table 14-3 shows the schedule for development metres and estimated costs. This planned development is shown in Figure 14-9. Sectors 1 to 5 are on -1 level and sectors 6 to 8 are on Sangdong Level. Sectors 2 and 9 are ramps connecting both levels. With this development layout, a well-defined ventilation circuit is also created, along with flexibility for the use of equipment among the different zones of the mine, as well as access to escape routes.

Figure 14-9. Development Plan



The pre-production development program is based on starting with 2 work faces: one developing the ramp between Sangdong and -1 Levels (sector 2), and another continuing a new gallery (sector 6) through Sangdong Level. After finishing the development of the ramp, the new portal can be started on -1 level from the surface and its connection to -1 Level (sectors 1-1 and 1-2).

In parallel, sectors 3 (access to the HW zone) and 3-1 (access to Main Zone reserve) can be started. After zone 3, the development can continue through the development of the actual HW gallery off -1 Level (sector 4), and in parallel through the Sangdong Level gallery destined to give access to F2 and F3 (sector 7). The Sangdong Level development can continue through new gallery (sector 8), to link to the ventilation shaft of the west sector of the mine. Preparation can then begin for the stopes that will be accessed from Sangdong Level. The continuation of the HW gallery on -1 Level will be developed, parallel to the HW mineralised structure (sector 5), for 174 m until reaching the location of the new ramp, to be built at the west end of the mine (sector 9). This will link the -1 Level with the Sangdong Level, and will provide ventilation for the entire exploitable areas accessible from -1 Level.

The mine production schedule is based on mining 450 ktpa of ore for Year 1, and thereafter 640 ktpa (1,830 tpd for 350 days per year), as presented in Table 14-4.

14.8 Backfilling

All stopes will be backfilled with cemented paste backfill. Any tailings not used directly for backfill in active stopes will be used to fill old historical mine voids. The backfill will consist of classified mill tailings and will be delivered at approximately 70% solids by weight, at a rate of 100 tph. The tailings were found to have rheology characteristics adequate for paste backfill.

Paste backfilling for Mechanised Inclined Panel and Cut-and-Fill stopes will use approximately 65% of the tailings produced, with an almost continuous operation. To achieve this, several stopes will need to be simultaneously in the process of backfilling, to allow for fences water pressure control. Plans of the old workings indicate that many of the pillars were left intact to support the stope roofs and that extensive voids remain. The backfilling of the Main and FW Zones stopes would ensure that these areas will not cave, as HW mining progresses. The main backfill distribution line would be installed in the Taebaek old galleries, that have been recommissioned through the Sangdong main drift.

Table 14-3. Development Schedule

Gallery No.	Description	Unit Price (KRW/m)	Distance (m)	Cut-Outs (m)	Monthly Development Distance (m)																	Cost KRW x 10^6 Excl VAT
					1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	
1-1	Portal / New / Horizontal	7,055,380	60		-	-	30	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	423
1-2	L1 ~ Portal / New / Horizontal	2,110,425	333	54	-	-	-	-	40	40	40	40	40	40	40	40	40	26.5	-	-	-	-	816
2	Ramp / Reaming / Inclined	1,635,425	195	18	87.5	87.5	37.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	348
3	L1(HW1) / New / Horizontal	2,110,425	173	18	-	-	40	60	60	30.5	-	-	-	-	-	-	-	-	-	-	-	-	402
3-1	L1(FW1) / New / Horizontal	2,110,425	127		-	-	40	51	36	-	-	-	-	-	-	-	-	-	-	-	-	-	268
4	L1(HW) / Reaming / Horizontal	1,635,425	867	118	-	-	-	-	-	71	120	125	105	105	105	105	105	118	26	-	-	-	1,611
5	L1(HW2) / New / Horizontal	2,110,425	174	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119	73	-	-	405
6	SD(FW) / New / Horizontal	2,110,425	443	85	62.5	62.5	82	89	94	88	50	-	-	-	-	-	-	-	-	-	-	-	1,114
7	SD(FW) / New / Horizontal	2,110,425	837	170	-	-	-	-	-	-	40	92	125	125	125	125	125	125	125	-	-	-	2,125
8	SD(FW) / Reaming / Horizontal	1,635,425	180	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125	73	-	324
9	New / Inclined	2,300,425	209	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125	120	564
TOTAL			3,597	535	150	150	230	230	230	230	250	257	270	270	270	270	270	270	270	198	198	120	8,400

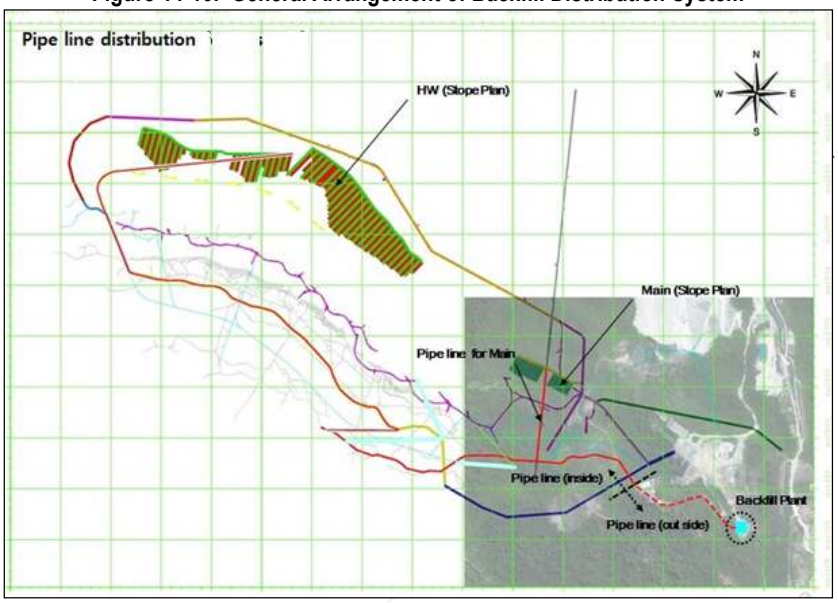
Table 14-4. Ore Production Schedule

LEVEL		AZONE	Reserves		Years												
			Tonnes	WO3	1	2	3	4	5	6	7	8	9	10	11	12	13
mRL	*Name*		*Kt*	*%*													
755	Jangsan	F4	15	0.42	-	15	-	-	-	-	-	-	-	-	-	-	-
727	Baegun	HW	47	0.45	47	-	-	-	-	-	-	-	-	-	-	-	-
		MAINF1	20	0.34	-	-	-	-	-	-	-	20	-	-	-	-	-
		F4	10	0.35	-	-	-	-	-	-	-	10	-	-	-	-	-
685	Taebak	HW	320	0.37	-	-	-	-	-	-	-	293	27	-	-	-	-
		MAINF1	392	0.36	103	-	-	-	-	-	-	-	288	-	-	-	-
		F2	196	0.42	50	-	-	-	78	-	-	-	-	-	11	57	-
		F3	66	0.38	-	-	-	-	32	-	-	-	-	30	1	2	-
659	Sangdong	MAINF1	518	0.32	-	-	-	-	229	-	-	119	6	137	27	-	-
		F2	752	0.48	231	69	-	-	-	416	-	-	37	-	-	-	-
		F3	527	0.47	19	150	-	-	-	150	97	-	-	20	45	45	-
		F4	2	0.26	-	-	-	-	-	-	-	-	-	-	-	2	-
633	-1	HW	266	0.49	-	208	-	-	-	58	-	-	-	-	-	-	-
		MAINF1	398	0.35	-	-	-	-	-	-	-	-	191	52	155	-	-
		F2	546	0.48	-	200	115	-	-	-	58	65	18	-	53	38	-
		F3	656	0.46	-	-	282	-	-	-	136	28	-	-	-	193	18
		F4	37	0.30	-	-	-	-	-	-	-	-	-	-	-	24	13
617	-2	HW	1,061	0.52	-	-	248	316	-	-	343	106	49	-	-	-	-
594	-3	HW	755	0.53	-	-	-	327	301	18	7	-	17	40	32	12	-
566	-4	HW	506	0.45	-	-	-	-	-	-	-	-	11	253	242	-	-
536	-5	HW	173	0.46	-	-	-	-	-	-	-	-	-	110	63	-	-
509	-6	HW	632	0.40	-	-	-	-	-	-	-	-	-	-	15	270	347
			Tonnes	Kt	451	643	644	643	641	641	641	641	644	643	644	643	378
			WO3	%	0.51	0.53	0.60	0.54	0.49	0.46	0.42	0.37	0.33	0.39	0.41	0.38	0.38

The backfill distribution system is shown in Figure 14-10. The backfill plant will be close to the old KTMC ore bin, where there is enough space to build the plant and accessory infrastructure. The backfill pipeline will enter underground by Taebaek Level, where existing galleries will be used for distribution to the stoping areas. The connection with Sangdong Level will be done through a gallery to access areas below a caved zone on Taebaek Level.

The backfill pipeline that will serve the HW zone will go through the base galleries of Sangdong Level, until connecting with the HW strike drive, from where the backfilling of the HW Cut-and-Fill stopes will be possible. Future exploitation zones in the upper zones of the Taebaek and Jangsang levels will be backfilled through the ramp which will be developed on the east side of the deposit. The backfilling of lower zones of the deposit will also be done through the east side ramp. Fill fences, constructed at the stope entrances of CAF stope areas, would consist of a timber frame anchored to the rock at the floor, walls, and back with 25mm dowels, wiremesh, and a synthetic filtering material.

Figure 14-10. General Arrangement of Backfill Distribution System



14.9 Ventilation

The ventilation system at Sangdong is designed to adequately dilute the exhaust gases produced by diesel equipment. The required air volume was calculated as 0.05 cubic metres per second (100 cubic feet per minute) per brake horsepower of diesel equipment. The horsepower rating of the underground equipment was determined, and utilization factors were applied to estimate the total amount of air required. At full production a total air volume of 185 m^3/s (390,000 cfm), including losses and miscellaneous usage areas, is required.

Two independent systems are planned; one for the Sangdong level, and one for the -1 level. The main high pressure fans will be the exhaust fans installed on each level at the existing inclined ventilation shaft, located at the west end of the mine. Fresh air will be pulled through the portal on each level. Air will travel in the main drifts and through the access cross-cuts to the ore haulage drifts. The air will be distributed to stopes from the haulage drifts. Exhaust air from the stopes will re-enter the haulage drifts and travelways, in the opposite direction to the fresh air flow, to access cross-cuts and out to the main drifts. Air will flow in the main drifts and exhaust to the existing west inclined (shaft) exhaust ventilation raise and up the raise to surface.

All exhaust fans installations will be located underground (to avoid surface disturbance and noise in a forestry area) at the West Exhaust Ventilation Raise. On the Sangdong and -1 Levels, 2-60-30-1500RPM, type 2000, 250/300 HP fans with a capacity of approximately 80 m^3/s (170,000 cfm) with maximum operating head pressure capacity of approximately 2.5 to 2.9 kPa will be installed, where most of the equipment will initially be operating. As levels below -1 Level are brought into production, 250/300 HP fans of the same capacity as those on the Sangdong and -1 Levels will be installed on the levels (or moved from a level where the main exhaust fan is no longer required. Fresh air delivery to the stopes and development headings will be controlled using auxiliary ventilation fans and ducting.

15 RECOVERY METHODS

Flowsheets for the Crushing, Grinding and Flotation sections of the mill are shown in Appendix C. The mill design been developed for the recovery of scheelite through flotation, producing a final concentrate grading approximately 60% WO_3. Based on test results, the estimated tungsten overall recovery will be 85% with an average mass yield of 0.86%. The processing plant will have a capacity of 1,920m/t per day. The main process steps are:

1. **Crushing.** Mined ore will be hauled by underground dump trucks to the primary crusher area. From there, blended ore, nominally -400 mm, will be is mixed and fed to crushing by front end loader. The primary feed hopper will be discharged by an apron feeder into a primary jaw crusher by way of a vibrating screen with nominal. Design crushing capacity is 270 dmt/h, producing a product with a nominal P80 of 100 mm. A short sacrificial conveyor will collect the crushed material. Stockpile feed and transfer conveyors will then elevate the crushed ore and transfer it to the stockpile building, where a shuttle conveyor will be used to discharge to a stockpile, with a capacity of 10,000 dmt. From the stockpile onwards, the system is designed to allow 2 separate streams, each feeding one line of the grinding and flotation sections. Five reclaim feeders on each line will discharge onto one SAG feed conveyor per line.

2. **Grinding**. There will be a two-stage grinding circuit, with a SAG mill, followed by a ball mill for secondary grinding. Size control will be achieved in three stages, through the use of conventional screening, hydrocyclones and ultra-fine screening. The SAG mill selected is 4.88 m diameter x 3.05 m long, with a wet grate discharge through a discharge trommel. The trommel will provide recycling of oversize material through the pebble crushing system, that serves both lines of the plant. The SAG mill product joins the ball mill product, and both will be pumped to the classification protection screen. Material coarser than 1.5 mm will be returned from the screen to the ball mill. Screen undersize will be pumped to the classifying cyclones. Predicted cyclone overflow d80 is around 60 µm. Classifying cyclone underflow will be distributed to three ultrafine screens, which remove -75 µm material. This arrangement is designed to prevent overgrinding of fine scheelite, by removing it to flotation before the ball mill stage. The ultrafine screen undersize will be pumped to a bank of small diameter dewatering cyclones, whose underflow will be transferred directly to the flotation section. Dewatering cyclone overflow will be distributed back to the milling circuit as makeup water. The protection screen and ultrafine screen oversize fractions will be combined as the feed to the ball mill. The ball mill is a 4.27 m diameter x 7.01 m long wet grate discharge mill.

3. **Sulphide Flotation.** After one conditioning stage, the material coming from the grinding section of the plant will be floated in 3 rougher sulfide cells (3 x 30 m³), and the sulfide concentrate cleaned in two stages (one first bank of 4 x 1.5 m³ and a second bank of 4 x 0.5 m³). The purpose of the sulfide cleaning is to reduce the content of scheelite ore entrained in the sulfide froth. The sulfide flotation tailings will feed the scheelite flotation circuit.

4. **Rougher and Scavenger Scheelite Flotation.** The sulfide flotation tailings will be conditioned with sodium carbonate, sodium silicate and, finally, with oleic acid, before feeding a rougher bank with 3 x 30 m³ cells, followed by a scavenger bank with 4 x 30 m³ cells. The scavenger concentrate will be cleaned in 3 cells of 5 m³ before being combined with the rougher concentrate to feed the cleaning cells.

5. **Cleaning scheelite flotation**. The rougher concentrate, together with the scavenger cleaner concentrate, will be cleaned in four stages. The first cleaning will be done in 3 cells of 5 m³ each. The second cleaning will be done in 4 cells of 1.5 m³ each. The third cleaning will be done in 2 cells of 1.5 m³ each. And, finally, the fourth cleaning will be done in 2 cells of 0.5 m³ each.

Final Tails Management. The concentrator tails, thickened in a 20m diameter conventional thickener and at 60% solids, will be pumped to the backfill plant where it is estimated that 66% of the tailings produced would immediately be used for backfilling of active stope areas underground; the remaining tailings will be used for backfilling of old stope voids underground.

Waste Water Treatment. The organic flotation chemicals must be removed for environmental reasons. In the current study, prolonged aeration has been selected, using surface mechanical aerators installed in lagoons. These types of treatment usually give 85-90% reduction of BOD5 in the waste stream, which would allow for direct discharge of water, in most cases. It must be noted that the above process does not remove the salinity in the waste water with the sodium ion content approximately 100ppm higher than the sodium content in the raw water.

16 PROJECT INFRASTRUCTURE

16.1 Existing Infrastructure

Sangdong, as a past-producing mine, has significant infrastructure on site (Figure 16-2), which includes:

- Access road to site
- Site roads
- Powerline and stepdown substation
- Potable water, with a 2km pipeline connection to the Sangdong town water supply
- Office/changehouse complex
- 63m long concrete lined adit
- Townsite within approximately 2km distance
- Communications and internet service
- Security building.

16.2 New Infrastructure

To return to operation, the existing Sangdong infrastructure will be reconfigured and supplemented by new facilities including a new mine/administration building, assay laboratory, warehouse, maintenance shop, laboratory and recreational facilities for employees, fuel storage, process water supply and water and sewage treatment facilities. To accommodate the new waste disposal facility, the existing buildings at the Sangdong portal level will be demolished to allow for reconfiguration of the space

Garbage disposal will be off-site disposal at the Sangdong landfill facility; fire water will be provided by electric and diesel driven fire water pumps from the town water supply; staff and visitors to the mine will be housed in village apartments to rent.

16.3 Site Access

A recently repaved public road (National Road No. 31) runs up the valley to the site whilst the Taebaek to Naedeok two lane bitumen road which can accommodate trucks carrying heavy equipment and road haulage transport trucks, runs adjacent to the Sangdong mine site. The present route for this road passes over the proposed plant area. An allowance of 1.5km for site roads connecting surface support facilities has been included in cost estimates. The roads will be built from waste rock, gravel top covered and wide enough to accommodate 2-way transport truck traffic

16.4 Power Supply and Distribution

The project will be powered by one (1) overhead line, which is scheduled to be installed by KEPCO in October 2016, and which will supply 2 main substations installed in the immediate vicinity of the plant. The substations will mainly comprise step-down transformers of 10MVA (22.9/3.3kV). One substation will supply power to the mine and non-processing plant facilities while the second will be dedicated to providing power to the processing plant. The estimate for energy consumption for the project was calculated according to the design criteria associated with the planned plant capacity, summarised in Table 16-1.

Table 16-1. Energy Consumption Summary

Category	Electricity Consumtion MWh	Unit Cost $/ton ore
Plant	26,818	4.36
Mining	6,513	1.06
Backfill	7,595	1.24
Office/Camp	1,512	0.25
Water Treatment Facilities	2,728	0.44

16.5 Water Supply

The Project will require approximately 40,000m^3 per year of potable water which will be supplied from the local town water supply. The site is already connected to the Sangdong town water supply.

The processing plant requires approximately 2Mm^3/y of process water, of which approximately 75% will be recycled, requiring 500,000m^3 of fresh process water per year. The flooded underground mine has an estimated volume of 6.7Mm^3 of water which if utilised, would provide processing plant requirements for approximately 13 years. However, a proportion of this volume will serve as a reservoir to allow for seasonal and annual fluctuations. Water inflows to the mine are estimated at 245,000m^3/y. The combination of water in the flooded mine and inflow water meets project process water requirements for the life of mine forecast in this study. Water captured during rainfall events in sedimentation ponds will also be reused. Clean service water will be supplied from town water and recycled water. The main losses of water will occur from water which is not recycled, dust suppression on site roads and evaporation.

The underground water has been tested to approximately 70-80m depth and found to be extremely hard, but contained acceptable levels of arsenic and potentially deleterious constituents; water hardness has been assumed to continue in mine water at depth, although past operations did not have major water treatment issues, indicating that mine water at depth will not contain major contaminants harmful to the operation or the environment. A decrease in pH as the result of sulphide mineral oxidation is anticipated.

To ensure the mine water can be used in the processing plant, all water pumped from the mine will be sent to an aeration pond for removal of the calcium and other water hardness components using biological ingredients and aeration. Should the mine water contain other undesirable components, these will be removed at the same treatment site pond or an adjacent facility. The recycled water used in the processing plant will need re-treating to remove salts and other deleterious chemicals by reverse osmosis. The overall conceptual water balance is shown in Figure 16-1.

Water collected on site will comprise run-off water from rainfall and snow, process water from the processing plant and contaminated potable water. The site water collection systems are designed to minimize the contact of run-off water with water used in mining, processing and associated activities. All water, except for diverted runoff water will be treated in a water treatment plant prior to re-use or release to the local environment.

Figure 16-1. Overall Conceptual Water Balance

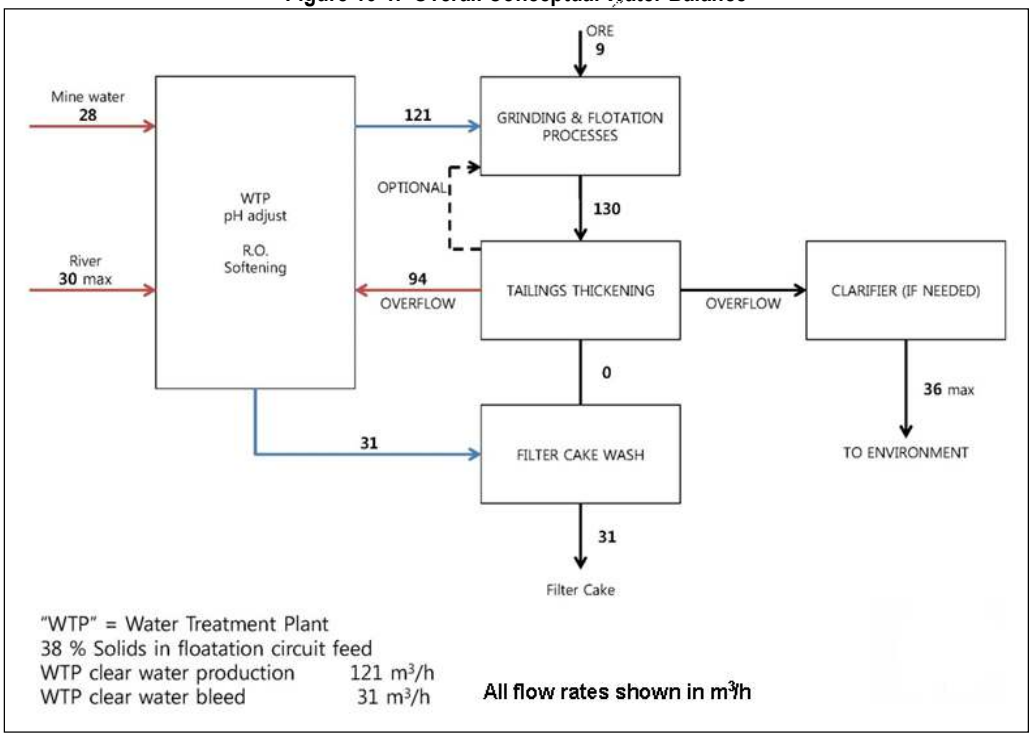


Figure 16-2. General Arrangement of Main Surface Installations

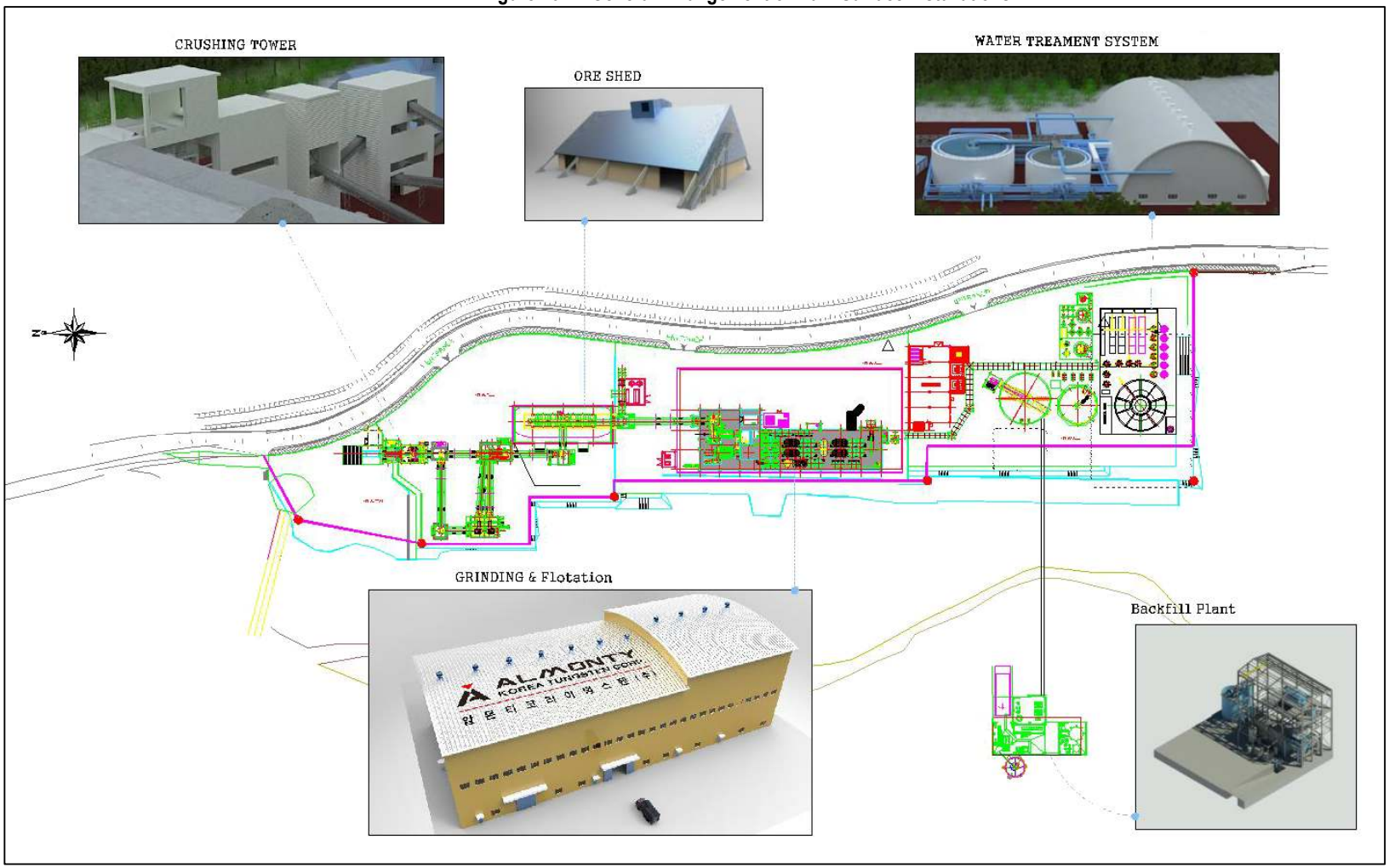
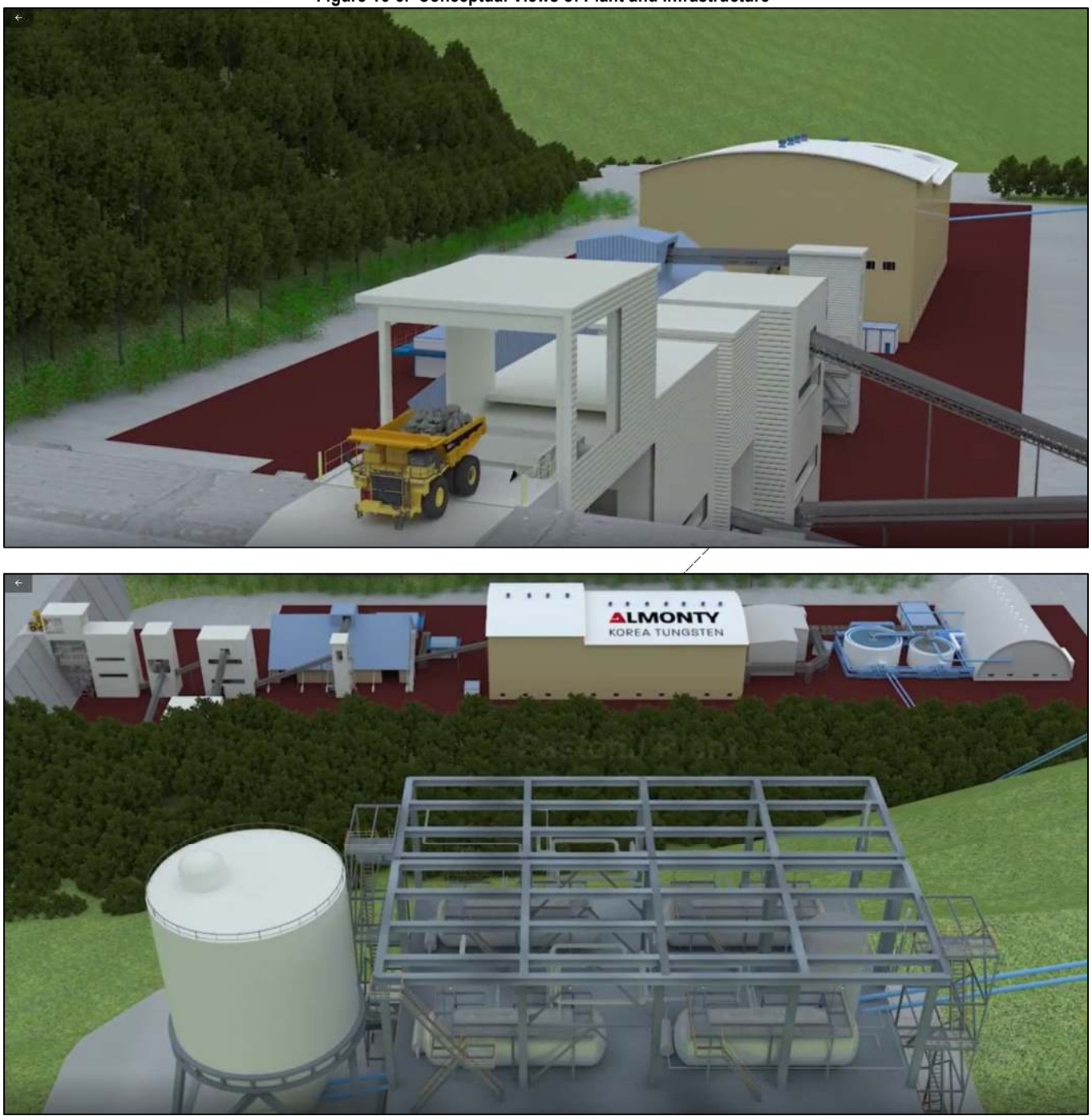


Figure 16-3. Conceptual Views of Plant and Infrastructure



16.6 Underground Services and Infrastructure

The majority of underground infrastructure will be located in existing excavations on the Sangdong or -1 levels, as shown in Figure 16-4. The main aspects of underground services and infrastructure are summarised in Table 16-2.

Figure 16-4. Underground Infrastructures Location

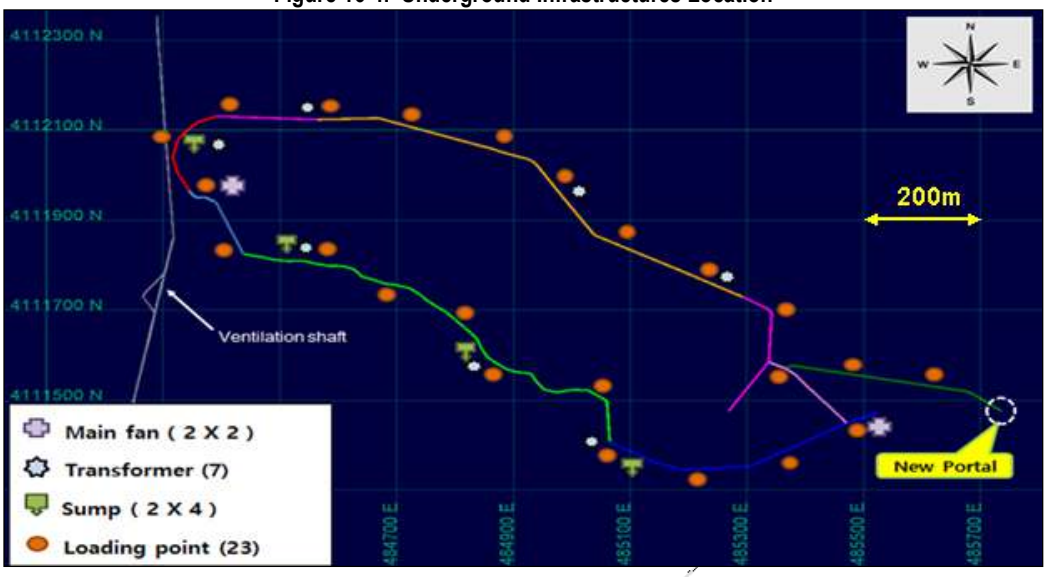


Table 16-2. Underground Services and Infrastructure

Type	Notes
Rock Handling	Ore hauled to a surface crusher dump at processing plant, equipped with a grizzly and rockbreaker. Waste rock will be placed in mined out stopes or trucked to a surface stockpile.
Electrial Distribution	To supply power from the-1 Level substation into the underground mine using a total of 2,000 m of HV cables. The main sub-station will comprise two 2.5 MVa unit substations, which step the power down from 15kV to 5000 volts
Compressed Air	Compressed air will be supplied by individual mobile compressors, placed where necessary for shotcreting, ANFO charging or other necessary purposes
Service Water	Service water consumption estimated at 673000 m3/a. Water will be delivered in 102 mm HDPE pipes in the haulage drifts and 50 mm HDPE pipes in access drifts to stopes.
Mine Dewatering	Water flows out of the mine by gravity at the -1 level. It is planned to utilize the existing water within the mine for process water for the underground mine and surface processing plant. Pumping out of the flooded mine workings water will take place from -1 Level using the Vertical Shaft.
Maintenance Shop	Enough space for this purpose will be left in the surface infrastructure arrangement in front of the -1 Level Portal. It will contain a wash bay and will be built at a 2% slope, with an integrated centre grated trench, to facilitate water flow towards a sump at the back of the wash bay
Meeting Rooms	After development, underground loading points will be adapted.
Fuel Station	The fuel station on the -1 level will consist of one 50,000 litres tank.
Refuge Stations	Initially on Sangdong and -1 levels.
Underground Magazines	Separate explosive and detonator magaziones on the Sangdong and -1 levels.
Mine Communications and Controls System	An 802.11 (WiFi) voice and data transmission network will connect the mine and the surface operations.
Backfill Distribution	The paste backfill plant will be located on surface at the Sangdong elevation. All stopes will be backfilled.

The backfill plant will consist of four main areas:

1. Thickening Area: first stage dewatering process and tailings pumping.
2. Filtration Area: second stage of dewatering process.
3. Mixing Area: paste making process with binder addition and paste pumping.
4. Services Area: Process water, fresh water and compressed air circuits.

17 MARKET STUDIES AND CONTRACTS

AKT are in discussion with parties for an offtake agreement to sell 60% WO3 concentrate. The price levels used in this study represent the current long-term expectations of 350 $/MTU WO_3. Actual price levels may differ.

18 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL IMPACT

Base lines studies have been completed for

- **Surface Water**. Strategies to prevent degradation of the surface waters include: sediment settling dams; storm water diversions, chemicals and fuel clean-up, and any potentially acid forming material will be blended or encapsulated in the waste rock facility.
- **Groundwater.** Based on the water quality of the existing tailings dams, leachate from tails is expected to be of good quality. *It should be noted that AKT does not own or have any liability for the old tailings dams.* Mitigation strategies include: monitoring of groundwater levels and quality; clean-up of any process water or chemical spills immediately; all areas will be bunded to prevent any spills within the plant.
- **Flora and Fauna.** No endangered or endemic species were found. A review of these conservation zones showed that these areas were a substantial distance from the mining tenure areas and will not be impacted by the mining activities. In summary, there are no areas requiring special protection, nor are there significant natural environmental resources or wildlife habitats in the area surrounding the Project site.

Increases in dust originating from the mining activities are expected to be minimal and will meet Korean air quality standards. Mitigation strategies have been developed for air emissions and noise. The major sources of waste generation from the Project are: waste rock; tailings; process/storm water; solid and liquid wastes (e.g. waste oil, tyres, batteries and plastics). A waste management plan, developed prior to the commencement of mining, will follow a four tiered waste management strategy i.e. minimisation; reuse and/or recycling; treatments, and waste disposal.

Waste rock material will be stacked in a single waste rock stockpile at the site. Over an eight-year period, 750,000t of waste rock will be produced. There may be the opportunity to backfill waste in the historic underground workings and it is expected that some may be used locally as a building material. The remaining waste rock will be stored on-site in a single waste rock storage facility at the Sangdong Portal. The results of the waste rock assessment indicate the proportion of material which will be potentially acid forming is relatively small at approximately 10% of the total waste volume. The pre-production amount of waste will be approximately 500,000 t, and will be stored in a secondary valley.

Project operations will be in accordance with an ISO 14001 compliant environmental management system. Requirements and plans for waste and tailings disposal, site monitoring, and water management both during operations and post mine closure will also be specified and implemented. Permits granted include approvals for: exclusive use of a mountain area for mining and extensions thereof and construction of various adits, as well as those required for the construction phase itself.

The town of Sangdong, 2km from the mine site, with a population of approximately 500 has a hospital, schools, supermarkets, shops, service stations, road and transport links. A community consultation programme was undertaken and included discussions with landholders, government departments, and other stakeholders. The re-opening of the mine could provide a number of employment opportunities for both unskilled and skilled trades, with resulting economic benefits locally, regionally and nationally.

All environmental approvals for project construction and operation have been successfully completed. Overall construction permits have already been granted. Permits and approvals as required to construct specific facilities will be applied for as a routine part of ongoing construction activities.

19 CAPITAL AND OPERATING COSTS

Direct costs have been allocated as all costs associated with permanent facilities. During the pre-production and sustaining development periods, all materials and equipment pricing are based on quotes obtained from local Republic of Korea suppliers or European and international suppliers, where Republic of Korea suppliers do not exist.

It was assumed that rock required for site preparation and the tailings will be provided at no cost during the preproduction stage. Labour rates generally reflect industry-wide Republic of Korea and international levels for the types of work performed, and in some cases adjusted for locally applied rates. All labour costs include local Republic of Korea government mandated contributions and the costs for company provided benefits.

The indirect costs cover all the costs associated with temporary construction facilities and services, construction support, freight, vendor representatives, spare parts, initial fills and inventory, owner's costs, EPCM, commissioning and start-up assistance. The freight costs were either provided by Vendors or estimated based on weights and typically include those for containerised and break-bulk shipping, and each are respectively divided into ocean freight and inland freight.

The requirement for Vendor representatives to supervise the installation of equipment or to conduct a checkout of the equipment prior to start-up of the equipment as deemed necessary for equipment guarantees or warranties has been included in the estimate. EPCM costs have been calculated based on AKT Project managing development and construction.

19.1 Capital Costs

Capital expenditures estimates exclude sunk costs, taxes and duties, deferred capital, financing and interest during construction, additional exploration drilling, escalation, corporate withholding taxes, legal costs, metallurgical testing costs and condemnation testing. The cost estimates are to Feasibility Study level accuracy. All expenditure estimates are in 2020 US Dollars. The capital cost categories are summarised below.

Table 19-1. Pre-Production Capital Costs

		US$ ('000)	
Category	**Item**	**Cost**	**Sub-Totals**
Mining	Mine Development	**4,651**	
	Mine (u/g) Infrastructure	**1,384**	**6,035**
Processing Plant	EPC (POSCO)	**37,777**	
	Equipment Supply	**7,522**	
	Cyclone cluster/Conc drying system	**407**	
	Instrumentation	**4,556**	
	Freight, insurance & customs	**385**	
	Building exterior & cranes	**2,873**	
	Cranes	**336**	**53,856**
Other Infrastructure	Demolition	**441**	
	Office building	**545**	
	Backfill Plant	**7,085**	
	Water Treatment Facilities	**3,273**	
	Land purchase	**273**	**11,617**
Other Costs	Owner's Cost	**4,520**	
	Insurance	**395**	**4,916**
	CAPEX Total		**76,423**
	Contingency 5%		**3,821**
	Gross Pre-Production Costs		**80,245**

The mine development costs include 3,500m of level galleries and 427m of other development. All construction work will be executed by local contractors. Mine capital expenditures are based on AKT hiring a mine contractor for developing and operating the mine. As existing development can be extensively utilized, the underground development costs are relatively low.

Processing Plant. The processing plant capital expenditures are based on equipment costs from a major processing equipment supplier, which would provide all major processing equipment except for conveyors and thickeners from a major Korean engineering firm. These capital estimates cover all remaining aspects of the processing plant building and installations. The EPC contract for plant construction also covers road and stream diversion.

Project Indirect and Owners' Costs. Owner's costs also include manpower recruitment and training during the pre-production period and all equivalent General and Administration costs which would be incurred during the construction phase.

Working Capital. A working capital allowance, in addition to capital expenditures, has also been included in the cashflow model. This is for ongoing primary development and continuation of the Sangdong gallery, from years 1 to 5 of the mine life.

19.2 Operating Costs

The General and Administration (G&A) cost components include the materials and supplies used by the administration and surface services groups. The base power cost was assumed to be $US 0.10 per kWh. The labour costs include a burden component of approximately 35%. Main operating cost categories are summarised below.

Mining. Individual costs for mining have been estimated for manpower, equipment operating, maintenance and materials consumptions, based on a mining contractor developing and operating the mine. The total mining unit cost has been estimated as $US24.28 per tonne of ore, as summarised in Table 19-2.

Table 19-2. Operating Costs

Mine Operating Cost	
Area	Unit Cost
	$US/t ore
Stope preparation	3.36
Stoping	12.18
Backfill	4.69
Support	0.91
Power	1.06
Technical Services	2.09
Total	**24.28**

Processing Operating Cost	
Area	Unit Cost
	$US/t ore
Consumable Parts	2.07
Reagents	4.85
Maintenance Parts	0.20
Power	4.36
Manpower	2.25
Total	**13.74**

Notes

. Average stoping cost above is derived from:

	$US/t	Ore Prop'n.	
CAF	9.53	60%	
MIP	16.15	40%	
Average	12.18	(Weighted by proportion)	

The direct stoping costs above are a blended cost, assuming relative proportions of 60% Cut-and-Fill and 40% Mechanised Inclined Panel mining.

Processing. The total processing plant operating cost is estimated to be approximately $US 13.74 per tonne of ore, is also shown in Table 19-2.

General & Administration Costs. The estimates for G&A costs encompass all costs associated with operating the offices and providing materials and supplies for staff functions. Administration operating costs include costs and taxes for maintaining the property in good standing, land taxes, and resource usage fees (water, etc.).

The total yearly G&A costs are estimated to be approximately $US 3.3M. Employee burdens account for approximately 35% of the total salary for each employee. Camp operating costs are the other large G&A expenditure estimate with a total cost of approximately $US 1.1M per year. Annualized site G&A costs, at an annual production rate of 640,000 tonnes per year of ore, are estimated at $US 5.22 per tonne (including environmental costs) of ore.

The mine management and administration component of G&A correspond with the employment of 27 people in this area, most of which would be staff positions. They would be responsible for the management, administration, personnel, accounting, purchasing needs, and distribution of material to the operation, site security, health and safety, and environmental issues.

Total Operating Costs. The estimated total average operating cost, over the life of mine, to produce a 60% WO_3 concentrate from the mine is approximately $US43.24 per tonne of ore, as summarised in Table 19-3.

Table 19-3. Project Operating Cost Summary

Area	Unit Cost
	$US/t ore
Mining	24.28
Processing and Tailings	13.74
Surface Management and G&A	5.22
Total Operating Cost	**43.24**

For the purpose of this study, value added taxes, along with import duty costs, have not been included. Exploration costs and all costs associated with areas beyond the property limits have also not been included.

20 ECONOMIC ANALYSIS

An economic analysis was completed, based on all of the Ore Reserves presented in this report, as prepared by the Competent Person in accordance with the JORC Code. The base case APT price used was $US 350/MTU, as an acceptable long-term forecast. The 2% net smelter royalty (NSR) retained on the Project in South Korea was acquired by WMC/AKT. The mine production schedule is based on mining at 450 kt for Year 1 and at the steady state rate of 640 ktpa from Year 2 onwards. The economic model results for the base scenario are shown in Table 20-2.

There are no additional mine closure costs, as concluded by a legal review of facilities charges and any expenses under the Management of Mountainous Districts Act.

Financial results for prices of $US 300/MTU and $US 400/MTU are also presented. The discounted cashflow analysis has been based on 2020 Constant $US values. A summary of the expected parameters used for the financial analysis is presented in Table 20-2. The tax rate used was 24.2%: the same as in the previous feasibility study. Sensitivities on the derived project NPV values, for different WO_3 prices, is shown in Table 20-1.

Table 20-1. Sensitivities - NPVs Calculated at Different WO_3 Prices

	Discount	WO_3 Price $US/MTU		
	Rate	350	300	400
Pre-Tax Net Present Value	5%	241.3	162.3	320.3
	8%	185.1	121.5	248.8
	15%	101.3	60.6	142.0
After-Tax Net Present Value	5%	181.0	117.2	244.7
	8%	137.6	85.8	189.3
	15%	72.6	39.0	106.3
Notes				
	. All NPVs shown in $USM			

Table 20-2. Economic Analysis – Base Case Price $350/MTU WO_3

		Unit	Total	Year														
				-2	-1	1	2	3	4	5	6	7	8	9	10	11	12	13
Production	Ore Tonnes	*Kt*	**7,896**		0	451	643	644	643	641	641	641	641	644	643	644	643	378
	WO3	*%*	**0.45**		0	0.51	0.53	0.60	0.54	0.49	0.46	0.42	0.37	0.33	0.39	0.41	0.38	0.38
	Contained t WO3	*t WO3*	**35,397**			2,303	3,433	3,835	3,460	3,160	2,972	2,678	2,402	2,154	2,523	2,613	2,418	1,445
	Plant recovery					85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
	Recovered t WO3	*t WO3*	**30,088**			1,958	2,918	3,260	2,941	2,686	2,527	2,277	2,042	1,831	2,145	2,221	2,055	1,228
	Recovered MTUs		**3,008,756**			195,796	291,846	325,979	294,111	268,618	252,651	227,650	204,164	183,060	214,464	222,067	205,550	122,802
	Concentrate grade	*%*				60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
	T of concentrate / year	*t/year*				3,263	4,864	5,433	4,902	4,477	4,211	3,794	3,403	3,051	3,574	3,701	3,426	2,047
	T of concentrate / month	*t/month*				272	405	453	408	373	351	316	284	254	298	308	285	171
	Containers / month					14	20	23	20	19	18	16	14	13	15	15	14	9
Revenue	**Revenue**	*$US M*	**821**			**53.45**	**79.67**	**88.99**	**80.29**	**73.33**	**68.97**	**62.15**	**55.74**	**49.98**	**58.55**	**60.62**	**56.12**	**33.52**
Costs	Mine	*$US M*	**192**			10.95	15.60	15.63	15.61	15.56	15.57	15.56	15.56	15.63	15.61	15.63	15.62	9.17
	Plant	*$US M*	**108**			6.19	8.83	8.85	8.83	8.80	8.81	8.80	8.81	8.84	8.83	8.85	8.84	5.19
	G&A	*$US M*	**41**			2.35	3.35	3.36	3.36	3.34	3.35	3.34	3.35	3.36	3.36	3.36	3.36	1.97
	Total OPEX	*$US M*	**341**			**19.49**	**27.79**	**27.84**	**27.80**	**27.71**	**27.73**	**27.70**	**27.71**	**27.83**	**27.79**	**27.84**	**27.81**	**16.34**
Capital	Mine development and definition drilling	*$US M*	**8.28**	3.02	3.02			1.34			0.45	0.45						
	Additional HW development	*$US M*	**12.32**			0.58	2.92	3.13	0.45	0.45				4.79				
	Sangdong Gallery Continuation	*$US M*	**0.97**			0.97												
	Processing Plant	*$US M*	**53.86**	26.93	26.93													
	Other Infrastructure	*$US M*	**11.62**	5.81	5.81													
	Owners' Costs, Insurance	*$US M*	**4.92**	2.46	2.46													
	Working capital	*$US M*	**1.94**			1.94												
5%	Contingency	*$US M*	**3.82**	1.91	1.91													
	Total capex	*$US M*	**97.72**	**40.12**	**40.12**	**3.49**	**2.92**	**4.47**	**0.45**	**0.45**	**0.45**	**0.45**	-	**4.79**	-	-	-	-
Cash flow	Project Pre-tax Cash flow	*$US M*	**382.27**	-40.12	- 40.12	30.47	48.96	56.68	52.04	45.18	40.79	33.99	28.03	17.35	30.75	32.78	28.30	17.19
	Project Cumulative cash flow	*$US M*		-40.12	- 80.25	- 49.78	- 0.82	55.86	107.91	153.09	193.88	227.87	255.90	273.25	304.00	336.78	365.08	382.27
	Tax (calculated using 24.25%)	*$US M*	**92.71**					13.72	12.59	10.93	9.87	8.23	6.78	4.20	7.44	7.93	6.85	4.16
	Project After-tax Cash flow	*$US M*	**289.56**	-40.12	- 40.12	30.47	48.96	42.96	39.45	34.25	30.92	25.77	21.24	13.15	23.31	24.85	21.45	13.03
	Project Cumulative after tax cash flow	*$US M*		-40.12	- 80.25	- 49.78	- 0.82	42.15	81.60	115.84	146.76	172.53	193.77	206.92	230.23	255.08	276.53	289.56

Pre-Tax Net Present Value	5%	241.3
	8%	185.1
	15%	101.3
After-Tax Net Present Value	5%	181.0
	8%	137.6
	15%	72.6

21 ADJACENT PROPERTIES

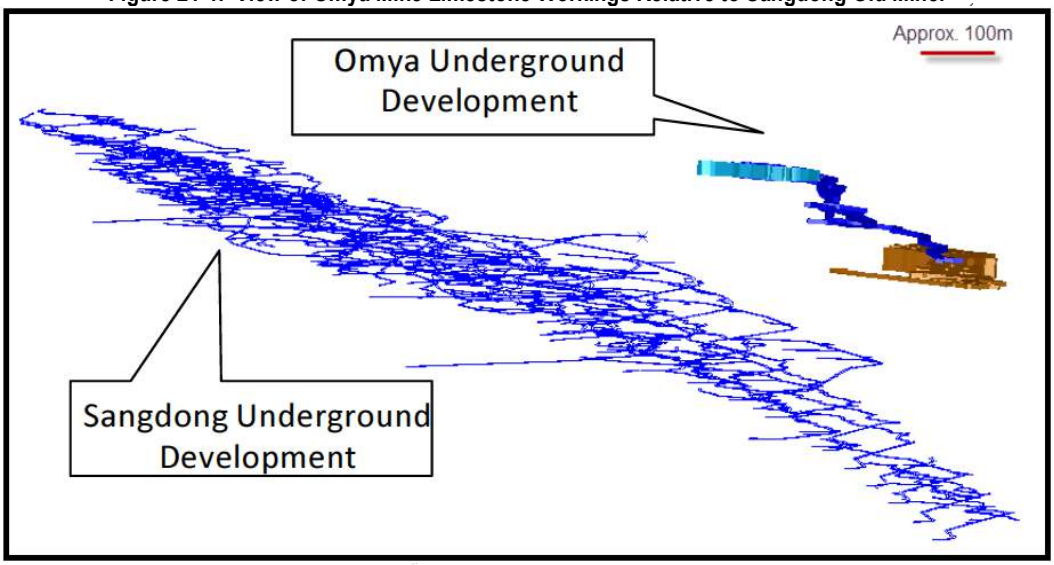
The South Korean mining company Omya holds the mining rights for limestone on part of the Property (coincident with the Se Woo Mining Right 71875) and are currently extracting the Pungchon limestone by underground mining. This horizon sits approximately 200 m above the Sangdong deposit which is hosted within the Myobong slate.

The Omya limestone mine adit entrance is approximately 260 m northeast of the Sangdong adit and the workings are in the Hangingwall Pungchon Limestone situated above the northeast corner of the Sangdong Mine old Main mine workings. Omya's closest mine workings are approximately 250 m away from the Sangdong Hangingwall orebody (Figure 21-1).

Current Omya mining is taking place between 600 and 663 masl using the room and pillar mining method.

At the moment there is no protocol between the two mines regarding safety precautions to be taken during blasting times. This is a situation that should be addressed and it is recommended that both mines clear at blasting time

Figure 21-1. View of Omya Mine Limestone Workings Relative to Sangdong Old Mine.



22 REFERENCES

- Adam Wheeler. “NI43-101 - Technical Report on the Mineral Resources and Reserves of The Sangdong Project, South Korea”, December 2015.
- ‘Shin & Kim’. “Remaining Obligations with Respect to the Closed Mines, Ref. No. D00075-1601”, June, 2018.

Appendix A: JORC Code, 2012 Edition – Table 1

Section 1. Sampling Techniques and Data

Criteria	JORC Explanation	Commentary
Sampling techniques	Sampling overview	The types of sampling consisted of diamond drillhole core (surface and UG) and open hole chip sampling (UG).
	Measures for representivity and calibration of tools/systems	Drilling was oriented as far as possible to be perpendicular to the mineralised structures, to get a good sampling representivity.
	Determination of mineralisation	Lithological changes, assisted by ultra-violet (uv) detection of scheelite, augmented by assay measurements.
	Sampling details; non-standard aspects	Since 2009, diamond drillhole cores have been cut in half, and these cut samples were sent then prepared as samples on site, producing 50g pulverized samples.
Drilling techniques	Drill type and details.	90 HQ/NQ (63.5mm/47.6mm) surface core holes were completed between November 2006 and July 2008. Drilling between 2009–2014 was largely completed from underground, supplemented by additional surface holes where underground access was not possible. Underground drilling was either NQ core or BQ core, the machines used were a Sandvik Onram 1000 wireline rig and 3 Kempe pneumatic core rigs.
Drill sample recovery	Method of measurement and recording drill recovery	Recovery derived from measured lengths. The mean core recovery for the WMC drilling was 91%, while the median value was 98%. The recovery was considered to be suitable to support a Mineral Resource Estimate. The overall core recovery, including historical drilling in the database, were not consistently good in the recorded recovery data. However; >75% of the holes had a recovery of over 90%.
	Measures for recovery and representivity	Recovery monitored during campaigns.
	Relationship between sample recovery and grade	There was no evidence of sample bias or any relationship between sample recovery and grade.
Logging	Geological and geotechnical logging details.	The drill core was collected from the drill site on a daily basis and brought to an on-site core logging facility. It was logged to a level of detail sufficient for the Mineral Resource Estimation (MRE).
	Logging qualitative or quantitative, core photography	Logging both qualitative and quantitative. Core was measured for recovery and rock quality designation (RQD) and logged geologically, including the following characteristics: lithology, weathering, alteration, structural features, and orientations where the core is orientated, uv fluorescence, fracture frequency, planarity, roughness, infill, rock strength: for the calculation of geotech parameters. Core was photographed wet and dry.
	Total length and % of relevant intersections logged	In the current overall drillhole database, 106,159m have lithological log, representing 83% of the total drilled length.
Sub-sampling techniques and sample preparation	Core sawing details	Core was sawn in half, half placed in a plastic sample bag and half replaced in the core box for archival storage. Sample tags are placed in the core box and in the sample bag and the sample number is written on the sample bag as well.
	Non-core sample splitting details	No non-core sampling.
	Nature and quality of sample preparation	Sampling method appropriate for type of estimation being done.
	Quality Control (QC) procedures, for max representivity	All QC procedures described in Section 9.4.
	Measures to ensure sampling representative of material	Drilling sample information also assessed with regard to underground exposures of scheelite skarn.
	Samples sizes information	It is considered that the sample sizes used are appropriate for the mineralisation at Sangdong.
Quality of assay data and lab tests	Assaying and laboratory procedures	The assaying techniques used have given total assays. From 2006 to 2008 samples were analysed by inductively coupled plasma mass spectrometry (ICP- MS) for 41 elements and for ore grade quantities of specific elements by aqua regia or four-acid digestion followed by ICP analysis. From 2010, molybdenum, tin and tungsten were analysed by X-ray fluorescence (XRF). The sample is fused in a platinum crucible using lithium metaborate/tetraborate flux and the resulting glass bead is irradiated with X-rays and the elements of interest quantified.
	Parameters, models for geophysical or other instruments.	No other instruments used other than laboratory techniques described in note above.
	QC procedures, related to accuracy (lack of bias) and precision	Results associated with all QC procedures are described in Section 9.4. These results showed acceptable precision and lack of bias.

Criteria	JORC Explanation	Commentary
Verification of sampling and assaying	Verification of key intersections - independent personnel	The Competent Person discussed with site geologists all aspects of sample collection, preparation and storage, as well as visiting the core storage and sample preparation areas. The sample database was also reviewed and during the resource estimation, many aspects of the drillhole data were checked by communication with the Sangdong geologists.
	Use of twinned holes	Pairs of intersections were selected where the P0-P7 intersections were very close to existing historical drillholes i.e. effectively a twin sample. Sections of these paired intersections were examined, and generally showed good correspondence, as shown in the example in Figure 12-6, for both samples and composites.
	Documentation of primary data, and entry procedures	Primary data has been entered and maintained in an Excel database. Any problems encountered during the hole data, combination and desurveying process have been resolved with the Sangdong geologists.
	Adjustments to assay data	The only adjustment made to assay were applied top-cuts during the compositing process.
Location of data points	Accuracy and quality of drillhole and workings' surveys	The collar and downhole survey information from the historical drilling programmes are not adequately documented. Comparison of grade values in pre-WMC drillholes with nearby WMC drillholes showed significant differences. The drill hole collar locations in the 2006 – 2008 programme were surveyed by global positioning survey (GPS – sub 0.2m accuracy) and the down-hole positions of the holes were measured at 50m intervals. There were some uncertainties with regard to the collar elevations and WMC subsequently undertook additional surveying work to resolve the situation and consolidate the survey of the site in general. Collar locations of the U/G holes in the 2009 – 2014 programme were surveyed using a Leica 1203 total station with sub-decimetre accuracy.
	Specification of grid system	The grid system now being used is the Universal Transverse Mercator (UTM) 52 system.
	Quality and adequacy of topographic control	The lack of survey information associated with the historical drilling data is one of the reasons that these data have not been used for the estimation of Indicated Resources in the non-HW mineralised zones. The 2016 drilling data has enabled a verification of the historical data used in the estimation of the HW zone. The data associated with post-2006 data is considered to be adequate for use in the estimation of Indicated Resources.
Data spacing and distribution	Spacing for reporting of Exploration Results	The sample database, in the form of an Excel spreadsheet, comprises data from all available surface and underground drillholes, over recent and historical drilling campaigns. The resultant spacing of samples with these different historical campaigns has ended up being fairly sporadic, with sections spaced at distances from 30m to 100m. Most of the surface holes are vertical, as are the very deep underground holes.
	Assessment of data spacing and distribution	It is considered that the spacing of samples used is sufficient for the Mineral Resources evaluated in the current study.
	Sample compositing	Sample compositing was applied: complete bed composites for the lower Main and F Beds, and 5m composites for the HW zone.
Orientation of data in relation to geological structure	Sampling orientation	The holes from the 2006 – 2008 programme were all drilled in the south eastern portion of the deposit, where the mineralisation occurs near surface or is outcropping, on a bearing of 135°, parallel or nearly so, to geological strike; about 30% were drilled on the opposite bearing of 315°. The majority of these holes were drilled at a dip of 70°, although several were vertical or at a dip of about 80°. In the 2009 – 2014 programme, orientations vary based on access and the need to intersect all three ore horizons. In the 2016 campaign holes were sometimes fanned vertically and horizontally so as to provide 2-3 HW intersections along strike from each drilling set-up.
	Assessment of orientation	It is not considered that the drilling orientations have introduced any sampling bias.
Sample security	Measures for sample security	The sample preparation facility is in a separate fenced area. Sample tags are placed in the sample bag and the sample number is written on the sample bag as well. A split portion of the pulp from each sample and coarse rejects is retained in a locked facility at the project site. The pulps were placed in brown paper envelopes by the sample preparation manager, then packed in cardboard boxes, sealed and sent by courier to the laboratory in Australia.
Audits or reviews	Results of any audits or reviews	The Competent Person has reviewed the sampling techniques and data and considers them adequate for resource/reserve estimation.

Section 2. Reporting of Exploration Results

Criteria	JORC Explanation	Commentary
Mineral Tenement and Land Tenure Status	License information and data, including royalites	Described in Section 2, along with information in Figure 2-3, Figure 2-4 and Table 2-1.
	Security of tenure	Described in Section 2.
Exploration Done by Other Parties	Other parties	Exploration in 1939 and 1940 led to the discovery of the Sangdong scheelite body. Mineral Resource definition drilling is the only form of exploration that has been completed on the Sangdong Property since 2006, and there is no record of exploration other than drilling by previous operators. An aeromagnetic map of the area was reproduced in a scoping report by Sennitt (2007).
Geology	Deposit type, setting and mineralisation	Described in Sections 5 and 6.
Drillhole Information	Drillhole Information	The total number of boreholes drilled /total metres / total downhole surveys at Sangdong comprise: 863/82829/775 (pre-2006); 499/42,460/994 (2006 – 2014. During an unknown period, about 780 holes with an aggregate length of 30,000m were drilled *underground* to explore the mineralised zones. The database has separate tables for drillhole collars, survey data, assay data, RQD, lithology data, drillhole recovery, geotechnical logging, density measurements, structural orientation and mineralised intersections. The database is also summarised in Table 8-1.
	Explain any excluded data	No information has been excluded.
Data Aggregation Methods	Averaging techniques/truncations	Exploration results not being reported.
	Aggregation methods	Drillhole composited (as described in Section 12.4) and from these 3D block models were developed.
	Assumptions for any metal equivalents	Metal Equivalents not used
Relationship between mineralisation widths and intercept lengths	Geometry of mineralisation with respect to drilling	Holes inclined so as to get as near to perpendicular intersections as possible.
	Statement related to true width	No downhole lengths or individual intersections being reported.
Diagrams	Maps/sections - discoveries, collars	Refer to Figure 8-1 and Figure 8-2.
Balanced Reporting	High/low grades and widths	Exploration results not being reported.
Other Substantive Exploration Data	Other exploration data.	No meaningful and material exploration data, apart from the borehole database sampling results, have been included in the report.
Further Work	Planned further work	The very large Inferred resource base represents a significant location of future exploration drilling. There are more areas of the deposit down-dip and north-east which have not been currently evaluated. Most of the deposit has not yet been delineated at depth.
	Diagrams of extensions, interpretations and future drilling	No specific campaign is currently planned, following the completion of Phase 7 in 2016.

Section 3. Estimation and Reporting of Mineral Resources

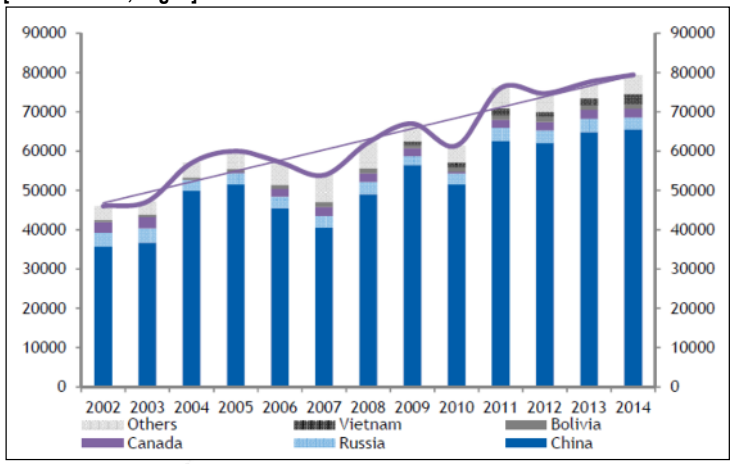
Criteria	JORC Explanation	Information Required
Database integrity	Measures for error reduction/removal between collection and use for MRE	10% of the data in 2007 against original assay certificates. Collar coordinates were checked against the original survey forms. Results from the data checks showed zero error rate. It was concluded that the assay and survey database used for the mineral resource update was sufficiently free of error to be adequate for resource estimation. Between 5% and 10% of the Sangdong drill holes were selected in 2012 and 2013, for verification of handwritten geological logs, original field sample sheets and original assay certificates against corresponding records in the Sangdong database supplied, and 100 random cross-checks of the mineralised assay results in the database with original assay results from the reporting period. Overall it was concluded that appropriate care and attention in data entry, validation and QA/QC procedures had been applied and that analytical issues were identified and appropriate remedial action taken. Industry standard practices had been followed and the quality of the Sangdong database meets best practice guidelines
	Validation procedures	Checks during import, combination and desurveying of data. Check sections and plans also produced.
Site Visits	Visit details	Adam Wheeler visited the Sangdong site on August 24th- 26th, 2015, along with other Almonty technical personnel.
	Explanation if no visit	Not relevant
Geological interpretation	Confidence in geological interpretation	The geologic model is considered robust, with information available from 519 diamond drillholes (2006 – 2016), 863 diamond drillholes (pre-2006) and a total of 780 underground holes from an unspecified period.
	Nature of data, assumptions	Only the post 2006 drillholes were used in the definition of Indicated Resources in F and MAIN beds. For the HW Zones, all drillholes were used, as the pre-2006 data for the HZ zone has been verified by the 2016 drilling campaign results.
	Effect of alternative interpretations on MRE	Effects of alternative geologic models were not tested.
	Use of geology in controlling MRE	The impact of geology on mineralization has been applied through the use of dynamic anisotropy controlling search envelopes during grade estimation.
	Factors affecting continuity of grade and geology	The main factors affecting continuity and grade are the parent skarn structures for each zone.
Dimensions	Extent and variability	Summarised in Table 12-3. The Hangingwall horizon is located near the upper contact of the Myobong shale and varies in thickness from approximately 5m - 30m because of the irregular boundary of the shale with the overlying Pungchon Limestone. The Main horizon varies in thickness from 5-6m. The Footwall horizons comprise multiple layers: Footwall Zone 1 (F1) normally occurs 1m below the Main horizon and is approximately 2m thick; Footwall Zones 2 and 3 (F2, F3) are situated approximately 35.0 to 40.0m below the Main horizon and are less than 1m thick. Further Footwall Zones have been identified beyond F3 and are collectively referred to as F4.
Estimation and modelling techniques	Estimation techniques: assumptions, software, parameters	The estimation employed a three-dimensional block modelling approach, using Datamine software. Two main resource blocks models were developed. The relatively thick hanging-wall (HW) zone was modelled using a conventional block model structure. All of the other bed-like skarn zones were modelled using the initial generation of 3D digital terrain models (DTMs) for the zone centre-points, onto which thicknesses and grade-accumulations were estimated using ordinary kriging. This enabled a 3D block model of all these zones to be developed – with columnar sub-blocks representing the vertical thickness of the mineralised skarn bodies. Density values were also estimated from sample measurements. Block model structures were orthogonal – no rotation was applied.
	Check/previous estimates	Check estimates against production data was not possible, as such production data was not available. Check estimates were compared with available historical estimates.
	Assumption with respect to recovery of by-products	The only potential by-product is MoS2. This has been included in the resource estimation. However, no recovery of MoS2 has been included in the current study, so MoS2 has been excluded from the reserve estimation.
	Deleterious elements	No particular elements exist, and have therefore not been estimated.
	Block size with respect to sample spacing	Two separate resource models were generated: one with a parent block structure of 10m x 10m x 10m blocks (for the HW zone), and the other with a columnar block structure for all the skarn zones. In the columnar block structure used, parent blocks were sized 10m x 10m, and in the vertical dimension single sub-blocks were generated, with a height equivalent to the vertical height of the skarn structure being modelled. In both models, sub-blocks were also generated down to 5m x 5m in the XY directions. The resultant spacing of samples with these different historical campaigns has ended up being fairly sporadic, with sections spaced at distances from 30m to 100m. Details of the progressive search distances used are shown in Table 12-12.

Criteria	JORC Explanation	Information Required
	Assumption with respect to selective mining units	In the modelling the HW zone, waste zones had been extrapolated with a minimum width and height of 5m, based on the approximate smallest size of an underground drift.
	Correlation between variables	No assumptions have been made about the correlation between any variables.
	How geology interpretation used to control resource estimates	The interpretation of beds intersections has subsequently controlled bed composites, and then the resource block models. The other principal interpretation control have been perimeters limiting the lateral extent of each zone, which were defined based on the drillhole data and previous underground workings.
	Grade capping	Grade capping was applied, so as to prevent outlier high grade values from over-estimation of grades, as described in Section 12.4.
	Validation process	Model validation steps are described in Section 12.11.
Moisture	Method of determination	Tonnages are estimated on a dry basis
Cut-off parameters	Basis and parameters	The main reference cut-offs used for resource estimation were: 0.15%, 0.2% and 0.3% WO_3. These were selected as being potentially possible underground mining cut-off grades, as demonstrated by the parameters and derived cut-off of 0.2% WO_3 shown in Table 13-1.
Mining factors/assumptions	Mining methods: dimensions, assumptions extraction prospects	A minimum thickness of 2.2m was applied in the resource estimation, as being a realistic minimum height for underground mining.
Metallurgical factors/assumptions	Assumptions re processes and parameters	Previous production of several decades clearly demonstrates that metallurgically tungsten concentrates can be produced. More recent testwork supporting the intended milling process is summarised in Section 11.
Environmental factors/assumptions	Status of potential environmental impacts	There are no areas requiring special protection or significant natural environmental resources or wildlife habitats in the area surrounding the Project site. Waste rock material will be stacked in a single waste rock stockpile at the site, comprising 750,000t over an eight-year period. There may be the opportunity to backfill waste in the historic underground workings and it is expected that some may be used locally as a building material. The remaining waste rock will be stored on-site in a single waste rock storage facility at Sangdong Portal. Some waste material from internal dilution control can be stored inside the mine in neighbouring active stopes and mixed with backfill. The pre-production amount of waste will be approximately 500,000t that will be stored in a secondary valley.
Bulk Density	Basis and application	Density measurements were routinely determined from core samples, using the volume displacement method in a purpose designed tubular jig. Sample lengths for density measurements were approximately between 0.10 and 0.30m. This is considered to be an appropriate method considering the generally solid nature of the core proximal to the ore zones at Sangdong. In the current resource estimation work, density values (t/m3) have been estimated from the measurements taken. Blocks without estimated density values after the second estimation pass were assigned average zone density values.
	Void spaces	It is considered that the density measurements take adequate account of void spaces, which are minimal.
	Assumptions with respect to the evaluation process	There does not appear to be particular relationship between density and WO_3 grade values; the approach taken in this study was to estimate density values from the sample measurements, using inverse-distance weighting, up to a maximum within-bed distance of 100m; beyond this distance, where no density samples were available, the average values shown in Table 12-11 were applied.
Classification	Basis for MRE, with varying confidence categories	The basis for resource classification criteria have been described in Section 12.10.
	Factors: tonnes, grades, input data, geology; quality, quantity and distribution	The resource classification criteria have taken into account all relevant factors, as summarised in Table 12-13.
	Results reflect CP's view	The resource estimation results reflect the Competent Person's view of the deposit.
Audits/reviews	Results of any previous reviews	No audit or review of the Mineral Resource estimates has been completed by an independent external individual or company. The Competent Person has conducted an internal review of all available data.
Discussion of relative accuracy/confidence	Statement re relative accuracy and confidence level	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resources as per the guidelines of the 2012 JORC code.
	Specifics for global and local estimates, relevant to technical and economic evaluation.	The resource statement relates to global estimates of tonnes and grade, by bed.
	Comparison with production data, where available	Production figures are largely undocumented, so a comparison of the estimate with production data is not possible.

Section 4. Estimation and Reporting of Ore Reserves

Criteria	JORC Explanation	Information Required
MRE conversion to Ore Reserves (OR)	Description of MRE	Stated in Table 1-1.
	MRE - inclusive of, or additional to, OR	The Mineral Resources are reported inclusive of the Ore Reserves.
Site Visit	Comment re CP visit	Adam Wheeler visited the Sangdong site on August 24th- 26th, 2015, along with other Almonty technical personnel.
	If not, why not.	Not relevant.
Study status	Type and level of study undertaken	This Technical Report is an update to the previous 2015 feasibility study. This study is also an FS level study.
	At least PFS level required; has a viable mine plan been determined	A viable mine plan has been determined, as described in Section 20.
Cut-off parameters	Basis and parameters	Using the updated mining costs, and based on the overall reserve proportions of 60% CAF and 40% MIP, an overall combined breakeven cut-off of 0.20% WO_3 was determined. This was based on an APT WO_3 price of $350/mtu. The applied cut-off in the current study was 0.23% WO_3 for the majority of stope blocks, where recommended maximum spans were limited by geotechnical recommendations, with elevated cut-offs of 0.28% WO3 for 3-6m, and 0.36% WO_3 for less than 3m. These elevated cut-offs correspond with the higher expected support costs.
Mining Factors/Assumptions	Methods and assumptions	For the mining considered in the present study, it was decided not to rely on hand-held drilling equipment and slushers. Instead, methods applied are based on the use of mechanized mobile diesel-powered mining equipment in all areas.
	Choice of mining methods and parameters	Based on this mechanization requirement and the latest understanding of the orebody geometry and mining areas, and evaluation of the resources, including thickness variations, it was decided to apply two proposed mining methods: Mechanized Inclined Panel mining (MIP) – areas where the thickness <3m; and Cut-and-Fill (CAF) – for areas where the thickness is greater than 3m.
	Assumptions for geotechnics, grade control and pre-production drilling	Geotechnical parameters are described in Section 14.2.
	Major assumptions used in pit/stope optimisation	No stope optimisation was applied. However, studies were completed to test the potential combination of different MAIN and F-beds during mining.
	Mining dilution factors	As well as applying a minimum mining thickness of 2.2m, an additional unplanned dilution factor of 5% was applied.
	Mining recovery factors	A mining recovery factor of 95% was applied (5% losses).
	Minimum mining widths	A minimum mining width of 10m has been applied implicitly, stemming from the parent resource model block size.
	No use of inferred mineral resources in MRE mining studies	Any inferred resources within stope outlines was treated as mineralised waste dilution, with grades capped at 0.2% WO_3. They therefore do not contribute to the NPV estimate.
	Infrastructure requirements	As a past-producing mine, Sangdong already has significant infrastructure on-site. Additional surface and underground infrastructure necessary for the reopening of the mine has been planned out and costed in the economical analysis. This includes mine surface infrastructure, site access, power supply, underground services and infrastructure and water supply.
Metallurgical factors/assumptions	Met. Process proposed: appropriateness for mineralisation	Processing will utilise crushing, grinding (rod and ball mills) and flotation for scheelite concentration. The processing plant will treat the run-of-mine (ROM) ore from underground at a nominal feed rate of 1,920 tpd.
	Whether met. process is well tested.	The metallurgical process will use well-tested technology.
	Nature of met test work	Metallurgical testwork is described in Section 11. A flowsheet has been developed for the recovery of scheelite through flotation, producing a final concentrate grading approximately 60% WO_3. Based on test results, the estimated tungsten overall recovery will be 85% with an average mass yield of 0.86%. The processing plant will have a capacity of 1,920m/t per day.
	Assumptions made for deleterious elements	75% of processing plant water is to be recycled from backfill and tailings placement operations, for reuse in the processing plant. To facilitate this, the water will need re-treating to remove salts and other deleterious chemicals. This will be performed using a reverse osmosis plant.

Criteria	JORC Explanation	Information Required
	Bulk sample/pilot test > orebody representivity	More recently testwork was completed during the 2010 Scoping Study, with mineralogical studies and preliminary metallurgical test work being conducted on four composite core samples taken from the Sangdong project. The samples represented the four historical mineralised horizons: HW, MAIN and F beds.
	OR based on appropriate mineralogy	The ore reserve estimation has been completed on beds with appropriate mineralogy, corresponding with the proposed metallurgical processing.
Environmental	EI studies. Waste rock characterisation. Residue storage, waste dumps.	The results of the waste rock assessment indicate the proportion of material which will be potentially acid forming is relatively small at approximately 10% of the total waste volume. Historically, there has been no acid rock drainage from the existing well vegetated waste rock storage facility on site, or from the existing tailings dams. This trend is expected to continue. However, during operations, continuing assessment of all waste rock will be conducted to confirm if any potentially acid forming material is present and, if required, this material will be encapsulated to reduce the likelihood of acid rock drainage.
Infrastructure	Existing land for development, power, water, transportation, labour.	Sangdong, as a past-producing mine, has significant infrastructure on site, which includes: access road to site, site roads, powerline and stepdown substation, potable water, with a 2km pipeline connection to the Sangdong town water supply, office/changehouse complex, 63m long concrete lined adit, town site within approximately 2km distance, communications and internet service, security building. To return to operation, the existing Sangdong infrastructure will be reconfigured and supplemented by new facilities as required, as described in Section 16.
Costs	Derivation of capital costs.	The projected capital costs have stemmed from figures in the 2015 feasibility study, and then updated through a review by AKT.
	Methodology for operating costs.	Described in Section 19.2.
	Allowances for deleterious elements.	In the recycling of mine and process water, a reverse osmosis plant will be required for the removal of salts and other deleterious chemicals.
	Source of exchange rates.	Costs derived from Republic of Korea Won were converted at a rate of $US 1 = Won 1100. This is based on current rates.
	Derivation of transport charges.	Transportation costs are part of the mining cost estimates provided by Korean mining contractors.
	Basis for tc/rc, penalties.	A reduction of 22% has been applied to the base case APT price of $350/MTU, to represent the treatment costs, refining costs and other penalties associated with the post-processing of WO3 concentrate leaving the site.
	Allowances for royalties.	The 2% net smelter royalty (NSR) retained on the Project in South Korea was acquired by WMC/AKT.
Revenue Factors	Assumptions for head grades, exchange rates and other charges.	The base case APT price used was US$350/MTU, with an assumed received price of 78%x 350 = $272/t. This is based on Almonty's experience with other producing mines within the Almonty group. For Sangdong the assumed final concentrate grade is 60% WO_3.
	Assumptions for metal prices.	The base case price level is based on Almonty' s industrial experience.
Market Assessment	Demand, supply and stock situation	AKT are in discussion with parties for an offtake agreement to sell 60% WO3 concentrate.
	Customer analysis, market windows.	China dominates the output and supply of tungsten. Very few other countries have shown any significant growth in tungsten production. Production in Austria and Portugal has declined slightly in the last decade and output in Russia has stabilized. High operating costs at the Cantung operation in Canada have made North American Tungsten (NAT) unable to maintain the operation leading to the closure in 2015. The only other country to show any significant growth in supply has been Vietnam, where the opening of the Nui Phao operation boosted production from 2013. A summary of global tungsten production is shown in the chart below. **Global production of tungsten by country, t W**

Criteria	JORC Explanation	Information Required
		[Source – ITIA, Argus][2] 
	Price and volume forecasts.	The price levels used in this study represent the current long term expectations of US$350/MTU WO_3.
	For industrial minerals: specification, testing and acceptance requirements.	Not relevant.
Economic	Inputs for NPV in study. Source and confidence of economic inputs.	The discounted cashflow analysis has been based on 2016 Constant US$ values. The derivation of the project NPV is described in Section 20.
	NPV ranges and sensitivities.	The NPV sensitivity results are summarised in Table 20-1.
Social	Status of agreements with key stakeholders, for social license to operate.	Public consultation has been undertaken both informally and formally as a result of local connections. A memorandum of understanding has been signed with the local high school to provide employment opportunities for graduating students.
Other	Impact of identified material risks.	Refer to Section 6of Almonty's Prospectus for information in relation to risks.
	Status of legal agreements and marketing arrangements.	Refer to Section 17. Korea has a 10% Value Added Tax (VAT) on sales of concentrates and on articles such as supply of goods or services by entrepreneurs, and importation of goods. However there is non-tariff and VAT-free in the case of concentrates export to overseas. Income tax rate is a maximum of 22%. There is resource and facility tax payable to the local government at a rate of 0.5% of the value of mined minerals. There is no VAT surtax on sales.
	Status of government agreements and approvals.	Approval for installation of mining facilities (Sangdong Portal, Woulfe Portal, Taeback Portal and Baekun Portal) have been issued by East Mine Registration Office of the Ministry of Trade, Industry & Energy. Environmental certificates (Temporary Forest Land Use) have been issued by the Department of Environmental Forest of Yeongwol County. There are no known or recognized environmental issues that might preclude or inhibit a mining operation in this area. Surface rights for mining purposes are not included in the permits but AKT have leased some of land proposed to be used for mining and processing plant activities by effecting payment of a purchase fee based on the appraised value of the land. The rest of the necessary lands for mining, waste disposal and processing plant activities (processing plant, offices and accommodations etc.) were guaranteed by Yeongwol County, through written official documentation.

[2] None of the authors of books, journals and comparable publications cited in this report has consented to the inclusion of any statements in Almonty Industries Inc.'s Prospectus.

Criteria	JORC Explanation	Information Required
		Please refer to the Solicitor's Report on Tenements in Appendix I of Almonty's Prospectus for further information.
Classification	Basis for classification of OR, into varying confidence categories.	The Ore Reserve estimate considers only Indicated Resources, which inside the defined mining blocks have been converted into Probable Ore Reserves.
	Whether results reflect CP's view.	The results do reflect the Competent Person's view of the deposit.
	Proportion of Probable Ore Reserves derived from Measured Mineral Resources.	There are no Measured Mineral Resources.
Audits or reviews	Results of any audits/reviews on OR estimates.	No audit or review of the Ore Reserve estimates has been completed by an independent external individual or company.
Discussion of relative accuracy/confidence	Statement of relative accuracy in the OR estimates, or if not appropriate, qualitative discussion.	Carried over from the resource model, the principal control on the resource categories, and consequently reserve categories, are the spacings of diamond drillhole intersections. Key drillhole section spacing limits have been established which are used as a guide in the assignment of resource categories, as described in Section 12.10.
	Relation to global or local estimates.	The Ore Reserve statement relates to global estimates of tonnes and grade, by mineralised zone.
	Accuracy discussion with respect to any Modifying Factors.	The Ore Reserve estimations are described in Section 13
	Where possible, comparison with production data.	Not applicable.

APPENDIX B:

Glossary of Terms

UNITS OF MEASURE AND ABBREVIATIONS

AKT	Almonty Korea Tungsten
amsl	Above mean sea level
CAF	Cut-and-fill mining
DMT	dry metric tonne
ha	hectares
ISO	International Organization for Standardisation
LNEG	National Laboratory of Energy and Geology
KTMC	Korea Tungsten Mining Company Ltd.
km	Kilometers
kt	Tonnes x 1,000
ktpa	Kilo-tonnes per annum
m	meters
M	million
m^3	cubic meter
m^3/h	cubic meters per hour
m/h	meters per hour
MIP	Mechanised Inclined Panel mining
Mo	Molybdenum
MRE	Mineral Resource Estimation
Mt	Tonnes x 1,000,000
mtu	metric tonne unit
	1 mtu = 10kg = 0.01t. Normally used to refer to 10kg of WO_3 concentrate at a grade of 100% WO_3.
NI	National Instrument (43-101)
NSR	Net smelter return
ppb	Parts per billion
ppm	Parts per million
QA/QC	Quality assurance/ quality control
SMC	Sangdong Mining Co.
t	Tonne (1,000 kg)
tph	Tonnes per hour
tpa	Tonnes per annum/year

3D	Three-dimensional
US$	US dollars
UTM	Universal Transverse Mercator
WMC	Woulfe Mining Corporation
XRF	X-ray fluorescence

APT Pricing

Mined tungsten concentrates are priced by reference to the price of Ammonium Paratungstate (APT), an intermediate product in the production of tungsten metal, powder, tungsten carbide or other end use tungsten products. Prices are quoted "per metric tonne unit" (mtu) which is equivalent to 10 kg of product. An equivalent price per tonne is therefore the price on an mtu basis multiplied by 100.

The price received for concentrate sales are typically subject to a discount to the APT price to cover the cost of converting mined concentrate to APT as in the case of TC/RC charges for base metals.

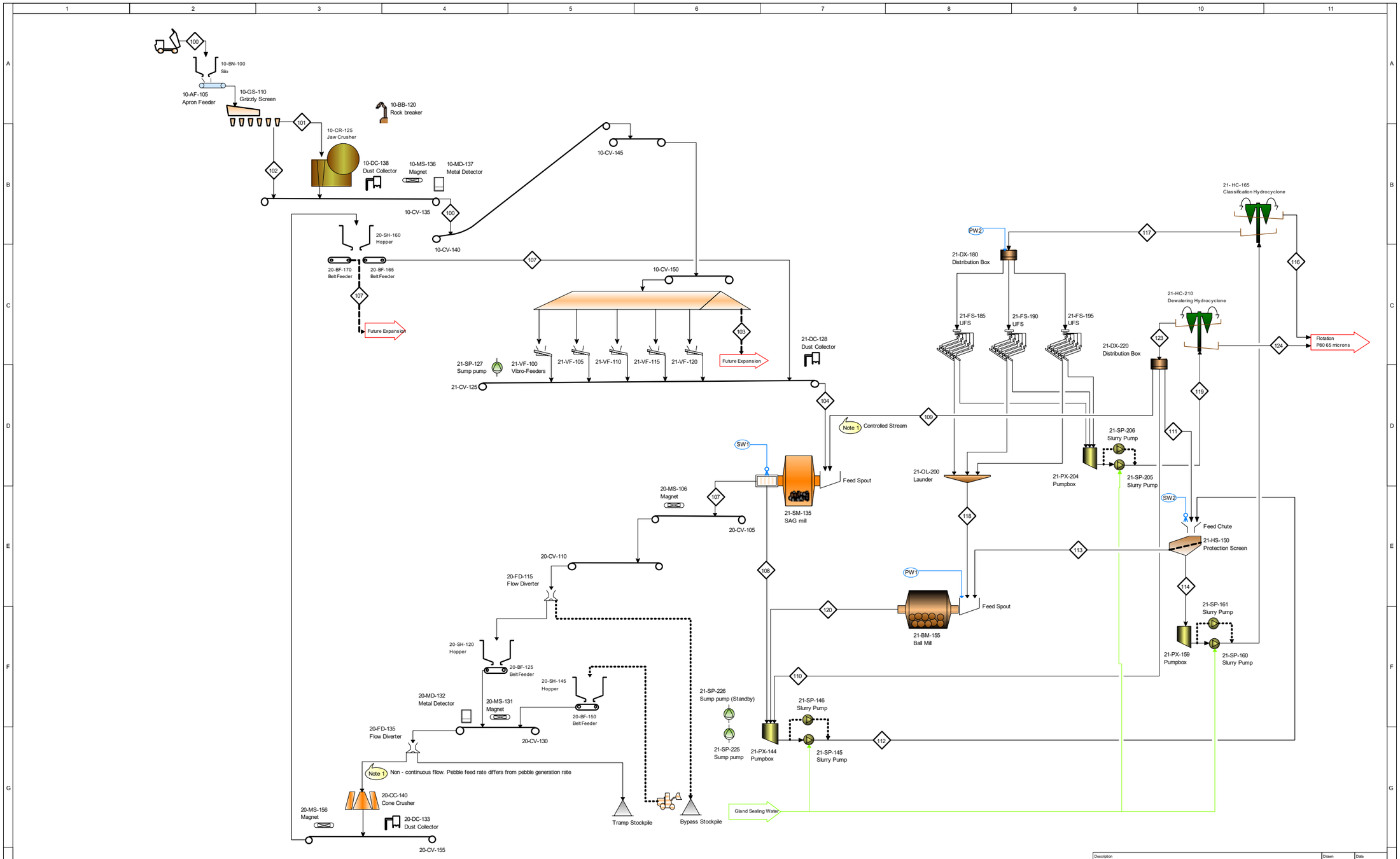
APPENDIX C:

Processing Flowsheets

Project: C.006793
Almonty Sangdong

Basic Engineering

Process Flowsheet Crushing and Grinding Section



Stream no.	100	101	102	103	104	107	108	109	110	111	112	113	114	116	117	118	119	120	123	124	PW1	PW2	SW1	SW2
Solid tph	228.6	92,0	136.6	80,0	104,0	24,0	83.1	3.1	4.2	0.7	220.9	52.9	168.7	54.2	114.5	80.7	33.8	133.7	8.01	25.8				
% solid w/w	95,0	95,0	92,0	95,0	92,0	92,0	60.1	7.89	7.89	7.89	57.6	88,0	47.8	28.4	70,0	75,0	23.0	70,0	7.89	55,0				
Solid sg	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78				
Water. cu mtr/hr	12,0	4.8	4.8	4.2	6.3	2.1	55.1	35.9	48.9	8.6	162.8	7.2	184.2	136.7	49.1	26.9	113.1	57.3	93.5	21.1	23.2	90.9	15,0	20,0
Slurry. cu tmr/hr Nominal						10.7	85.0	37.0	50.4	8.9	242.3	26.3	244.9	156.2	90.3	55.9	125.2	125.8	96.4	30.4				
Max Slurry. cu tmr/hr (Design)						13.4	102.4	46.2	67.1	9.6	302.8	32.8	296.9	185.5	112.9	70.0	156.6	125.9	120.2	37.9				

Description
ALMONTY INDUSTRIES
SANGDONG TUNGSTEN PROJECT
CRUSHING & GRINDING SECTION

Drawn KBS 2020-01-31
Checked GDY 2020-01-31
Approved MPR 2020-01-31
Reference Drawing: C.006793-001

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Metso Sweden AB
Sala, Sweden

SF No. BLA-053665
Scale N.T.S
Revision 2
Size A3
Document No. FS_Sangdong_Crushing Grinding Rev 6_08
Sheet 1
Cont

Flotation Section

Product Grinding Circuit
Sampler-1A MSA-01
met sample
PSI
met sample
composite sample
process sample
W
Conditioner
Sulfide Rougher 3 off 30m3 cells
Sulfide Ro Tailings
Sulfide Cleaner-2 4 off 0.5m3 cells
Sulfide Cleaner-1 4 off 1.5m3 cells
Sampler-2A ASA-01
process sample
Multiplexer Bypass Return
Demultiplexer Return
Sulfide Conc
Multiplexer Bypass Return
Demultiplexer Return
process sample
Sampler-3A PSA-01
Combined Sulfide Tailings
Conditioner-01
Conditioner-02
Conditioner-03
Scheelite Rougher 3 off 30m3 cells
Scheelite Scavenger 4 off 30m3 cells
Sampler-2B LMC-01
met sample
composite sample
Sampler-5A MSA-02
met sample
Sampler-5B LMC-03
met sample
composite sample
Tails Thickener
Tailing Pond
Multiplexer
Composite sample(s)
Courier Analyzer
Demultiplexer
Return to process
process return destination to be decided
Scheelite Cleaner-4 2 off 0.5m3 cells
Scheelite Cleaner-3 2 off 1.5m3 cells
process sample
PP-119
PX-119
Conditioner
Scheelite Cleaner-2 4 off 1.5m3 cells
Scheelite Cleaner-1 3 off 5m3 cells
Scheelite Scavenger Cleaner 3 off 5m3 cells
Sampler-4A ASA-02
Sampler-4B LMC-02
met sample
composite sample
Conc Thickener
Filtration

Description	ALMONTY KOREA TUNGSTEN CORP. PROCESS FLOW DIAGRAM SANGDONG TUNGSTEN PROJECT
Drawn	NKR
Date	2021-02-10
Checked	
Date	
Approved	
Date	
Reference Drawing	
Metso:Outotec	
Project No.	C.006793
Scale	
Revision	R0
Size	A3
Document No.	*Draft Flowsheet*
Sheet	01
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Appendix G - Independent Technical Assessment (Panasqueira Mine)

TECHNICAL ASSESSMENT REPORT ON THE

MINERAL RESOURCES AND ORE RESERVES OF THE

PANASQUEIRA MINE, PORTUGAL

Prepared for

Almonty Industries Inc.

by

Competent Person:
Adam Wheeler, B.Sc, M.Sc, C. Eng, FIMMM

30th December 2020



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APPENDICES:

A JORC Table 1
B Glossary of Terms

1 SUMMARY

1.1 Introduction and Overview

This report was prepared to provide a Technical Assessment Report according to the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("VALMIN Code"), and comprises a Mineral Resource and Ore Reserve Estimation for the Panasqueira Mine, as of the end of December 2020. The Panasqueira mine is located in central Portugal, in the Distrito de Castelo Branco, on the southern edge of the Serra da Estrela, a Portuguese mountain range approximately 300 km northeast of the Portuguese capital city of Lisbon and 200 km southeast of the port city of Porto.

The first prospecting licence at Panasqueira was granted in 1886 and the first reference to wolframite was two years later. A mining company was founded in 1896 to mine tungsten at Panasqueira, and the underground mine has been operating more or less continuously since that time, except for a brief period at the end of World War II and a second closure in the mid-1990s. During the period 1947-2020, a total of approximately 39 million tonnes of ore has been mined, and which has produced approximately 117,000 tonnes of tungsten concentrate, 6,000 tonnes of tin concentrate and 34,000 tonnes of copper concentrate. The mine is currently in operation.

This report was prepared by Adam Wheeler, at the request of Almonty Industries Inc. ("Almonty"). Assistance and technical detail were supplied by the technical personnel of Beralt Tin and Wolfram (Portugal), S.A., ("BTW"), a company incorporated and existing under the laws of Portugal. Adam Wheeler has visited the Panasqueira site various times, the last being in November, 2015. All measurement units used in this report are metric, and currency is expressed in US Dollars unless stated otherwise. The exchange rate used in the study described in this report is US$1.15 to 1.00 Euros (€), unless otherwise stated. The Mineral Resources and Ore Reserves presented in the report are based on, and fairly represent, the information and supporting documentation prepared by Adam Wheeler.

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves for the Panasqueira Mine is based on information compiled by Mr Adam Wheeler, who is an independent self-employed mining consultant and is not a permanent employee of Almonty. Mr Wheeler is a Fellow of the Institute of Materials, Minerals and Mining (a Recognised Professional Organisation included in a list promulgated from time to time) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves; (JORC Code 2012 Edition). Mr Wheeler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

1.2 Ownership

Almonty owns 100% of Beralt Ventures Inc. ("BVI"), a body corporate pursuant to the laws of British Columbia, Canada. BVI owns 100% of BTW, which in turn is the 100% owner of the various rights and interests comprising the Panasqueira tungsten mine in Covilhã, Castelo Branco, Portugal (the "Panasqueira Mine").

1.3 Geology and Mineralisation

Panasqueira is a vein type deposit located in the Center Iberian Zone of Portugal, where several tungsten mines have been worked during the 20th century. These are generally accompanied by granite outcrops intruding schist and slates. At the current time, the Panasqueira mine is the only active tungsten mine in Portugal.

The local geology is dominated by folded metasedimentary sequence composed of a several thousand metres thick sequence of lower marine schists, greywackes, mudstones, shales and arenites. The Panasqueira deposit consists of a series of stacked, sub-horizontal, hydrothermal quartz veins intruding into the Beira schists containing principally, wolframite, arsenopyrite, chalcopyrite and cassiterite. Wolframite mineralisation occurs as very large nugget-like crystals of large crystal aggregates, usually concentrated towards the margins of the quartz veins or, occasionally, closer to the central portion of the veins.

1.4 Database and Mineral Resource Estimation

Two main types of samples are taken for mineral resource and ore reserve estimation purposes: diamond drillhole samples and face mapping of wolframite crystals. Diamond drillhole core is left intact, but is logged by a geologist and all quartz vein intersections have a width measurement and a qualitative index recorded for up to 24 different minerals. An internally developed empirical (D9) formula is also used to convert the quantified quartz vein thickness into a $\%WO_3$ grade figure. These data are used for the estimation of indicated resources, which stem from at least two drillhole intersections, and inferred resources if there are isolated individual drillhole intersections. This resource estimation involves blocking out plan areas around drillhole quartz intersections, greater than 18cm thickness, and utilises mining recovery factors and confidence factors that have been developed at the mine over many years. This 18cm thickness criteria, based on the mine's empirical factors, is equivalent to a resource cut-off of $10.8kg/m^2$ or 0.13% WO_3.

The current drillhole database contains data from 4,099 diamond drillholes, over a total drilled length of approximately 165,225 m. The majority of the data for resource estimation comes from underground drillhole data, which are generally either level to level vertical holes, 120m holes drilled down from the deepest available levels, or much shorter 13m holes drilled vertically up and down from current stope workings. These underground holes generally produce 47.6mm (NQ) core.

Face sampling involves measuring the area of wolframite crystals exposed on quartz veins. The areas of wolframite are accumulated for a specific length of exposed vein. Another internally developed empirical (Pintas) formula is then used to convert these crystal areas into wolframite grades in units of kg/m^2. Another formula is then applied to convert these grades into $\%WO_3$ grades, which are effectively diluted according to the minimum stope height of 2.2m. These data are plotted on Autocad plans for each identified vein. Measured resources are then blocked out according to these measurements, using prescribed extension distances and aligned with the mine's planning grid system (80m x 100m on Level 3 and 110m x 100m on Level 0 to Level 2) and the mine's room and pillar block system (11m x 11m). The current cut-off applied in these resource estimation is $10kg/m^2$, which is equivalent to approximately 0.12 $\%WO_3$. These resources are estimated from these block definitions, along with an 84% mining recovery, representing the end of exploitation with remnant 3m x 3m stope pillars to support the roof. The resources assigned as either 'Pillar' resources if they have been developed, and therefore sampled, on at least three or four sides, or 'Virgin' resources, if they are extrapolated from one or two sets of face samples, and not yet developed into 11m x 11m pillars. All of the 'measured resources' blocked out at the mine are converted into ore reserves. There are no measured resources which are external to the reported reserves.

With 100 years of operating experience in a statistically difficult orebody, a method of resource and reserves estimation has been derived that appears to be effective.

1.5 Mine Planning

Mining at the Panasqueira mine has evolved from labour intensive hand operations in the early 1900's through mechanized longwall methods to the mechanized room and pillar operation currently used. This mining method is possible in part due to the very competent host rock, and underground rock support is rare.

Blocks of ore are laid out initially in 100m by 100m sections by driving 5 m wide tunnels, 2.2 m in height. The planned height of the stopes is nominally 2.2m, but increased slightly in areas where ore bearing veins are more variable in their dip, strike or thickness. A major emphasis in the stoping operation is to strive towards the 2.2m mining height in all working areas.

Indicated and inferred resources are initially picked up from drillhole intersections. Potential mineralisation/vein intersections are categories according to approximately 10m vertical slices between each main level. Stope development ramps are then driven from level to level, and approximately horizontal sub-development is used to access the highest mineralised intersection. When the mineralised intersections have been found by lateral development, and verified by face samples, 5m wide tunnels are driven to create roughly 11m by 11m pillars. This development is laterally aligned to the mine grid system, but vertically the development is inclined up or down so as to follow changes in mineralisation dip. Faults, divisions and other string variations in the mineralised intersections sometimes necessitate additional in-stope diamond drilling. Following yet more face samples, further extraction is achieved with more development, to ultimately leave 3m by 3m pillars, which corresponds to an overall extraction rate of 84%.

Between each main level, within large overall mining blocks, veins are stoped out from top to bottom. A minimum of 3m is also required for the sub-horizontal pillars which are left between stope excavations vertically. The room and pillar grid system is regular over the whole mine, so all ultimate 3m x 3m pillars precisely line up vertically. Additional barrier pillars are left to preserve the main drives and panels on each main level.

The final 3m x 3m pillars generally collapse approximately 4-5 months after stope completion. Control points in each stoping area are monitored once a month. This monitoring data, together with observations of pillar conditions, are used in demarcating locally bad ground areas, so as to stop further stoping in the regions.

The mine has two main haulage levels (Level 2 at 560 mRL and Level 3 at 470 mRL) currently in use, with rail haulage of ore from 1.8 m diameter bored raises in the stopes to either the vertical rock hoisting shaft, connecting Level 3 to Level 2 and designed to transport the 6-ton wagons (4 t net weight) to the orepass where all ore from the mine is stored, prior to being crushed and transported along the 1,203m long ,17% inclination, Santa Barbara conveyor belt. This belt discharges into 4 large coarse ore bins, 3 located under the main office and another in front of the office. In 2020 the mine produced 639 kt of underground (ROM) ore.

1.6 Mineral Processing

The underground jaw crusher delivers minus 100mm Run-of-Mine (ROM) ore to four storage bins, by way of the Santa Barbara conveyor. Vibrating feeders then discharge ore by conveyor to the crushing, washing and screening (CWS) plant at a rate of about 160 tph. This plant incorporates Allis Chalmers screens and two 4.25 foot Symons short head cone crushers. The plus 0.8mm material is fed to the Heavy Media Separation (HMS) section, which generally accounts for approximately 80% of the original ore feed. The fines material (approximately 20% of the original ore feed) from the CWS plant passes on to the sand and slimes shaking tables.

The ROM ore delivered to the plant typically contains 13% quartz vein material. Separation and discarding of the waste quartz and schist rocks is the first major step of the concentration process. Heavy Media Separation (HMS) was introduced in 1971, and uses a hydrocyclone for the separation, using a dense slurry media maintained a s.g of 2.7, using very fine magnetic ferrosilicon (FeSi). The coarse tailings from the HMS circuit consists of +0.8 -25 mm material which is washed and screened from the cyclone overflow by sieve bends and shaking screens. This material represents about 80% of the feed by weight containing about 10% of the WO_3 feed content. The reject material is conveyed out to the waste dump area, where it is either dumped or sold as gravel.

The HMS concentrate, is crushed in twin roll crushers. One of the roll crushers is dedicated to +3 –5 mm material from the HMS concentrate and this material is re-circulated to the HMS plant. The minus 3mm material is hydrosized prior to concentration by gravity shaking tables. The table concentration eliminates all the gangue minerals, particularly quartz and silicates. The sand tables' concentrate, referred to as Pre-Concentrate, contains all the dense minerals, which besides wolframite, includes sulphides, cassiterite and siderite.

The pre-concentrate produced by the sand tables is then screened and the two different fractions are passed over individual shaking tables, where sulphides are removed - assisted by flotation, after brief conditioning with sulphuric acid, Nafta and Gasoil. These table tailings then become feed for a copper circuit. The table concentrates, without sulphides, are dried and screened to prepare three sized fractions for dry high-intensity cross-belt magnetic separators. This produces a high grade wolframite concentrate, and a non-magnetic cassiterite concentrate, which goes onto a tin circuit. Slimes tailings from the table concentration get pumped out to the tailings dam.

The overall WO_3 plant recovery averages 81%, producing over 90% of the recovered MTUs in a high grade concentrate averaging over 75% WO_3, and the remainder in another high grade concentrate of 74% WO_3. During 2020, approximately 67,600 MTUs of WO_3 were produced, along with 783 tonnes of copper concentrates and 129 tonnes of tin concentrates.

1.7 Mineral Resource and Reserve Estimates

The evaluation work was carried out and prepared according to the guidelines of the JORC Code (2012). The current resource estimation for measured and indicated resources (which are inclusive of the reported reserves) are shown in Table 1-1, and inferred resources are shown in Table 1-2.

The mine resources come from a complete resource evaluation done for October 2019, and then updated for the mined-out parts up to the end of December 2020.

The Inferred tailings resources also include an estimation of inferred resources within two tailings areas, as there is a potential for re-processing this material.

There are no measured resources external to reserves, as all resources classified as measured have been converted into proved or probable reserves.

Table 1-1. Panasqueira Mine – Measured and Indicated Mineral Resources
As of 31st December, 2020
(Inclusive of Ore Reserves)

Category	Tonnes	WO_3	WO_3
	Kt	*%*	*MTU x1000*
Measured	3,056	0.21	638
Indicated	8,799	0.25	2,206
Measured + Indicated	**11,855**	**0.24**	**2,844**

Notes

. Resources shown are inclusive of reserves
. Minimum thickness = 2.2m
. Mining recovery = 84%

Measured Resources

. Cut-off = 0.12% WO_3 (Equivalent to 10 kg/m^2)
. Evaluation based on:
- Face mapping of wolframite exposed areas
- Areas converted to grade using Pinta's formula
- Blocks laid out on mine planning grid system

Indicated Resources

. Cut-off = 0.13% WO_3 (Equivalent to 10.8 kg/m^2)
. Evaluation based on:
- Drillhole quartz intersections
- Conversion to grade using D9 formula
- Blocks based on at least 2 drillhole intersections
. Additional factor applied:
- Confidence factor = 60%

Table 1-2. Panasqueira Mine – Inferred Mineral Resources
As of 31st December, 2020

Category	Source	Tonnes	WO_3	WO_3	Cu	Sn
		Kt	*%*	*MTU x1000*	*%*	*%*
Inferred	In-Situ	5,467	0.22	1,227		
	Tailings *	5,164	0.26	703	0.25	0.023
	Total	**10,631**	**0.24**	**2,550**		

Notes

. Resources shown are exclusive of reserves
. In-Situ Cut-off = 0.13% WO_3 (Equivalent to 10.8 kg/m^2)
. Mine Evaluation based on:
- Drillhole quartz intersections
- Conversion to grade using D9 formula
- Blocks can be based on single drillhole intersections
. Additional factors applied:
- Minimum thickness = 2.2m
- Mining recovery = 84%
- Confidence factor = 40%
*** Tailings resources have no cut-off applied**

The Ore Reserves below have been determined under the JORC Code (2012). These reserves are part of the reported Mineral Resources. The reserves are based on face samples, and have been blocked out as part of the mine's on-going stope planning process. The areas blocked out as 'Pillar resources' have been sampled on at least three sides, and have been classified in the current report as Proved Reserves. The areas blocked out as 'Virgin resources' have been extrapolated from one or two sets of face samples, and have been classified in the current report as Probable Reserves. These reserves are summarised in Table 1-3.

Table 1-3. Panasqueira Mine – Ore Reserves
As of 31st December, 2020

	Tonnes Kt	WO_3 %
Proved Reserves	**1,006**	**0.23**
Probable Reserves	**2,050**	**0.20**
Total Reserves	**3,056**	**0.21**

Notes

. Evaluation based on:

- Face mapping of wolframite exposed areas

- Areas converted to grade using Pinta's formula

- Blocks laid out with stope planning process

. Additional factors applied:

- Minimum thickness = 2.2m

	Virgin	11m x 11m	11m x 3m
- Mining recoveries:	**Areas**	**Pillars**	**Pillars**
	84%	**67.3%**	**45%**

. Proved reserves are within (11 or 3m) pillars which have been sampled on at least 3 sides

. Probable reserves are within virgin areas which have been sampled on 1-2 sides

1.8 Conclusions

In the opinion of the Competent Person, the following conclusions have been reached:

a) The empirical formulae developed at the mine, for evaluation purposes, have been used for decades and are supported by a very large amount of reconciliation data. The Competent Person considers that these formulae, along with the other parameters and guidelines applied, do provide reliable methods of resource and reserve estimation.
b) The current resource and reserve estimations shown in this report have been reviewed by the Competent Person. In the opinion of the Competent Person, this review supports the estimation results presented.
c) The same resource/reserve cut-off grades have been in use since 2011. Since that time, the total reserve quantity has been maintained, although the overall total resource base has generally declined. This means that the mine's on-going stope development has elevated resource categories as planned, although drilling levels have declined, which has led to a reduction in overall resources.
d) The most important areas of the mine which offer the most scope for overall resource expansion are the Panasqueira deep area and Level 4 (below 470mRL).
e) The mine production rate is currently approximately 600 ktpa. Operating cost levels have derived from 2020 data.

2 PROPERTY DESCRIPTION AND LOCATION

2.1 Location

The Panasqueira mine is located in central Portugal, in the Distrito de Castelo Branco, one of eighteen administrative regions in the country. It lies on the southern edge of the Serra da Estrela, the highest Portuguese mountain range approximately 300km NE of the capital city of Lisbon, 200km SE of the port city of Porto and 40km WSW of Covilhã (Figure 2-1 and Figure 2-2).

Figure 2-1. Central Portugal – Panasqueira Location

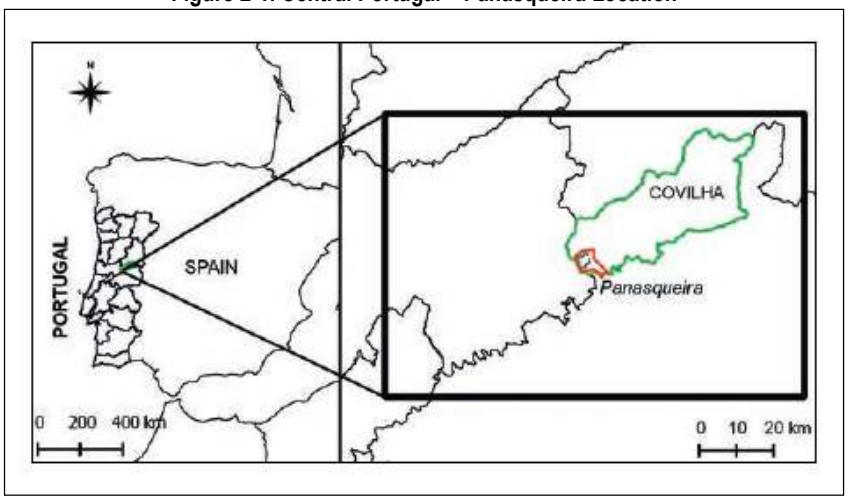


Figure 2-2. Panasqueira Mine – Satellite Image



2.2 Mining Concession

The Panasqueira mining concession named "Contract of Exploitation No. C-18", is owned and operated by BTW. It covers an irregular area trending NW-SE and is approximately 7.5km in length and 1.5km wide at the south-eastern end and 5.0km at the north-western end where the mine workings and mill facilities are located. The total area of the Panasqueira concession, Contract of Exploitation No. C-18, is 1,913.6 ha. A number of smaller concessions were combined in 1992 to form the present-day concession, which was officially granted on Dec 16, 1992, for a period of 60 years, and so is valid until Dec 15, 2052, with the possibility of extension for two successive periods, with an aggregate maximum of 30 years.

Portugal uses the Hayford–Gauss system and not Universal Transverse Mercator ("UTM") or another more universally accepted coordinate system. Portugal is in the process of changing to the ETRS89 system. The coordinates of polygonal vertices are referred to an origin which is the central point for the Portuguese cartographic maps. This central point is at the approximate geometric centre of the country and is about 5km south and 31km west of the Panasqueira Mine. The geographic coordinates of the town of Barroca Grande within the Panasqueira concession using the Hayford-Gauss system and the conventional Latitude and Longitude systems are shown in Table 2-1.

Table 2-1. Barroca Grande Coordinates
[Within Panasqueira Mining Concession]

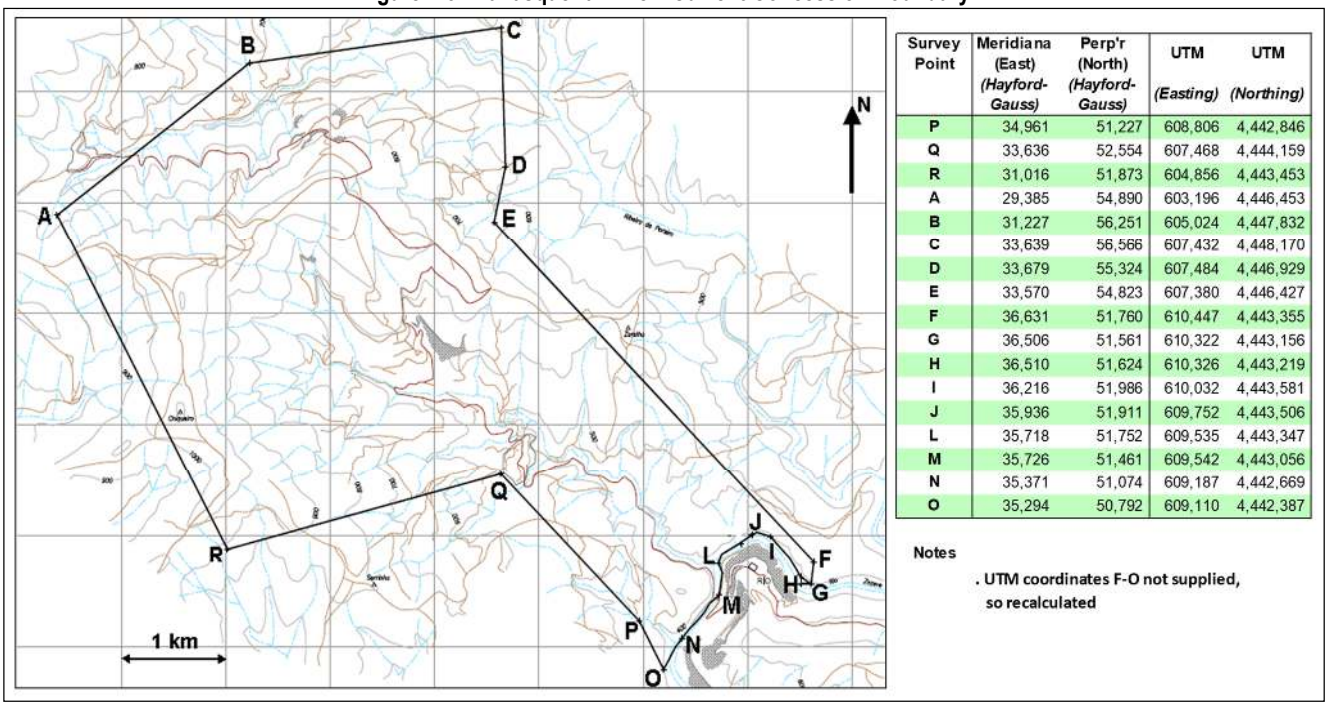
Location (Portugese Term)	Hayford-Gauss	Conventional (approx)
Latitude (Perpendicular)	54,000.00	40° 9' 16" **N**
Longitude (Meridiana)	33,000.00	7° 44' 49" **W**

In addition to the government issued maps, there are also Portuguese Military topographic maps that use the same system of coordinates but with a different point of origin. The coordinates of this point of origin in relation to the Central Point are Meridiana (M)=200km and Perpendicular (P)=300km. Conversion from Military map coordinates to the normal coordinates requires subtracting 200 and 300 respectively from the military coordinate and converting the metres to kilometres. Figure 2-4 shows the concession boundaries as well as the co-ordinates of Panasqueira concession.

2.3 Surface Rights

BTW has surface rights to a total surface area of 875.59 ha, of which 728.97 ha is within the concession. The BTW areas outside of the concession are in Rio, with 68.35 ha and in Argemela, with 78.27 ha, as shown in Figure 2-3.

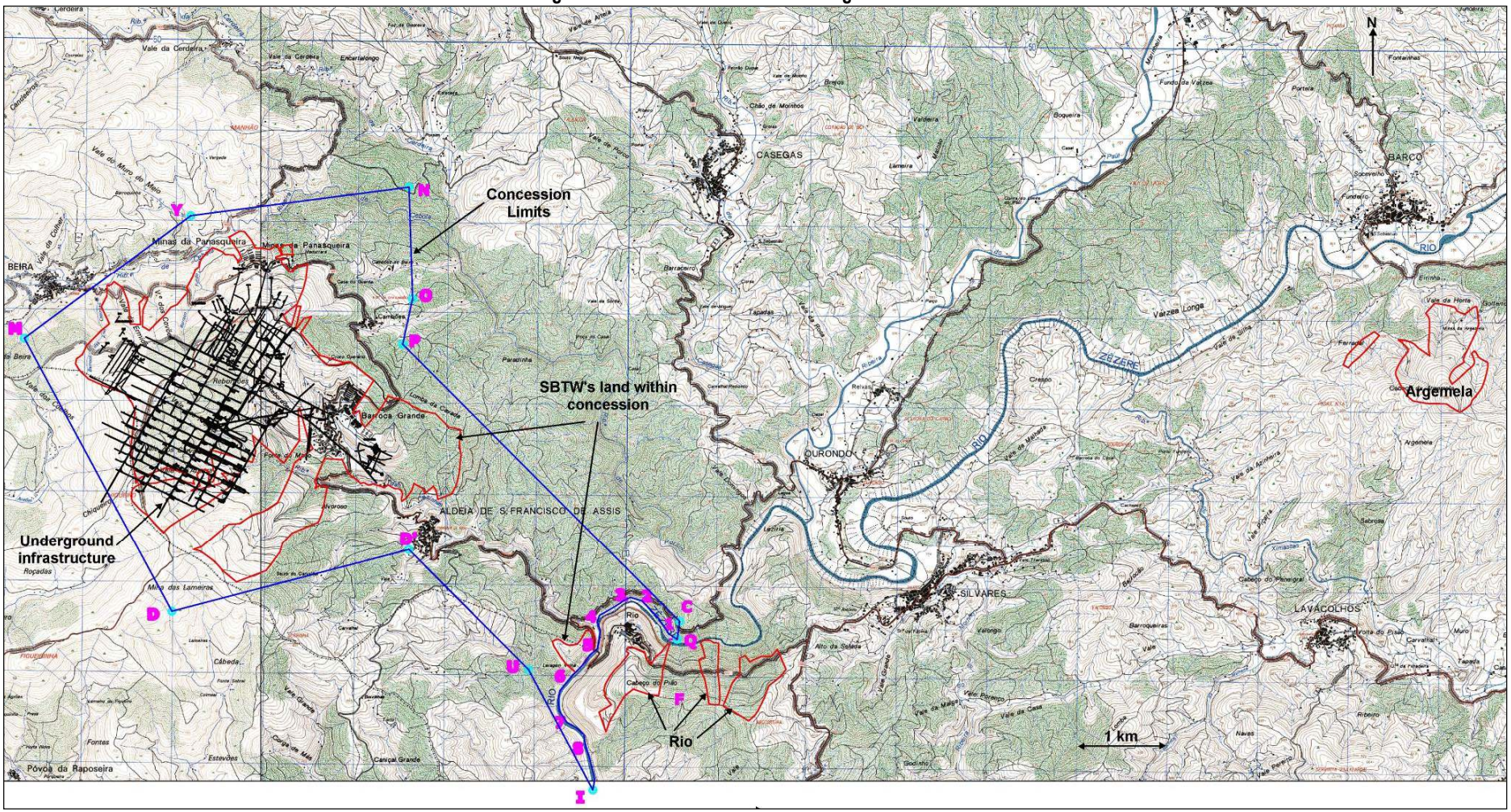
Figure 2-3. Panasqueira Mine – Current Concession Boundary



Survey Point	Meridiana (East) (Hayford-Gauss)	Perp'r (North) (Hayford-Gauss)	UTM (Easting)	UTM (Northing)
P	34,961	51,227	608,806	4,442,846
Q	33,636	52,554	607,468	4,444,159
R	31,016	51,873	604,856	4,443,453
A	29,385	54,890	603,196	4,446,453
B	31,227	56,251	605,024	4,447,832
C	33,639	56,566	607,432	4,448,170
D	33,679	55,324	607,484	4,446,929
E	33,570	54,823	607,380	4,446,427
F	36,631	51,760	610,447	4,443,355
G	36,506	51,561	610,322	4,443,156
H	36,510	51,624	610,326	4,443,219
I	36,216	51,986	610,032	4,443,581
J	35,936	51,911	609,752	4,443,506
L	35,718	51,752	609,535	4,443,347
M	35,726	51,461	609,542	4,443,056
N	35,371	51,074	609,187	4,442,669
O	35,294	50,792	609,110	4,442,387

Notes
. UTM coordinates F-O not supplied, so recalculated

Figure 2-4. Limits of BTW's Surface Rights



2.4 Legal Obligations

The Mining Contract, as prepared by the State Geological Authority, Direção Geral de Energia e Geologia (DGEG), provides:

- That the concession contract entitles the Licencee the sole right to exploit the specified resources within the area set forth in the contract.
- A royalty, in the form of a percentage of the values of the F.O.B/Concession sales. The last review of these rates was made in March, 2012 and pertains for 12 years. For further royalty information please refer to the Solicitor's Report on Tenements in Appendix J of Almonty's Prospectus.

The mine is subject to three principal taxes: property taxes, income tax and VAT sales tax. Property taxes are approximately €15,000 per year on the plant site, office and many houses. BTW pays 21% income tax, and an additional 1.2% municipal tax, on net profits. Outstanding tax payments for 2010-2012 are 3 x €60,000 = €180,000, which is due to be paid in 2016. As the tungsten concentrate product is sold overseas, the VAT paid can be reclaimed.

The Panasqueira mine, already in operation, is fully permitted with all the necessary requirements under Portuguese mining law. The known environmental liabilities are:

- **Barroca Grande Waste Dump.** As described in Section 14, the Barroca Grande dump lies adjacent to and above Bodelhão Creek that flows south-easterly to the Rio Zêzere and comprises primarily HMS tailings (gravel), waste rock and sand tails, all of which are very benign and possibly marketable as aggregate.
- **Fine Tailings Disposal Areas (TMFs).** There are two disposal areas – TMF 1, which is completely finished and TMF 2A, into which fine tailings is currently being discharged. TMF 2A is nearly full, and so a new disposal area, TMF 2B, is under construction, as described in Section 16
- **Underground Waste Discharge Treatment**. Acid mine water drainage is treated in the Salgueira Water Treatment plant, as described in Section 14. This plant was expanded and upgraded in late 2011, so it can now handle 500m^3/hr.

Please refer to the risk factors in Section 6 of Almonty's Prospectus and the Solicitor's Report on Tenements in Appendix J of Almonty's Prospectus for further information, including specific issues in relation to licensing concerns.

3 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES AND INFRASTRUCTURE

The mine is situated on the southern edge of the Serra da Estrela, the highest Portuguese mountain range; Mt. Estrela at 1993m.a.s.l, lies approximately 20km to the northeast. The concession is situated in moderately rugged, pine and eucalyptus covered hills and valleys with elevations ranging from 350m in the southeast to a peak of 1,083m in the north-western corner of the concession.

Easy all-weather road access is provided by a combination of two-lane and four-lane divided highways, for approximately 280km from the capital Lisbon to the town of Fundão. The mine is located approximately 35km from Fundão, along a paved road to Barroca Grande, the community that supports the mine and contains the Panasqueira plant and offices. Government maintained paved roads, or dirt roads maintained by BTW, can access most areas of the concession. All essential services such as food and lodging are available from the numerous nearby towns and villages including all heavy-duty equipment. Alternative access to the mine is via two and four lane highways to Porto, a port city located approximately 200km to the north-west. The railway from Lisbon reaches the town of Fundão.

Local population density is low. Most of the population work in agriculture (pasture, grain, timber, fruit, oil and wine), and at the mine and small service industries. The village of Barroca Grande is notable for its long history of mining, with a significant number of people being employed by BTW and currently engaged in the activities of operation and maintenance of the mine, concentration plant and administrative services. The climate is pleasant, with average temperatures of 24°C in July – August and 4°C in December. Rainfall is most common in November – January, with seasonal averages of 200mm in December to 10mm in August. The mine is serviced by the national electricity grid and has transformers on site to fully utilise the electricity supply. The mine has modern telecommunication, with touch-tone dialling, modem connected data communication and international cellular coverage.

The concession contains abundant water sufficient to continue to support future mining operations. The mine is situated in a natural cirque at the top of a valley which ends at the Rio Zêzere (Zêzere River). Numerous unnamed creeks and underground water sources feed the mine and drain into the small Bodelhão Creek that flows south-easterly to the Rio Zêzere. The Rio Zêzere is the major source of water for the city of Lisbon, so the mine conducts constant water monitoring. Mining can take place year-round but during periods of low prices for tungsten, the mine and plant cease operation during the month of August with the exception of equipment maintenance and water treatment which continue year-round.

4 PROJECT HISTORY

4.1 Ownership

A summary of the ownership changes since the start of production is shown in Table 4-1. The mine is one of the largest operating tungsten mines in the Market Economy Countries (MEC). In December 2020 it employed approximately 247 people. Production quantity is variable but currently is in the range of 65,000 – 75,000 MTU WO3 per year, depending on the ore grade extracted from different areas of the mine. The tungsten concentrate produced has a WO_3 content of 74 – 75%, which is one of the highest grades available on the market.

Table 4-1. Summary of Ownership Changes

Date	Notes
1896	A mining company founded.
1904	Mechanised treatment plant. Underground mining started.
1911	Wolfram Mining and Smelting Company was formed. Upgrading of Rio treatment plant and tramway system.
1914	Accelerated expansion and growth. 800 mine workers.
1914-28	Fluctuating production with tungsten prices.
1931	Poor tungsten price, so focus then on tin.
1934-45	Tungsten price recovered and with it tungsten production.
1945-65	Fluctuating production with tungsten prices.
1967	Charter Consolidated took majority ownsership.
1970s	Mine and mill expansion programme.
1980s	Beralt Tin & Wolfram (Portugal) S.A. formed, with 80% owned by Charter. Further underground expansion in early 1980s.
1990	80% share sold to Minorco
1993	Mined closed
1995-98	Mine reopened by Avocet Ventures Inc, new internal shaft and automated car handling system, production form 3 levels.
2003	Beralt purchased by Primary Metals Inc.
2007	Sojitz Corporation acquired Primary company name changed to Sojitz Beralt Tin & Wlfram (Portugal) S.A.
2015	Almonty becomes indirect owner of Panasqueira Mine.

4.2 Historical Exploration

Exploration of the concession and the area immediately surrounding the concession seems to have been fairly limited. A regional stream sediment geochemical survey carried out between from 1982 to 1984 by BTW outlined several anomalous areas of elevated tungsten and tin geochemistry in the concession and along the borders. BTW also completed a lithogeochemical survey over selected areas of the Panasqueira concession and in the immediate area adjacent to the concession which returned areas of tin and tungsten anomalies.

4.3 Historical Production

With 100 years of operating experience, the technical personnel at Panasqueira have developed internal empirical (D9 and Pintas) formulae to determine the grade of the deposit. These formulae have been validated by external consulting companies several times and have been considered the one reliable method in light of the nugget mineralisation of the wolframite in the vein. They are described in detail in Section 8. Resources are estimated from a formula based on vein thickness: the D9 formula. This formula is used to estimate Inferred and Indicated Resources by in-house geologists. Measured resources – Virgin Area & Pillars – are estimated by measuring the area of wolframite crystals and applying the Pintas Formula.

All resources are reduced to 84% to allow for resources left in pillars that need to be maintained, because of the mining method, for stability. For Inferred and Indicated Resources safety factors of 40% and 60%, respectively, are applied. For Measured resources (reserves), recoverable resources are estimated to be 84% in unworked areas, 70.25% in areas with 11m x 11m pillars and 45.45% in areas with 11m x 3m pillars. There are no measured resources external to ore reserves.

Historical production figures (from 1947 to 2020) are summarised in Table 4-2. Production was reduced in 2020, due to poorer tungsten prices at that time.

Table 4-2. Historical Production

Year	Concentrate Produced			ROM
	WO_3	Sn	Cu	Ore
	t	*t*	*t*	*Kt*
1947	2,041			444
1948	1,850			456
1949	1,690	205		426
1950	1,697	202		558
1951	2,271	69		676
1952	2,281	137		689
1953	2,287	110		791
1954	2,105	69		693
1955	2,054	178		724
1956	2,227	211		799
1957	2,129	305		639
1958	1,314	664		615
1959	1,740	353		690
1960	2,095	59		578
1961	2,135	46		539
1962	1,714	56	103	306
1963	940	89	184	174
1964	1,026	52	202	182
1965	897	11	175	195
1966	1,117	10	250	193
1967	1,261	14	337	261
1968	1,442	19	429	357
1969	1,356	25	472	401
1970	1,600	34	696	538
1971	1,423	26	459	492
1972	1,539	31	601	539
1973	1,860	49	682	519
1974	1,827	70	843	481
1975	1,742	87	1,034	490
1976	1,597	75	1,440	436
1977	1,287	58	1,176	405
1978	1,450	62	1,101	435
1979	1,783	88	1,818	455
1980	2,145	133	2,524	522
1981	1,808	147	2,131	538
1982	1,849	156	1,753	689
1983	1,580	126	1,511	558
1984	2,085	158	1,427	666
1985	2,539	90	932	805
1986	2,667	66	858	675
1987	2,011	60	607	475
1988	2,300	57	582	467
1989	2,296	59	665	593
1990	2,343	51	530	613
1991	1,619	43	455	412
1992	1,864	37	498	491
1993	1,280	28	418	332
1994	100	2	37	7
1995	1,467	14	0	335
1996	1,305	15	550	303
1997	1,729	44	483	431
1998	1,381	24	279	344
1999	750	7	77	179
2000	1,269	12	132	332
2001	1,194	23	118	378
2002	1,179	21	81	346
2003	1,213	20	99	355
2004	1,277	50	138	432
2005	1,405	44	187	574
2006	1,342	28	235	642
2007	1,456	48	258	762
2008	1,684	32	186	782
2009	1,410	36	164	720
2010	1,364	25	198	792
2011	1,399	45	238	905
2012	1,303	47	228	830
2013	1,174	103	352	789
2014	1,131	98	732	775
2015	799	53	361	518
2016	926	69	384	643
2017	1,132	105	361	730
2018	1,203	142	411	765
2019	867	138	494	685
2020	925	129	783	639
Total	**116,546**	**6,024**	**34,459**	**39,004**

5 GEOLOGY AND MINERALISATION

5.1 Local Geology

Panasqueira is a vein type deposit located in the Center Iberian Zone of Portugal, where several tungsten mines have been worked during the 20th century. These are generally accompanied by granite outcrops intruding schist and slates. There are different kinds of tungsten-host structures, but the more frequent are sub-vertical quartz veins close the contacts with granites, or even inside them. At the current time, the Panasqueira mine is the only active tungsten mine in Portugal.

The local geology is dominated by a folded metasedimentary sequence known as the upper Precambrian-Cambrian aged Beira-Schist Formation. This is composed of a several thousand metres thick sequence of lower marine flyschoid schists, greywackes, lenticular, thinly bedded mudstones, shales and arenites. The Panasqueira deposit consists of a series of stacked, sub-horizontal, hydrothermal quartz veins intruding into the Beira schists containing principally, wolframite, arsenopyrite, chalcopyrite and cassiterite. Wolframite mineralisation occurs as very large nugget-like crystals of large crystal aggregates, usually concentrated towards the margins of the quartz veins or, occasionally, closer to the central portion of the veins.

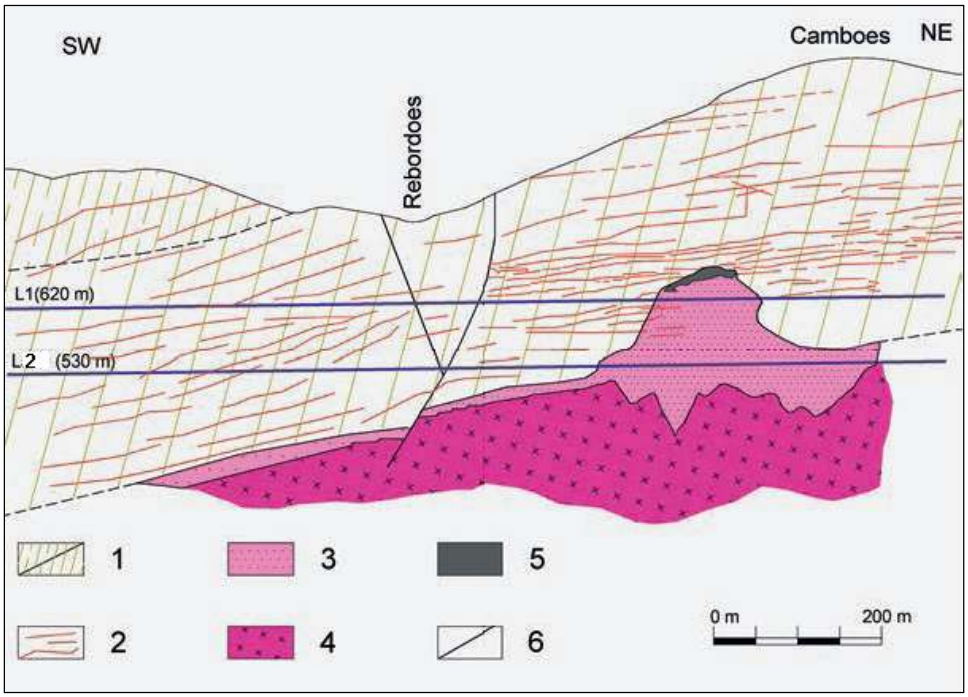
5.2 Mine Geology

The Panasqueira tungsten deposit comprises a series of thin, flat-lying quartz-wolframite veins developed in the joints of a phyllite within the contact zone of a concealed granite intrusion, as shown in Figure 5-1. The largest concentration of veins occurs immediately over a granite-greisen high (cupola) on the No 2 Level of Panasqueira Deep. The horizontal extent of the veins, which pitch to the southeast, appears to decrease with depth Figure 5-2). Individual veins average about 0.30m in thickness and can persist over hundreds of metres. Frequently, when one vein thins out, another forms close to it, with a small over-lap (Figure 5-3). There is considerable dilution during mining because the veins are so thin, which is why the mine goes to great lengths to not exceed the 2.2 m stope height.

The mineralized zone has dimensions of approximately 2,500m in length; 400m to 2,200m in width and at least 500 m in depth. Intrusives are an important component to the mineralizing events at Panasqueira, a granitic intrusion noted in the mine workings is thought to be the principal source of the mineralizing fluids responsible for the economic wolframite vein system. The most dominant and important structural feature at the Panasqueira mine is a flat open joint system prevalent throughout the mine workings. The remobilized ore bearing fluids migrated from the intrusive into these flat joints, to form the stacked quartz vein system.

Figure 5-1. Schematic Section of Granite at Panasqueira

Non-outcropping Greisenised Two-Mica Granite of Panasqueira: (1). Schists Spotted Schists; (2) Quartz Veins; (3) Greisen; (4) Two-mica granite; (5) Silica Cap; and (6) Main Fault



The ore minerals comprise wolframite, cassiterite and chalcopyrite, which are associated with arsenopyrite and pyrite. The mineralisation is generally coarse-grained and very erratically distributed in the quartz veins. This has necessitated the adoption of a resource estimation procedure specific to the deposit. Only in the Panasqueira Deep area, close to the greisen, is a more disseminated “fly-dirt” style of mineralisation developed.

The mineralisation and joint development in the phyllite is clearly associated with the granite intrusion, which was either the source of the hydrothermal veins or a heat provider to drive mineralisation. The veins are assumed to have developed as a consequence of successive pulses of mineralisation resulting in the vertical dilation of pre-existing joint sets. The veins are known to penetrate the greisen on Level 1 in the north of the mine, where they have a steeper dip, but they have only been worked in the phyllite. Few drill holes penetrated the greisen, but its potential for hosting mineralisation is considered to be low. Quartz veining in the northern part of the mine is noticeably thicker than elsewhere, while wolframite development is very weak or absent. It has been assumed that these thicker, barren veins represent a late-phase pulse of quartz mineralisation, that is untypical of the rest of the mine, with the result that the customary D9 grade estimation formula is invalid in this case.

Figure 5-2. Horizontal Projection of Veins

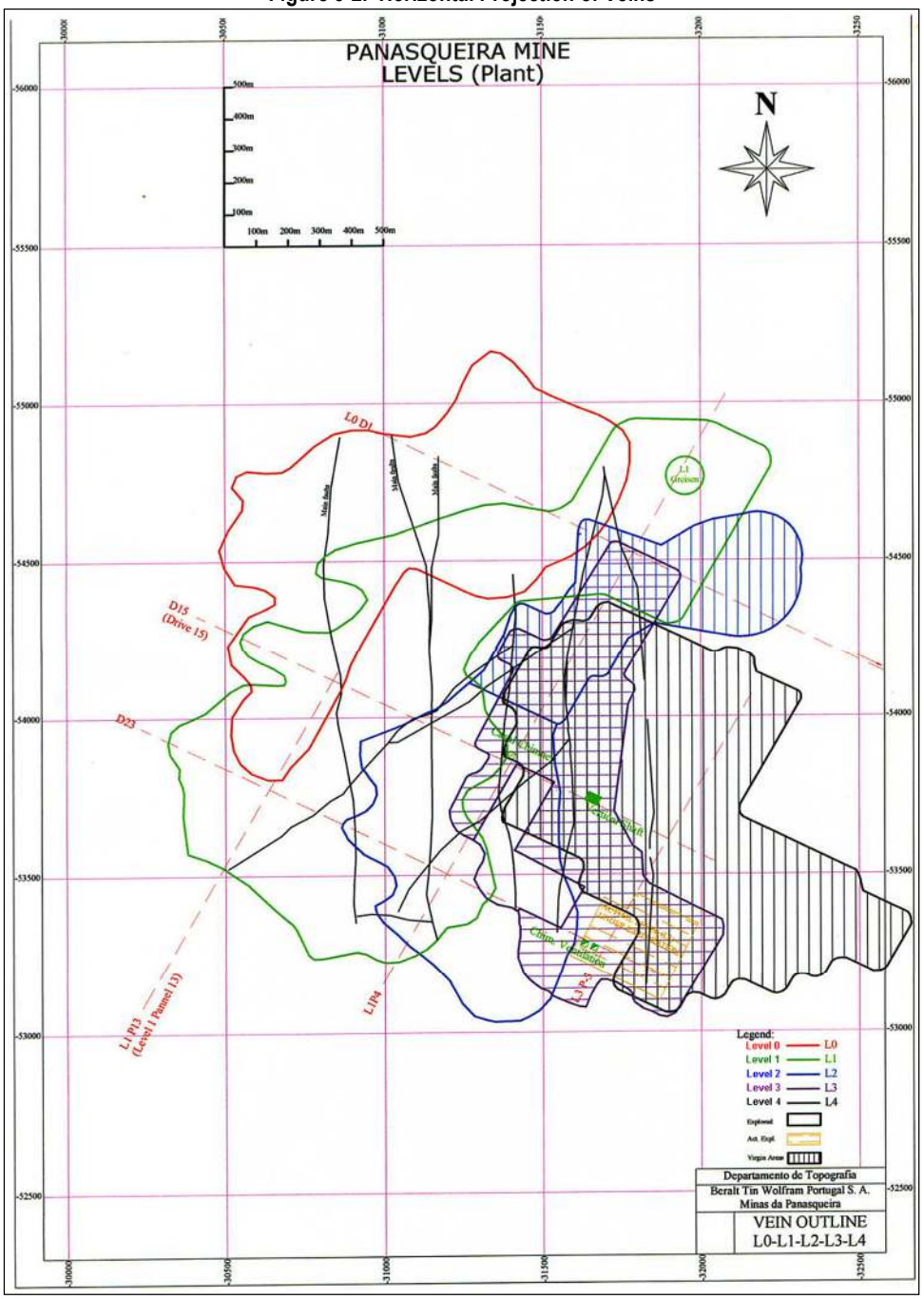
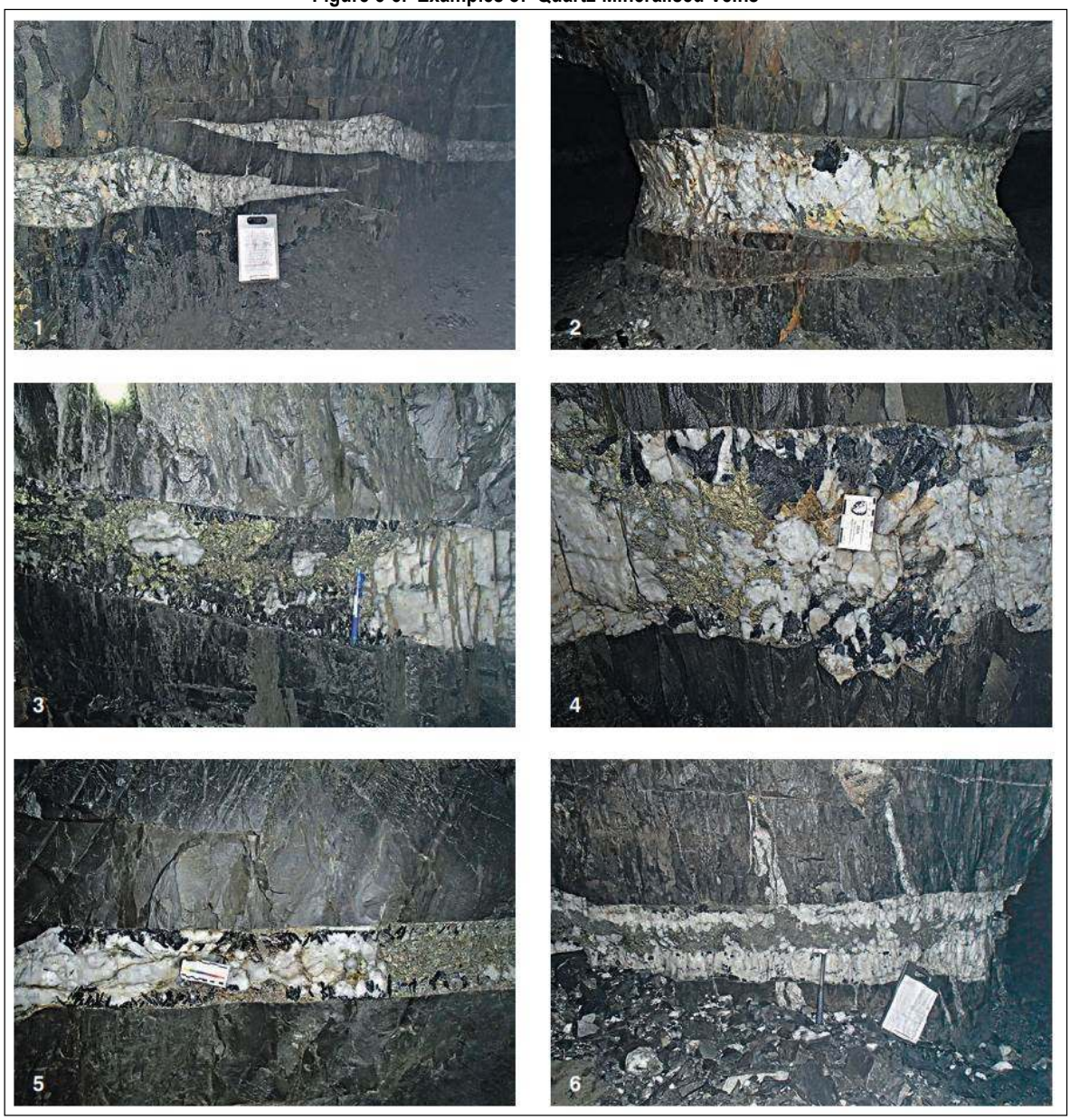


Figure 5-3. Examples of Quartz-Mineralised Veins



1. Typical head-tail morphology of quartz veins.
2. 3m x 3m pillar with wolframite nugget.
3. Highly mineralised vein, with wolframite on contacts, and sulphide rich central zone.
4. Thick vein with coarse wolframite, siderite and sulphides.
5. Crystals of wolframite, perpendicular to the walls.
6. Sulphide rich vein in the central zone.

5.3 Mineralisation

The Panasqueira Mine is renowned throughout the world for the extraordinary size and quality of the minerals wolframite, apatite, arsenopyrite, cassiterite and quartz crystals that occur in cavities in the quartz veins. The paragenesis of Panasqueira mineralised veins is complex; nevertheless four stages of mineral formation are generally accepted as the classic development by most of the authors who have studied this deposit, as summarised in the table below.

Table 5-1. Panasqueira Paragenesis

Stage	Event	Minerals
1	Oxide-slicate	Quartz, wolframite, cassiterite
2	Main sulphide	Pyrite, arsenopyrite, pyrrhotite, sphalerite, chalcopyrite
3	Pyrrhotite alteration	Marcassite, siderite, galena, Pb-Bi-Ag sulphosalts
4	Late carbonate	Dolomite, calcite

Panasqueira is considered one of the largest economic vein type deposits in the world, since it has been in production for over 100 years. The mine has produced over 110,000t of WO_3 from nearly 32Mt of rock over the period 1947-2014.

6 EXPLORATION

Even though the mine has been in operation for more than 100 years, very little primary exploration has been done outside the active or past mine workings. The hills surrounding the mine contain many old pits and shafts left from old small tungsten vein hand mining operations. A regional stream sediment geochemical survey carried out between 1982-1984, some exploration drillholes and a lithogeochemical survey over selected areas in and adjacent to the Panasqueira returned areas of tin and tungsten anomalies.

Exploration drilling for additional resources and reserves, in advance of production, continues as the normal course of mine activities. To date, more than 80 diamond drillholes have been completed from surface, but these holes commonly flatten considerably as they deepen and are therefore limited for assistance with vein location. Underground drilling has completed 3,650, mostly 46mm sized core, drill holes. A combination of a historic fire and core dumping has left the operation with a relatively small collection of core available for review. The company, through its past experience, considers quartz veins exceeding 18cm in width to be significant and so future underground development is generally based on those intercepts.

7 DRILLING

A relatively small collection of historical core is available for review. Since 2006, core has been stored in a modern warehouse next to the main offices. A summary of diamond drilling since 2006 is shown in Table 7-1. BTW owns its own diamond drill equipment. Currently the drillhole database contains data from 4,099 diamond drillholes, over a total drilled length of approximately 165 km. Vein locations have been determined by vertical diamond drill holes from both surface and underground. Long diamond drill holes drilled from surface tended to deviate, making vein intercept locations difficult to determine. Instead, mine geologists have relied more on underground drilling for vein location, which has provided much shorter vertical holes. The 1.8m diameter raises bored between levels for use as ore passes were also mapped for the vein elevation and thickness. Underground holes required access that was not always available for the plunging sections of the orebody, so along with the large lateral extent, the orebody has not been well defined by drilling.

Predictions of grade and vein variability are not possible using simple geological mapping techniques as a consequence of the unpredictable distribution of the wolframite and the resultant “nugget” effect. Drillholes are inadequate for the accurate determination of the grade of the vein and were not assayed; however, vein thickness and elevation are recorded on all maps and vein intercepts have provided some assistance in production decisions. In some cases, as a consequence of pinching and swelling of the veins individual holes did not provide accurate information on location of veins; however, in most cases, within the boundaries of the mineralisation, a thick vein intercept often becomes part of a future stope. Underground drilling below level 2 and 3 has allowed progressive increases in the amount of resources evaluated for level 3 and level 4.

Table 7-1. Drilling Summary, 2006-2020

YEAR	UNDERGROUND		SURFACE	
	Machine	*(m)*	Machine	*(m)*
2006		2,147		1,383
2007		75		-
2008		1,644		-
2010	Short (Hilti)	30		-
2011	Short (Hilti)	1,100		-
	Long (Contracted company)	302		-
2012	Short (Hilti)	775	LongYear DB1200 +	
	Long (Diamec 252)	193	DIAMEC 282+	3,093
	Long (Contracted company)	2,310	Sandvik	
2013	Short (Hilti)	911		-
	Long (Diamec 252)	1,022		-
2014	Short (Hilti)	496	Christensen CS14	1,921
	Long (Diamec 252)	1,241		
2015	Short (Hilti)	635		-
	Long (Diamec 252)	1,540		-
2016	Short (Hilti)	531		-
	Long (Diamec 252)	924		-
2017	Short (Hilti)	530		-
	Long (Diamec 252)	811		-
2018	Short (Hilti)	427		
	Long (Diamec 252)	504	SpiDrill 160-D	850
	Long (Contracted company-DIAMEC PHC6)	882		
2019	Short (Hilti)	139		-
	Long (Diamec 252)	1,288		-
	Long (Contracted company-DIAMEC 262)	1,095		-
2020	Short (Hilti)	52		-
	Long (Diamec 252)	492		-
Total		**22,093**		**7,247**

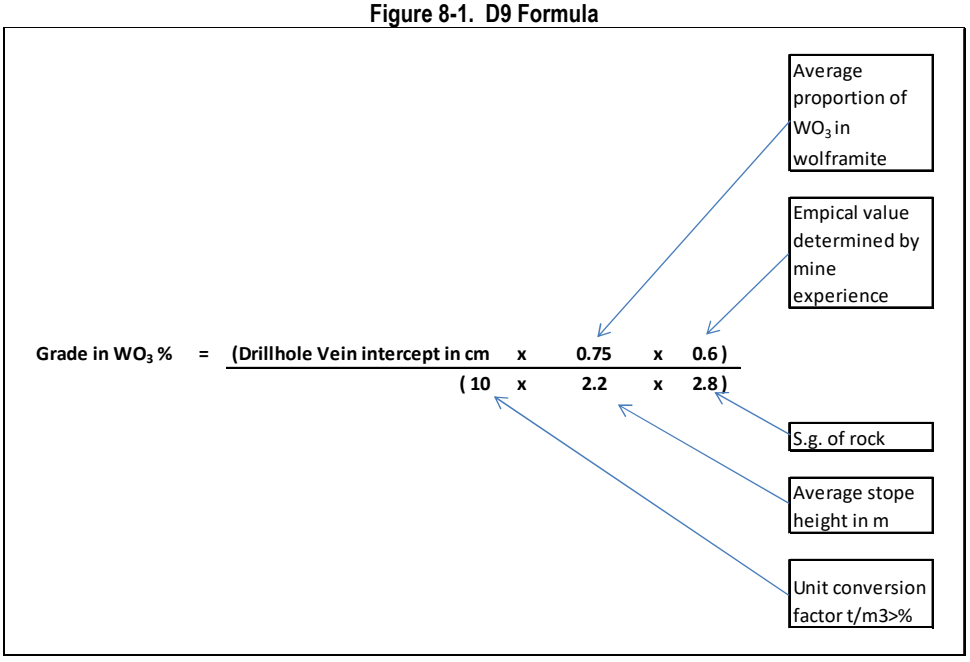
8 SAMPLE PREPARATION, ANALYSES AND SECURITY

Due to the extremely erratic "nugget effect", the mine does not utilize conventional sampling techniques such as channel sampling or drill core assaying to provide material to estimate grades. Instead, empirically derived factors are used, within formulae that have proved reliable and accurate for many decades of mining. In the author's opinion, the sample preparation, security and analytical procedures are adequate for the resource and reserve estimations presented in this report.

8.1 Diamond Drilling

Underground holes produce 47.6mm (NQ) core. Diamond drillhole core is left intact, and is logged by a geologist to record mineralogy, lithology and quartz intersections. Quartz vein intersections are logged for the occurrence of up to 24 minerals. An internally developed empirical (D9) formula is also used to convert the measured quartz thickness into a $\%WO_3$ grade figure. This formula is depicted in Figure 8-1.

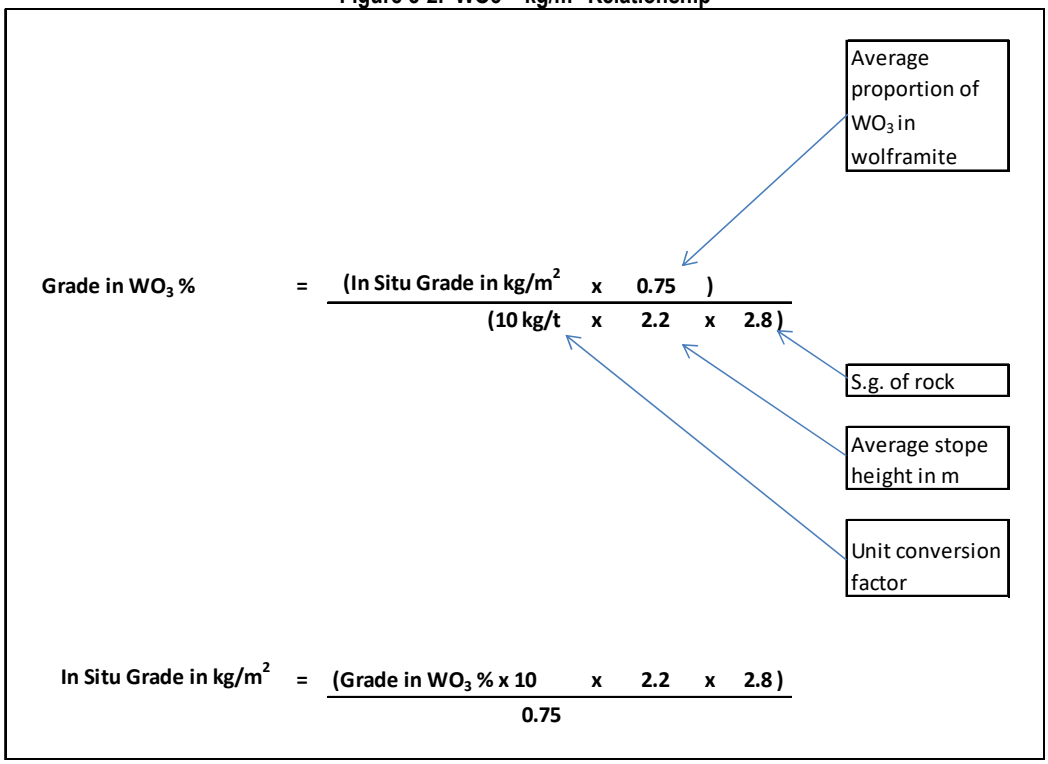
Figure 8-1. D9 Formula



This D9 formula is basically a relationship between the frequency and thickness of quartz vein intersections and the expected grade of wolframite present. Given that the mine has been in production for so many decades, the geology department have developed a solid understanding between mined grades and quartz vein occurrence, as reflected in the D9 formula. The geology department is in the process of analysing recent production data, which may result in a modification to this D9 formula for subsequent updates.

There is also a relationship between the grade of wolframite in the vein (expressed in kg/m^2) and the overall mineable grade in WO%, over an effective stope width of 2.2 m, as shown in Figure 8-2.

Figure 8-2. WO3 – kg/m^2 Relationship



This resource estimation involves blocking out plan areas around drillhole quartz intersections, greater than 18cm thickness. Using these formulae, this 18 cm limit is equivalent to a resource cut-off of 10.8kg/m^2 or 0.13% WO_3. As the resource estimate uses the quartz intersection data, rather than laboratory assays, drillhole samples are not prepared, as is normally the case for metal assays.

8.2 Face Sampling

Face sampling involves measuring the area of wolframite crystals within exposed veins on the faces or walls in stoping or development areas. The areas of wolframite are accumulated for a specific length of exposed vein and recorded along with the length sampled and the average vein thickness, as shown in Figure 8-3.

For each vein length measured in this way, the total area of wolframite crystals is used with the empirical Pintas formula, to estimate the recoverable wolframite per horizontal square metre of vein, as shown in Figure 8-4. For each face sample, therefore, a calculated kg/m^2 value can be estimated. These values can then also be converted into %WO_3 values, effective over the stope thickness, using the formula shown in Figure 8-2.

Figure 8-3. Face Measurements of Wolframite Crystals' Area



This measuring system has been used successfully for decades and provides a reliable method for calculating grade. The frequency of taking these samples is mainly limited by the number of samples that can be taken per shift by the (currently) two-man sampler team. There are many production faces over an extensive mine layout, so there is a limit as to how many faces may be reached per day.

Underground channel samples are not taken for assaying, although the results obtained from the use of face sample measurements and the Pintas formula are analogous to the type of results typically obtained from channel samples.

Figure 8-4. Pintas Formula

$$\text{In-Situ Wolframite Grade in kg/m}^2 = \frac{\text{Total area of Wolframite Crystals in mm}^2}{(100 \times \text{Total Length Sampled} \times \text{MEF})}$$

MEF= Mineral Evaluation Factor =1.0, Empirical factor determined by reconciliation

Length sampled in m

Unit conversion factor

8.3 Quality Control

With respect to diamond drillhole or underground sample measurements, there are no quality controls measures currently in place, associated with diamond drilling and underground sampling. Quality control measures are employed in the laboratory, for mill sample measurements, involving blanks, certified samples and external samples.

8.4 On-Site Laboratory

The mine has its own on-site sample preparation facility, and its own on-site laboratory, for assaying of samples taken at various points in the mill circuit, as well as final concentrate measurement. For tungsten assaying, the laboratory uses a Panalytical Axios XRF Spectrometer, which utilises Dispersion by wavelength (WDXRF). Regular maintenance and calibration of the equipment is done by PANALYTICAL technicians, checking instrument accuracy in respect to repeatability and reproducibility. Calibration patterns have been established that approximates the composition and physical characteristics of Panasqueira samples.

Samples involved in daily plant monitoring are:

- Medium separation (HMS) feeding
- Feeding of coarse tables
- Feeding of slimes
- Feeding of Final Concentration
- Copper Feeding
- Fines Feeding
- Copper Concentrates
- Wolframite concentrate (Low and High Grade)
- Siderite
- Medium separation tailings
- Coarse table tailings
- Slimes tailings
- Final concentration tailings
- Copper Tailings
- Concentrate from medium separation
- Duplex concentration
- Cassiterite concentrate
- Punctual Mine Samples

9 DATA VERIFICATION

The Competent Person has completed an independent review of the supplied resources, reserves and economic analysis. The work completed for this review included:

- An underground visit to active stoping areas, and seeing face sampling in process.
- Inspection of core storage and logging facility at the mine site.
- Visits to the mill, sample preparation and on-site laboratory.
- An overall check on the compiled resource and reserve figures for the whole mine.
- Check calculations of the economic cashflow results from mine monthly reports.
- Import and combination of all available drillhole data into Datamine. During the combination and desurveying process, 21 sequencing or overlap errors were found, out of 52,551 records, which represent just 0.04% of the database. Section, plans and 3D views of this drillhole data were checked against mine topographic data, and did not show any major discrepancies with corresponding mine plans.
- Check calculations for all resources and reserves associated with Level 3. The resources associated with Level 3 represent 32% of the overall measured and indicated resources. The reserves associated with Level 3 represent 40% of the overall reserves.

The Level 3 check estimations included:

- For the indicated resources on Level 3, a check calculation was made with the drillhole data and vein extrapolation perimeters in Datamine. 203 different vein perimeters were involved in this calculation. The resource tonnage estimated in this check process was within 1% of the reported resource figures.
- For the measured resources, as well as the reserves, associated with Level 3, all 15 Autocad plans describing all blocks' resource and reserve delineation and evaluation were examined and checked against the compiled Excel tables. This covered 45 virgin blocks and 92 pillar blocks. Checks were made of evaluated areas and tonnages, block grade weightings and mining recovery calculations.

In the opinion of the Competent Person, the verification results obtained support the resource, reserve and economic results that have been presented in the current study. However, it is recommended that various quality control steps are introduced into certain aspects of the sampling and evaluation procedures, to improve on-going estimation practices.

10 MINERAL RESOURCE ESTIMATES

10.1 Panasqueira Mine

An overview of the resource estimation methodology is given below:

1. **Diamond Drillhole Intersections.** Quartz intersections in drillholes, greater than 18cm thickness are grouped as individual vein structures according to the approximate vertical position between main levels. Plans are prepared of these intersections for each common vein structure.
2. **D9 Formula > kg/m^2 grades**. The D9 formula is applied to convert the quartz intersection thicknesses into equivalent wolframite grades, in terms of kg of wolframite per unit plan area (kg/m^2), for the parent vein structure intersected.
3. **Resource Perimeters.** For each common vein structure, polygons are created around drillhole intersections, taking into account mined-out areas, blocked-out reserves areas and general mine guidelines for extrapolation distances. In this blocking out process, an effective cut-off grade of 10kg/m^2 (0.12%WO_3) is applied, as with the D9 formula this is equivalent to 18cm. Intersections with lower grade can be used to assist continuity, but not included as ultimate resources.
4. **Indicated/Inferred Resource Classification.** The perimeters are categorised as pertaining to **indicated** resources if they contain more than one drillhole intersection over 18cm, and for **inferred** resources if they only contain one drillhole intersection of over 18cm.

5. **Resource Factors.** A common mining recovery is applied to all of the resource perimeters, of 84% which takes accounts of the non-recoverable 3m x 3m pillar system that applied throughout the mines. Additional confidence factors are applied, of 60% to indicated resources, and 40% to inferred resources. These factors stem from historical mineralisation and production data.
6. **Face Sampling.** Following development into unmined vein areas, and with level to level ramps and then lateral development onto intersected vein structures, face samples are taken with area mapping of exposed wolframite crystals, as outlined in Section 8.2.
7. **Pintas Formula > kg/m².** As described in Section 8.2, the Pintas formula is utilised to convert the mapped crystals areas into a grade, in terms of the kg of wolframite per unit of plan area (m2).
8. **Plotting of Sample Data.** The face sample data are then added to Autocad plans which are generated and maintained for each identified vein structure within each level.
9. **Blocking Out > Virgin/Pillars.** Based on all the mining and sample data shown on the level/vein Autocad plans, reserves are outlined in the form of polygons. For initial vein areas opened up by drive or panel development, blocks are allocated as 'Virgin' areas. When development has advanced to develop at least 11m x 11m, blocks are allocated as 'Pillar' areas. The blocks are outlined so as to achieve average grades higher than 10kg/m^2. For the classification of ore reserves in this report, 'Pillar' areas have been allocated Proved Reserves and 'Virgin' areas have been allocated as Probable Reserves.
10. **Block Evaluation > Measured Resources.** Areas, average grades (in kg/m2) and vein thicknesses are collared for each defined block, based on those face samples in or adjacent to each block. This collation is done in separate Excel spreadsheet tables, along with other information related to mining activity over the last 6 months: stoped quantities, eliminated quantities and internal transfer from Virgin to Pillar blocks. These data are used with the previous results, to also determine a Not-In-Reserve (NIR) adjustment. The final estimated result is a mineable area (after mining recovery applied), the average grade in kg/m2 and average vein thickness for each block.
11. **Resource Summary.** The data for all the blocks within each level are combined. The average grades in kg/m^2 are converted to %WO_3, and the stope tonnages are estimated assuming an average stope height of 2.2m.**.** The grade and area data is also collated by vein structure, and mine region for each level.
12. **Resources Overall.** All of these resources are then collated by level and mine region, to produce an overall summary of indicated and inferred resources. The plan areas of vein structures are converted to a tonnage using an average height of 2.2m and a density of 2.8 t/m^3.

The current drillhole database contains data from 4,099 diamond drillholes, over a total drilled length of approximately 165 km. A plan of all drillholes is shown in Figure 10-1. The majority of the data for resource estimation come from underground drillhole data, which are generally either level to level vertical holes, 120m holes drilled down from the deepest available levels, or much shorter 13m holes drilled vertically up and down from current stope workings.

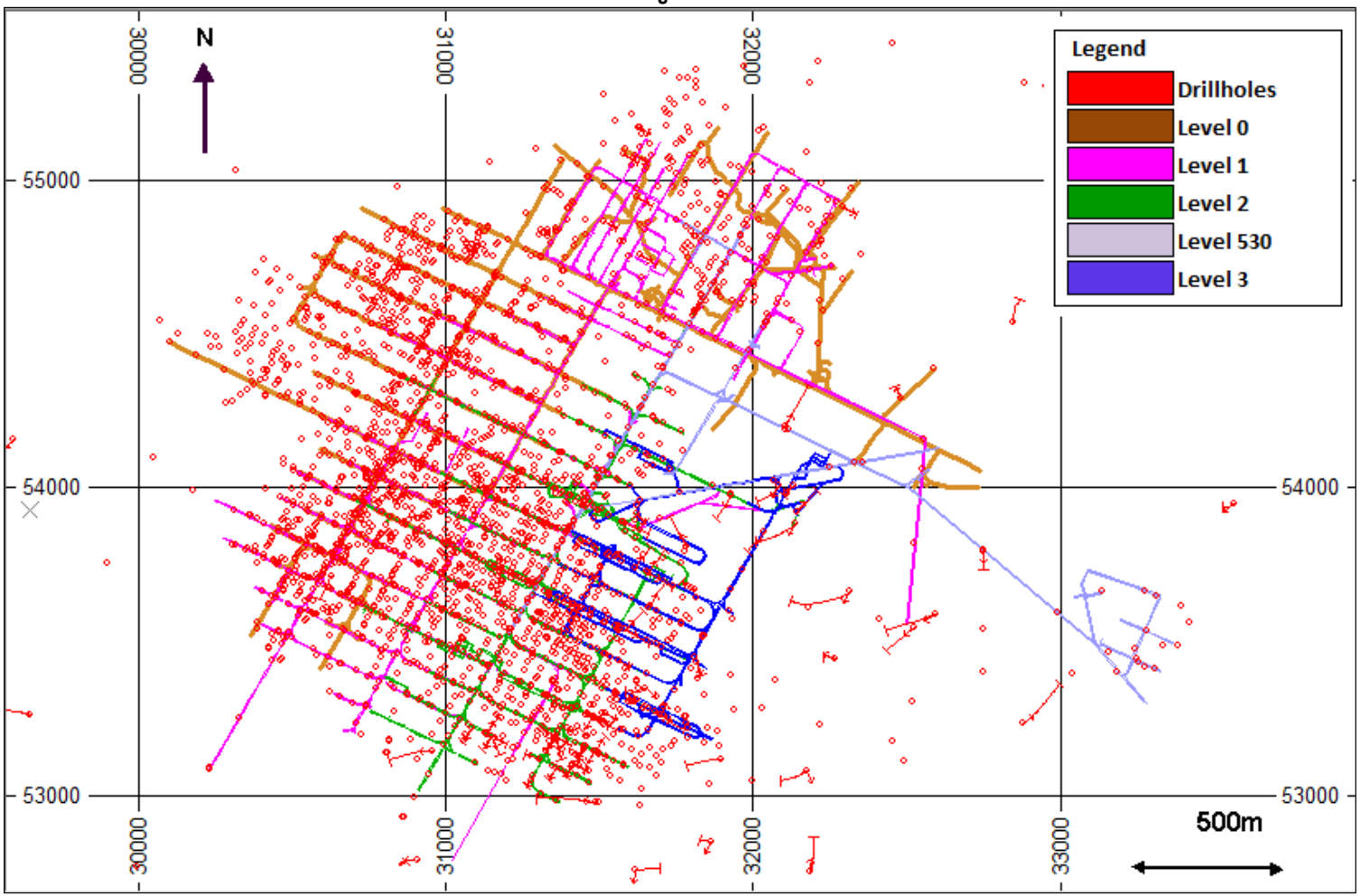
A breakdown of the drillhole data by level, for quartz intersection greater than 18cm, is summarised below in Table 10-1.

Table 10-1. Drillhole Quartz Intersections By Level

LEVEL	Number of Qtz Intersections >18cm	Total Number of Drillholes
0	622	1,109
1	1,556	1,968
2	1,576	1,301
3	747	686
4	78	153

These demonstrate the much more focussed mining activity, and therefore diamond drilling, on levels 1 and 2 in the preceding decades. It also demonstrates that the proportions of quartz vein intersections generally mirror the amount of drilling, rather than some fundamental change in the intensity of quartz vein occurrence with depth.

Figure 10-1. Plan of Drillhole Data



At the Panasqueira mine, the evaluation of measured resources is synonymous with reserve estimation. An example of a level/vein Autocad plan is shown in Figure 10-1. The example shown is for level 3, adjacent to drive D25, and for the top-most AW31 vein. This plan displays several important aspects of the measured resource estimation process:

- Plotting of face sample data.
- Definition of Pillar blocks in pillars sized 11m or smaller, and which have face samples on at least three sides of the pillars.
- Definition of Virgin blocks, in areas which have only been intersected by development, so laterally the block extends outwards from face sampled areas. Such blocks may only have one side with face samples and/ or one set of internal samples.
- Sometimes originally identified veins may split, so that two potentially mineable veins are apparent, as shown by the cross-hatched H- shaped block in Figure 10-1.

A summary of the extrapolation distances used from drillhole quartz intersections is shown in Table 10-2, which are applied to both indicated and inferred resource blocks.

The key assumptions associated with the resource estimates are:

- A cut-off grade of 0.12%WO_3 (equivalent to 10 kg/m^2) for Measured resources and 0.13% WO_3 (equivalent to 10.8 kg/m^2) to Indicated resources. These cut-off levels are supported by breakeven calculations based on parameters related to average cost levels for January – December 2020. These parameters include:
  - Underground mining cost = $15.94/t
  - G & A cost = $4.09/t
  - Processing cost = $6.11/t
  - Mill recovery = 80.0%
  - Long term metal price = $350/MTU WO_3 APT
- A minimum mining height of 2.2m.
- Applied losses consistent with the mine room-and-pillar mining method, leaving non recoverable 3m x 3m pillars.

These assumptions support the reasonable prospect of these resources' economic extraction, although results may vary and no production or financial forecasts are made in relation to inferred and indicated mineral resources as they haven't been defined as ore reserves. Investors are referred to the risk factors in Section 6of Almonty's Prospectus. The level reference system at the mine is summarised in Table 10-3. The blocks are generally laid out in parallel with the mine's drive and panel system, and modified to reflect local mined out areas. This drive and panel system relative to surface infrastructure is shown in Figure 10-2. This whole system is oriented at approximately 25° to true north. The drives run approximately NW to SE and are sequentially numbered from north to south. The panels run approximately SW to NE, and are numbered sequentially from east to west. East of Panel 0 the panel numbering continues P-1, P-2 etc. The drives and panels are 86° and 94° to each other. An example of resource blocks laid out for one vein structure on level 3 is shown in Figure 10-3. A summary of the resource classification criteria, and associated parameters, are shown in Table 10-4.

Table 10-2. Resource Extrapolation Distances

Intersection Thickness *cm*	Extrapolation Distance *m*
<30 cm	34.5
>30 cm	50.5

Table 10-3. Level Reference

Level	Elevation mRL
0	680
1	620
2	560
3	470
4	380

An overall summary of the measured and indicated resources is shown in Table 10-5 , with inferred resources and more detailed breakdowns in Table 10-6, Table 10-7 and Table 10-8. The levels are broken down by vein structure, which are approximate 10m vertical intervals in between each main level. These intervals are assigned colour codes, are shown from the top down for each of the level intervals in Table 10-7 and Table 10-8. The

evaluation of measured resources is described in Section 11. All of these measured resources are converted into reserves, so there are no measured resources external to reserves. All of these resource figures were originally estimated according to mine survey end-October, 2019; but have now been updated according to production figures up to the end of December 2020.

Table 10-4. Resource Classification Criteria and Parameters

Resource Category	Criteria	Confidence Factor	Estimation	Mining Recovery Factor
Measured	Vein accessed by development, and then evaluated by face samples	not applicable	. Pintas formula used to convert measured wolframite crystal areas into kg/m^2 grades: Grade in kg/m^2 = Wolframite Crystals in mm^2 / (100 x Total Length Sampled x MEF) MEF, Mineral Evaluation Factor = 1.0 . Cut-Off = 10kg/m2 wolframite (0.12% WO3)	84 % - virgin areas 67.3% - 11m x 11m pillars 45% - 3m x 11m pillars
Indicated	>= 2 +18cm quartz drillhole intersections	60%	. D9 formula used to convert quartz thicknesses into kg/m^2 grades. 18cm is equivalent to a cut-off of 10.8 kg/m2 wolframite (0.13% WO3)	84%
Inferred	At 1 least +18cm quartz drillhole intersection	40%		

Notes

. Tonnage Calculations all use:

- Average s.g. = 2.8

- Average mining height = 2.2m

Figure 10-2. Mine Development Plan

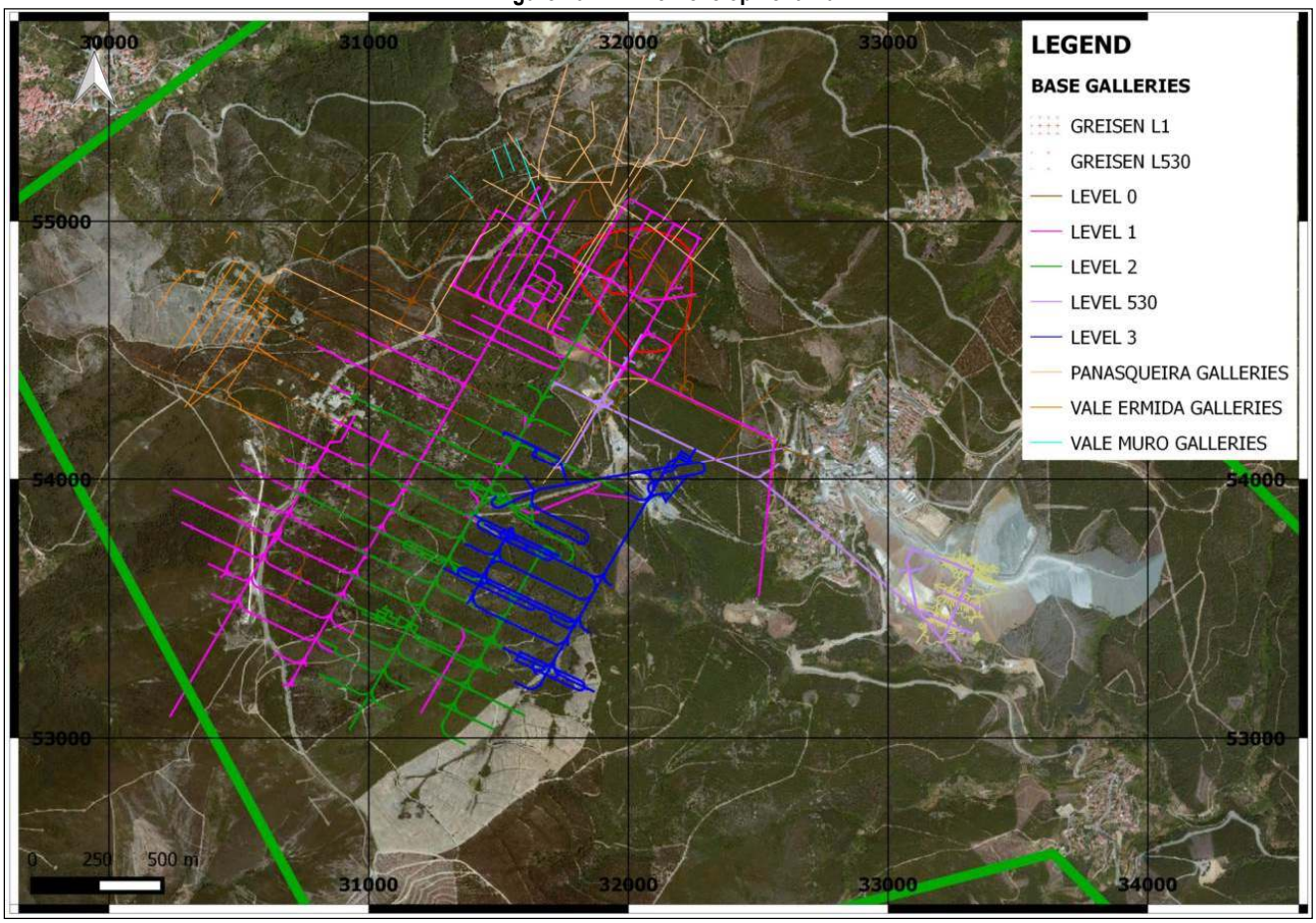


Figure 10-3. Example of Resource Blocks – Level 3 Vein Structure AW31

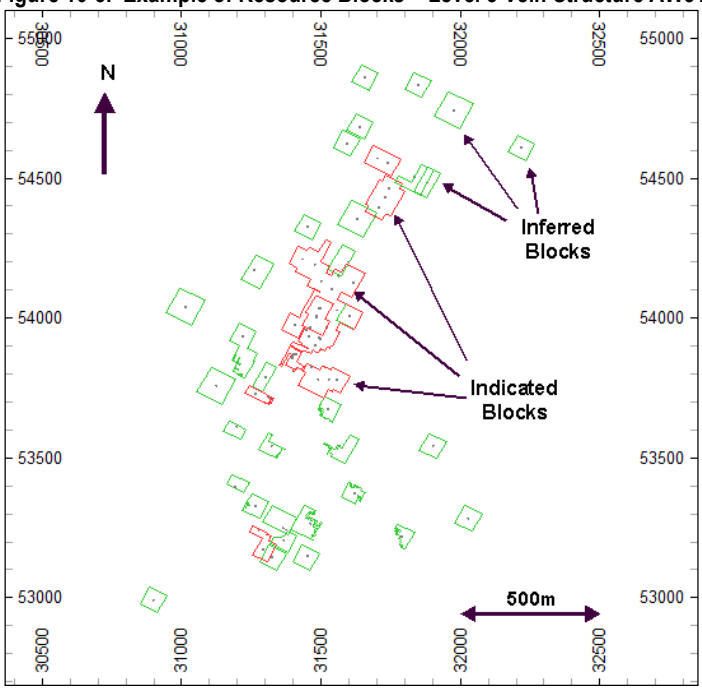


Table 10-5. Measured And Indicated Resources
As of 31st December, 2020

LEVEL	*Measured*			*Indicated*			*Measured + Indicated*		
	Tonnes	WO_3	WO3	Tonnes	WO_3	WO_3	Tonnes	WO_3	WO_3
	Kt	*%*	*MTU x1000*	*Kt*	*%*	*MTU x1000*	*Kt*	*%*	*MTU x1000*
L0	82	0.17	14	1,176	0.24	280	1,258	0.23	294
L1	1,352	0.20	270	1,031	0.19	201	2,383	0.20	471
L2	772	0.22	171	3,101	0.25	764	3,873	0.24	935
L3	850	0.22	183	3,216	0.28	900	4,066	0.27	1,083
L4	-	-	-	325	0.21	69	325	0.21	69
Sub-total	3,056	0.21	638	8,849	0.25	2,214	11,905	0.24	2,852
Mined Update				50	0.16	8	50	0.16	8
Total	**3,056**	**0.21**	**638**	**8,799**	**0.25**	**2,206**	**11,855**	**0.24**	**2,844**

Notes

. Resources shown are inclusive of reserves
. Minimum thickness = 2.2m
. Mining recovery = 84%

Measured Resources

. Cut-off = 0.12% WO_3 (Equivalent to 10 kg/m^2)
. Evaluation based on:
- Face mapping of wolframite exposed areas
- Areas converted to grade using Pinta's formula
- Blocks laid out on mine planning grid system

Indicated Resources

. Cut-off = 0.13% WO_3 (Equivalent to 10.8 kg/m^2)
. Evaluation based on:
- Drillhole quartz intersections
- Conversion to grade using D9 formula
- Blocks based on at least 2 drillhole intersections
. Additional factor applied:
- Confidence factor = 60%

Table 10-6. Indicated and Inferred Resource Summary
As of 31st December, 2020

	LEVEL	PANASQUEIRA DEEP : NORTH OF D1				NORTH: D15 - D1				SOUTH: D15+				Sub-Total		TOTALS - After Mined Update	
		Tonnes	WO3	Wol'te	Av'age Thick	Tonnes	WO3	Wol'te	Av'age Thick	Tonnes	WO3	Wol'te	Av'age Thick	Tonnes	WO3	Tonnes	WO3
		Kt	%	kg/m²	cm	Kt	%	kg/m²	cm	Kt	%	kg/m²	cm	Kt	%	Kt	%
Indicated Resources	L0	-	-	-	-	736	0.23	19	31	440	0.26	21	36	1,176	0.24		
	L1	-	-	-	-	241	0.20	16	27	790	0.19	16	27	1,031	0.19		
	L2	703	0.33	26.8	46	1,340	0.24	20	33	1,057	0.20	16	27	3,101	0.25		
	L3	-	-	-	-	2,508	0.30	24	40	708	0.22	18	31	3,216	0.28		
	L4	-	-	-	-	139	0.23	19	31	186	0.20	16	27	325	0.21		
	Total	**703**	**0.33**	**26.8**	**46**	**4,964**	**0.26**	**22**	**36**	**3,182**	**0.21**	**17**	**29**	**8,849**	**0.25**	**8,799**	**0.25**
Inferred Resources	L0	-	-	-	-	498	0.19	16	26	368	0.20	16	26	866	0.19		
	L1	10	0.25	20.4	34	256	0.19	15	26	701	0.22	18	28	968	0.21		
	L2	195	0.23	18.9	31	589	0.23	19	32	724	0.20	16	26	1,508	0.21		
	L3	-	-	-	-	1,100	0.26	21	36	441	0.20	16	28	1,541	0.24		
	L4	-	-	-	-	408	0.29	24	40	196	0.22	18	30	604	0.27		
	Total	**206**	**0.23**	**19.0**	**31**	**2,851**	**0.24**	**20**	**33**	**2,430**	**0.21**	**17**	**27**	**5,487**	**0.22**	**5,467**	**0.22**

Notes

. All the resources evaluated are exclusive of reserves

. No measured resources are reported, as there are no measured resources external to reserves

. D9 formula used to convert quartz thicknesses into WO_3 and kg/m^2:

$$\text{Grade in } WO_3\ \% = \frac{(\text{Drillhole Vein intercept in cm} \times 0.75 \times 0.6)}{(10 \times 2.2 \times 2.8)}$$

$$\text{Wolframite kg/m2} = \frac{(\text{Grade in } WO_3\ \% \times 10 \times 2.2 \times 2.8)}{0.75}$$

. 18cm cut-off applied, which is equivalent to :

= $10 kg/m^2$ wolframite

= 0.13% WO_3

. Tonnage Calculations all use:

- Average s.g. = 2.8
- Average mining height = 2.2m

. Mining recovery = 84%

. Confidence factors:

Indicated 60%

Inferred 40%

Table 10-7. Indicated Resources Breakdown
As of 31st December, 2020

LEVEL	VEIN STRUCTURE	PANASQUEIRA DEEP : NORTH OF D1				NORTH: D15 - D1				SOUTH: D15+				TOTALS	
		Tonnes	WO3	Wol'te	Av'age Thick	Tonnes	WO3	Wol'te	Av'age Thick	Tonnes	WO3	Wol'te	Av'age Thick	Tonnes	WO3
		Kt	%	kg/m²	cm	Kt	%	kg/m²	cm	Kt	%	kg/m²	cm	Kt	%
L0	VERDE	-	-	-	-	49	0.22	18	30	81	0.40	33	54	130	0.33
	LARANJA	-	-	-	-	190	0.20	16	27	-	-	-	-	190	0.20
	VIOLETA	-	-	-	-	276	0.22	18	31	45	0.22	18	30	320	0.22
	MAGENTA	-	-	-	-	144	0.23	19	32	127	0.22	18	31	270	0.23
	PRETO	-	-	-	-	75	0.28	23	39	62	0.27	22	37	137	0.28
	CASTANHO	-	-	-	-	2	0.20	16	27	125	0.22	18	30	128	0.22
	TOTAL	**-**	**-**	**-**	**-**	**736**	**0.23**	**19**	**31**	**440**	**0.26**	**21**	**36**	**1,176**	**0.24**
L1	VERDE	-	-	-	-	22	0.16	13	22	130	0.16	13	22	152	0.16
	LARANJA	-	-	-	-	43	0.17	14	23	216	0.20	16	27	259	0.19
	VIOLETA	-	-	-	-	24	0.19	16	26	146	0.17	14	24	171	0.17
	MAGENTA	-	-	-	-	7	0.15	12	21	116	0.24	19	32	123	0.23
	PRETO	-	-	-	-	-	-	-	-	129	0.20	17	28	129	0.20
	CASTANHO	-	-	-	-	145	0.22	18	30	52	0.23	19	31	197	0.22
	TOTAL	**-**	**-**	**-**	**-**	**241**	**0.20**	**16**	**27**	**790**	**0.19**	**16**	**27**	**1,031**	**0.19**
L2	VERDE	588	0.22	18	30	300	0.25	20	34	247	0.19	16	26	606	0.22
	LARANJA	277	0.29	24	40	63	0.24	19	33	75	0.18	15	24	416	0.26
	VIOLETA	43	0.33	27	45	219	0.22	18	30	322	0.19	16	26	585	0.21
	MAGENTA	175	0.33	27	45	242	0.23	19	32	203	0.19	16	26	620	0.25
	PRETO	149	0.43	36	59	220	0.26	22	36	96	0.25	20	34	464	0.31
	CASTANHO	-	-	-	-	297	0.25	21	35	114	0.21	17	28	411	0.24
	TOTAL	**703**	**0.33**	**27**	**45**	**1,340**	**0.24**	**20**	**33**	**1,057**	**0.20**	**16**	**27**	**3,101**	**0.25**
L3	VERDE	-	-	-	-	304	0.24	19	32	185	0.21	17	29	489	0.23
	LARANJA	-	-	-	-	362	0.23	19	32	95	0.19	16	26	458	0.22
	VIOLETA	-	-	-	-	139	0.27	22	37	144	0.21	17	29	283	0.24
	MAGENTA	-	-	-	-	117	0.22	18	30	63	0.25	20	34	180	0.23
	PRETO	-	-	-	-	225	0.36	30	49	53	0.23	19	32	278	0.34
	CASTANHO	-	-	-	-	301	0.36	30	49	66	0.33	27	45	367	0.36
	AZUL ESCURO	-	-	-	-	358	0.30	25	41	24	0.19	15	26	382	0.30
	AMARELO	-	-	-	-	289	0.29	24	40	33	0.20	16	27	323	0.28
	AZUL CLARO	-	-	-	-	413	0.34	28	46	44	0.21	17	29	457	0.33
	TOTAL	**-**	**-**	**-**	**-**	**2,508**	**0.30**	**24**	**40**	**708**	**0.22**	**18**	**31**	**3,216**	**0.28**
L4	VERDE	-	-	-	-	86	0.24	20	32	80	0.18	15	25	166	0.21
	LARANJA	-	-	-	-	53	0.22	18	30	37	0.21	17	28	90	0.21
	VIOLETA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MAGENTA	-	-	-	-	-	-	-	-	37	0.20	16	27	37	0.20
	PRETO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CAST.ESC.	-	-	-	-	-	-	-	-	31	0.23	19	31	31	0.23
	AZUL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AMARELO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AZUL CLARO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CINZA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	VERMELHO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	VERDE CLARO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BEJE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**-**	**-**	**-**	**-**	**139**	**0.23**	**19**	**31**	**186**	**0.20**	**16**	**27**	**325**	**0.21**
Sub-Total		**703**	**0.33**	**27**	**45**	**4,964**	**0.26**	**22**	**35**	**3,182**	**0.21**	**17**	**27**	**8,849**	**0.25**
Mined until Dec 2020														50	0.16
TOTAL - After Mined Update														**8,799**	**0.25**

Notes

. D9 formula used to convert quartz thicknesses into kg/m^2 grades
. 18cm cut-off applied, which is equivalent to :
= 10.8 kg/m^2 wolframite
= 0.13% WO_3
. All the resources evaluated are exclusive of reserves
. Tonnage Calculations all use:
- Average s.g. = 2.8
- Average mining height = 2.2m
. Mining recovery = 84%
. Indicated confidence factor = 60%

Table 10-8. Inferred Resources Breakdown
As of 31st December, 2020

LEVEL	VEIN STRUCTURE	PANASQUEIRA DEEP : NORTH OF D1				NORTH: D15 - D1				SOUTH: D15+				TOTALS	
		Tonnes Kt	WO3 %	Wol'te kg/m²	Av'age Thick cm	Tonnes Kt	WO3 %	Wol'te kg/m²	Av'age Thick cm	Tonnes Kt	WO3 %	Wol'te kg/m²	Av'age Thick cm	Tonnes Kt	WO3 %
L0	VERDE	-	-	-	-	122	0.20	17	28	95	0.18	15	25	217	0.20
	LARANJA	-	-	-	-	164	0.19	16	26	20	0.18	15	24	183	0.19
	VIOLETA	-	-	-	-	21	0.16	13	22	29	0.15	13	21	50	0.16
	MAGENTA	-	-	-	-	95	0.16	13	22	39	0.17	14	23	135	0.16
	PRETO	-	-	-	-	38	0.19	15	26	90	0.19	16	26	128	0.19
	CASTANHO	-	-	-	-	58	0.21	18	29	96	0.24	20	33	153	0.23
	TOTAL	**-**	**-**	**-**	**-**	**498**	**0.19**	**16**	**26**	**368**	**0.20**	**16**	**27**	**866**	**0.19**
L1	VERDE	-	-	-	-	24	0.15	13	21	166	0.21	18	29	190	0.21
	LARANJA	-	-	-	-	60	0.22	18	31	96	0.20	16	27	156	0.21
	VIOLETA	-	-	-	-	54	0.16	13	21	85	0.25	20	34	139	0.21
	MAGENTA	-	-	-	-	45	0.17	14	23	82	0.21	17	29	127	0.20
	PRETO	-	-	-	-	50	0.22	18	30	70	0.22	18	30	120	0.22
	CASTANHO	10	0.25	20	34	23	0.16	13	22	202	0.23	19	32	236	0.23
	TOTAL	**10**	**0.25**	**20**	**34**	**256**	**0.19**	**15**	**26**	**701**	**0.22**	**18**	**30**	**968**	**0.21**
L2	VERDE	56	0.35	28	47	100	0.23	19	32	94	0.17	14	23	251	0.23
	LARANJA	20	0.16	13	22	70	0.17	14	26	185	0.18	15	25	275	0.17
	VIOLETA	31	0.15	12	20	95	0.30	25	44	98	0.19	15	26	224	0.23
	MAGENTA	6	0.19	16	26	168	0.23	19	32	162	0.21	17	28	335	0.22
	PRETO	43	0.20	17	28	128	0.17	14	24	108	0.19	16	26	278	0.18
	CASTANHO	40	0.20	16	27	28	0.33	27	45	77	0.28	23	38	145	0.26
	TOTAL	**195**	**0.23**	**19**	**31**	**589**	**0.23**	**19**	**32**	**724**	**0.20**	**16**	**27**	**1,508**	**0.21**
L3	VERDE	-	-	-	-	150	0.21	17	28	41	0.16	14	23	191	0.20
	LARANJA	-	-	-	-	206	0.29	23	39	39	0.17	14	24	245	0.27
	VIOLETA	-	-	-	-	193	0.23	19	32	74	0.17	14	23	267	0.22
	MAGENTA	-	-	-	-	137	0.26	21	35	60	0.18	15	25	198	0.24
	PRETO	-	-	-	-	46	0.33	27	45	89	0.21	17	28	136	0.25
	CASTANHO	-	-	-	-	101	0.29	24	40	-	-	-	-	101	0.29
	AZUL ESCURO	-	-	-	-	90	0.21	17	29	56	0.21	18	29	146	0.21
	AMARELO	-	-	-	-	114	0.35	29	48	51	0.31	26	43	165	0.34
	AZUL CLARO	-	-	-	-	62	0.19	16	26	30	0.15	12	20	92	0.18
	TOTAL	**-**	**-**	**-**	**-**	**1,100**	**0.26**	**21**	**36**	**441**	**0.20**	**16**	**27**	**1,541**	**0.24**
L4	VERDE	-	-	-	-	31	0.27	22	36	26	0.17	14	23	57	0.22
	LARANJA	-	-	-	-	40	0.21	17	29	27	0.14	12	20	67	0.18
	VIOLETA	-	-	-	-	66	0.16	13	22	35	0.23	19	32	101	0.19
	MAGENTA	-	-	-	-	51	0.21	17	29	-	-	-	-	51	0.21
	PRETO	-	-	-	-	10	0.20	16	27	-	-	-	-	10	0.20
	CAST.ESC.	-	-	-	-	38	0.28	23	39	30	0.15	12	21	67	0.23
	AZUL	-	-	-	-	20	0.19	15	26	10	0.15	13	21	30	0.18
	AMARELO	-	-	-	-	31	0.29	24	40	9	0.26	21	35	40	0.28
	AZUL CLARO	-	-	-	-	48	0.27	22	37	42	0.37	30	51	90	0.32
	CINZA	-	-	-	-	10	0.19	16	26	-	-	-	-	10	0.19
	VERMELHO	-	-	-	-	21	1.55	127	212	6	0.13	11	18	28	1.22
	VERDE CLARO	-	-	-	-	10	0.21	17	29	-	-	-	-	10	0.21
	BEJE	-	-	-	-	34	0.21	17	28	10	0.15	13	21	43	0.19
	TOTAL	**-**	**-**	**-**	**-**	**408**	**0.29**	**24**	**40**	**196**	**0.22**	**18**	**30**	**604**	**0.27**
Sub-Total		**206**	**0.23**	**19**	**32**	**2,851**	**0.24**	**20**	**33**	**2,430**	**0.21**	**17**	**28**	**5,487**	**0.22**
Mined until Dec 2020														20	0.09
TOTAL - After Mined Update														**5,467**	**0.22**

Notes

- **D9 formula used to convert quartz thicknesses into kg/m^2 grades**
- **18cm cut-off applied, which is equivalent to :**
  - **= 10.8 kg/m^2 wolframite**
  - **= 0.13% WO_3**
- **All the resources evaluated are exclusive of reserves**
- **Tonnage Calculations all use:**
  - **Average s.g. = 2.8**
  - **Average mining height = 2.2m**
- **Mining recovery = 84%**
- **Inferred confidence factor = 40%**

Check evaluations have been completed by the Competent Person. Resource block plans have been examined for all levels, and generally the layout and distribution of resource polygons, relative to drillhole intersections, appears logical and follows the general guidelines described previously. For all the indicated and inferred resource polygons outlined for level 3, check evaluations were made, with very close results to those of the geology department.

For the measured resources, associated with Level 3, Autocad plans describing all blocks' resource delineation and evaluation were examined and checked against the compiled Excel tables. Checks were made of evaluated areas and tonnages, block grade weightings and mining recovery calculations.

The geology department carries out a monthly reconciliation of production, which helps to keep track of mined material, and its correspondence with resource levels. In general, the overall resource level is preserved, as additional resources are encountered with diamond drilling in new zones. Other important aspects of this reconciliation process include:

- Not-In-Reserve (NIR) is mined mineralised material added between resource/reserve updates, that simply had not been evaluated before with either normal resources/reserves. A feature of Panasqueira is that additional mineralised material is encountered near to existing resources, which is only exposed during mining operations.
- Some material is lost as 'Damaged Areas' (DA) where subsidence has forced the premature closure of certain stoping areas.

10.2 BL1 Tailings Area

The BTW management are considering the re-processing of previously dumped tailings material. The BL1 tailings area is located south of the waste dump area, as shown in Figure 10-4, and contains tailings produced up to the year of 1985. 24 test diamond drillholes were completed in the BL1 area in 1991, and 5 more were completed in 2008. A plan of these holes is shown in Figure 10-5, along with section lines that were used in the definition of the solid/tailings boundaries. A summary of the BL1 drillholes is shown in Table 10-9. The majority of older 1991 samples were 1.5m in length, while the majority of the more recent samples were 3m in length.

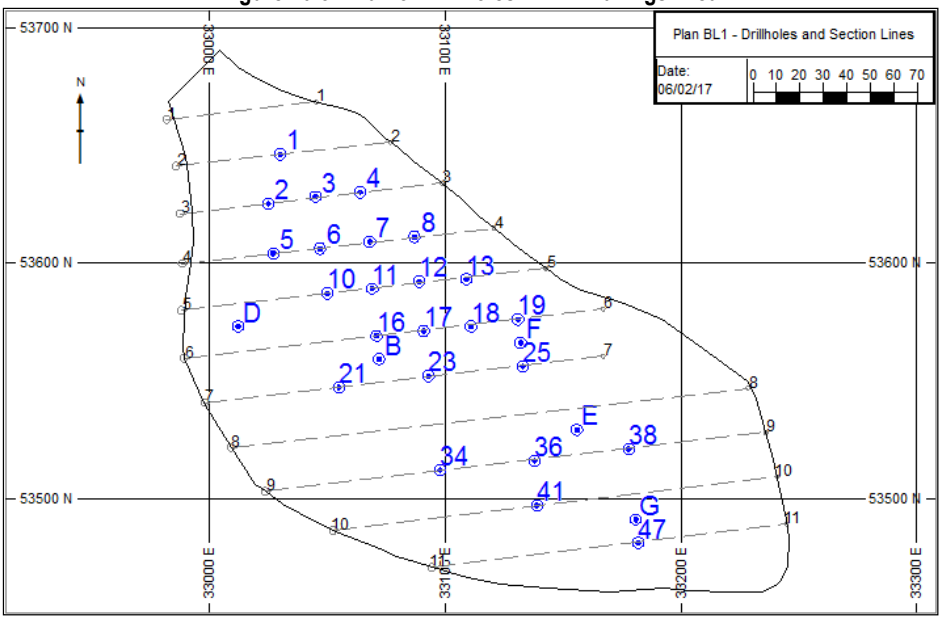
Figure 10-4. Plan of Tailings Areas



Table 10-9. BL1 Drillhole Summary

				Samples			
YEAR	HOLES	LENGTH	Average Length / Hole	WO_3	Cu	Sn	Zn
		m	*m*				
1991	24	525.3	21.9	323	343	330	346
2008	5	104.2	20.8	34			
Total	29	629.5	21.7	357	343	330	346

Figure 10-5. Plan of Drillholes in BL1 Tailings Area



For each section line, profiles of the deposited tailings were built up on each section line, based on previous profiles defined by the mine survey department, as well as the imported drillhole data. These profiles, spaced approximately 20m apart, were then used to build up a 3D wireframe model. 3D plots of these profiles and resultant wireframe models are shown in Figure 10-6 and Figure 10-7.

Histograms and log-probability plots of the sample data are shown in Figure 10-8. Is can be seen from this the most of the grades belong to approximate log-probability populations. From the log-probability plots and decile analyses, a top-cut level of 0.5 WO_3% was applied onto outlier grades, prior to the creation of 3m composites. Summary statistics of the resultant composites are shown in Table 10-10.

A volumetric block model was set up for the BL1 tailings area, based on a parent block size of 20m x 20m x 3m. The composite grades were then interpolated into the block model, using an inverse-distance weighting (^2) estimation method. The parameters used are summarised in Table 10-11.

Table 10-10. Statistical Summary of 3m Composites – BL1

FIELD	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	COVARTN
WO3	222	0.10	0.45	0.29	0.002	0.045	0.16
CU	183	0.07	0.58	0.33	0.009	0.096	0.29
SN	183	0.01	0.05	0.03	0.00005	0.007	0.25
ZN	183	0.14	1.27	0.64	0.059	0.243	0.38

Figure 10-6. 3D View of BL1 Tailings Profiles – Viewed from SW

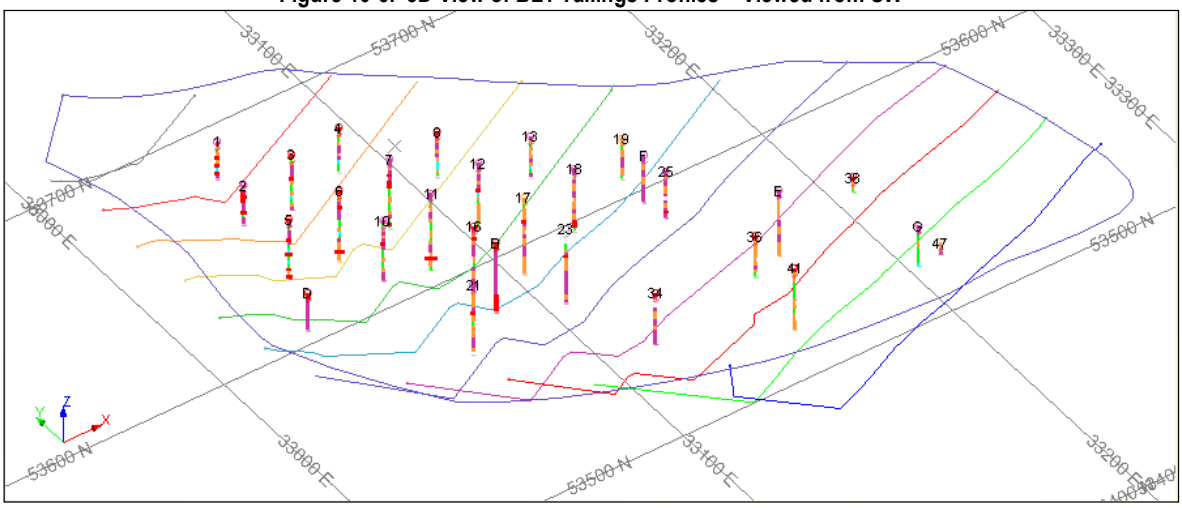


Figure 10-7. 3D View of BL1 Tailings Wireframe Model – Viewed from SW

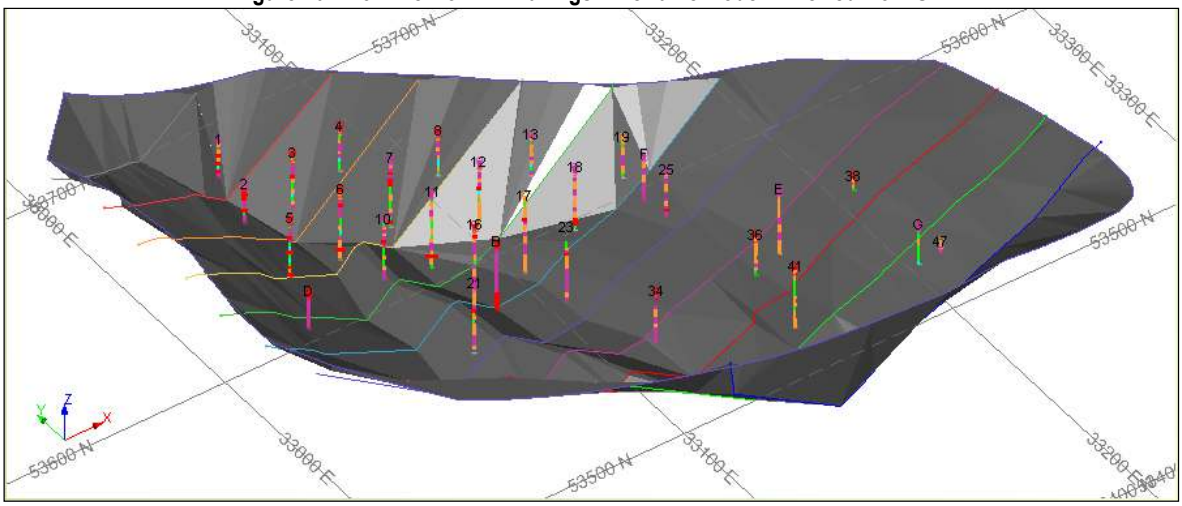


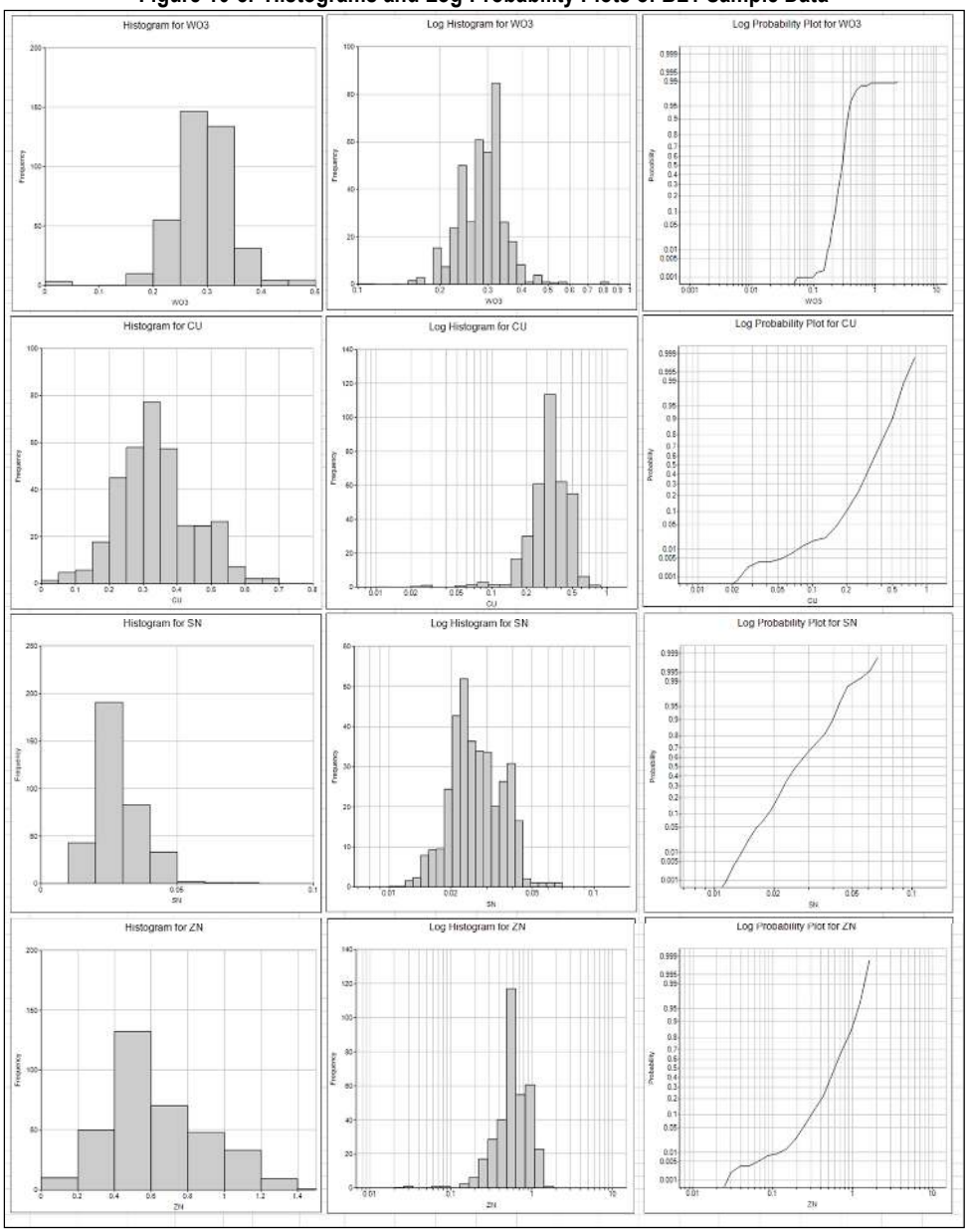
Table 10-11. Grade Estimation Parameters – BL1

Search Distances (m)		Search	Minimum Composites	Minimum Drillholes
Lateral	Vertical			
50 x 50	10	1st	3	3
100 x 100	20	2nd	3	3
250 x 250	50	3rd	1	1

Notes:

- **Maximum number of composites used = 15**
- **All grades estimated using ID (^2)**
- **For validation, grades aslo estimated using NN**

Figure 10-8. Histograms and Log-Probability Plots of BL1 Sample Data



A global density of 2.5 t/m3 was assumed, based on more recent density measurements taken from samples in the BL2 tailings material, as summarised in Section 10.3. Example cross-sections through the estimated BL1 block model, showing the WO3 estimated grades, is shown in Figure 10-9. As part of the validation process, global average grades were compared, as derived from initial samples, composites and estimated model grades, as summarised in Table 10-12.

All of the BL1 were classified with an **Inferred** resource category. Reasons for assigning this resources category included:

- No core samples are available for current check purposes.
- No QAQC data or information is available from the drilling campaigns.
- No density measurements are available.

An overall approximation of the estimated BL1 tailings area is shown in Table 10-13. No cut-off level has been applied in this evaluation, as in any exploitation it is unlikely that different areas of the tailings area can be selectively mined. A grade-tonnage table in Table 10-14.

Table 10-12. Comparison of Global Averages

			Model Grades	
	Samples	Composites	NN	ID
WO_3	0.29	0.29	0.28	0.29
Cu	0.33	0.33	0.30	0.30
Sn	0.028	0.028	0.026	0.027
Zn	0.64	0.64	0.56	0.57

Notes

. All grades shown in %

Table 10-13. BL1 Evaluation Summary

Category	Tonnes	WO3	Cu	Sn	Zn
	Kt	%	%	%	%
3 holes within 50 x 50m	1,474	0.29	0.31	0.027	0.59
3 holes within 100 x 100m	341	0.28	0.27	0.025	0.49
Extrapolated	3	0.27	0.23	0.021	0.36
Total Inferred Resources	**1,817**	**0.29**	**0.30**	**0.027**	**0.57**

Notes

.No cut-off applied

. Assumed dry density = 2.5 t/m^3

. All resources classified as inferred

Table 10-14. Grade-Tonnage Table – BL1

WO_3 Cut-Off	Tonnes	WO_3	Cu	Sn	Zn
%	Kt	%	%	%	%
0.15	1,814	0.29	0.30	0.027	0.57
0.16	1,811	0.29	0.30	0.027	0.57
0.17	1,811	0.29	0.30	0.027	0.57
0.18	1,811	0.29	0.30	0.027	0.57
0.19	1,808	0.29	0.30	0.027	0.57
0.20	1,805	0.29	0.30	0.027	0.57
0.21	1,794	0.29	0.30	0.027	0.57
0.22	1,779	0.29	0.30	0.027	0.57
0.23	1,747	0.29	0.30	0.027	0.57
0.24	1,688	0.29	0.31	0.027	0.57
0.25	1,589	0.29	0.31	0.027	0.57
0.26	1,469	0.30	0.31	0.027	0.57
0.27	1,279	0.30	0.32	0.027	0.58
0.28	993	0.31	0.33	0.028	0.60
0.29	768	0.32	0.34	0.028	0.61
0.30	630	0.32	0.34	0.028	0.60
0.31	468	0.33	0.34	0.028	0.59
0.32	303	0.34	0.34	0.028	0.57
0.33	169	0.35	0.32	0.027	0.53
0.34	103	0.36	0.34	0.028	0.57
0.35	58	0.37	0.34	0.028	0.56

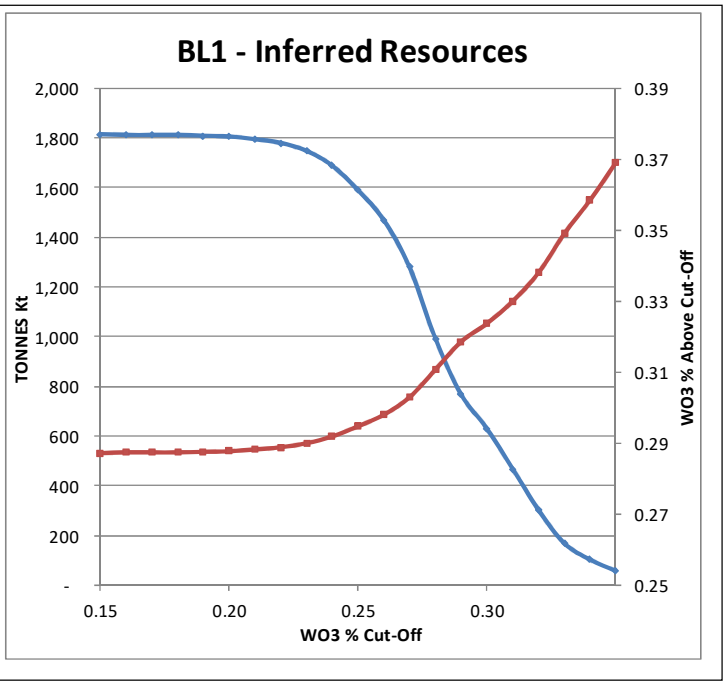
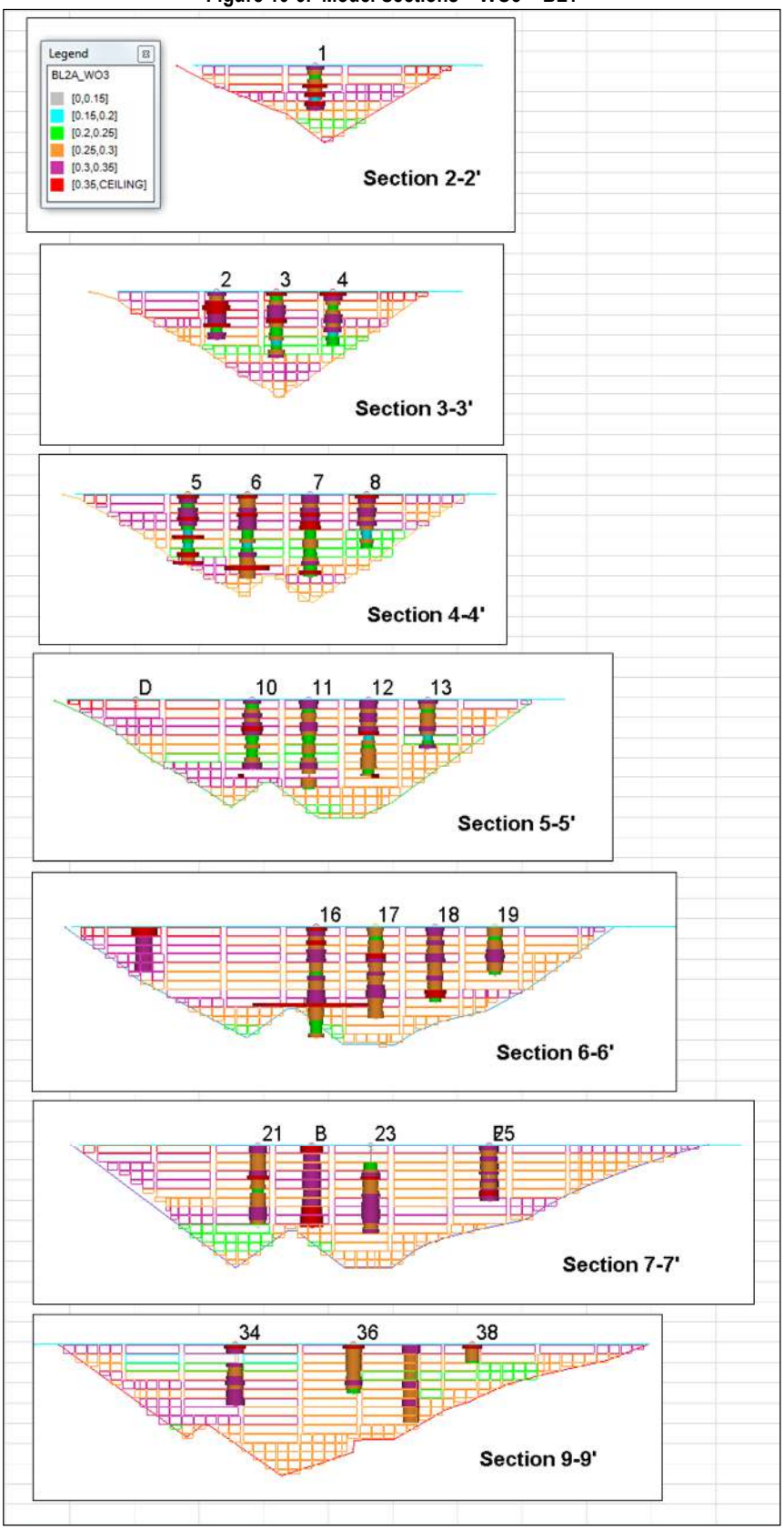


Figure 10-9. Model Sections – WO3 – BL1



10.3 BL2A Tailings Area

The BL2A tailings area contains historical tailings, and is still being used for current tailings disposal at the present time. The evaluation area limited to the surveyed tailings level at November 2016. Two different types of drilling took place on the BL2A tailings area during 2016. 7 percussive drillholes were completed, with assaying of 1m sludge samples. 12 diamond drillholes were also completed, with the assaying of 1m length core samples. 42 of the samples from the diamond drilling campaign were also split into four different granulometric fractions, and assays were obtained for each of the fractions. The database of samples for BL2A is summarised in Table 10-15.

Table 10-15. Summary of BL2A Sample Database

					Samples			
Drillhole Type	HOLES	LENGTH	Average Length / Hole	HOLES With Samples	WO_3	Cu	Sn	Zn
		m	*m*					
Percussive	7	82.0	11.7	7	82	82	80	82
Diamond Drillhole	12	396.1	33.0	6	100	100	100	100
Total	**19**	**478.1**	**25.2**	**13**	**182**	**182**	**180**	**182**

Plans showing the BL2A drilling, overall and those holes just currently with assays, are shown in Figure 10-10. These plans also show reference section lines. A 3D view showing the BL2A assay data is shown in Figure 10-11. This view also shows a basal wireframe created for the deposited tailings, generated from the limit perimeter at the top of tailings deposited, and the bottom points for each of the drilled holes.

A statistical summary of the complete sample assays for BL2A is shown in Table 10-16. A statistical summary of the granulometric fractions is shown in Table 10-17. The relationships between assays and elevation are depicted in Figure 10-12. Although there are no general relationships apparent, there appear to be distinct clusters of higher grades (WO_3, Cu and Sn) at an elevation of approximately 660m (depth 25m).

For 17 of the complete sample assays, assays were also available for the individual granulometric fractions. A comparison of the total sample assays against the averaged assays from the granulometric samples is shown in Figure 10-13. With only one outlier and a bias level of 10%, these results are acceptable.

Histograms and log-probability plots of the sample data are shown in Figure 10-14. It can be seen from this the most of the grades belong to approximate log-probability populations. From the log-probability plots and decile analyses, it was decided that top-cuts were not required: no particular outliers were apparent.

For grade estimation purposes, composites were not created. A volumetric model was set up with a parent block size of 25m x 25m x 1m, corresponding with the 1m sample length used for the primary samples.

Experimental variograms were generated from the drillhole data. Figure 10-15 shows the experimental variograms both horizontally and vertically, as well the defined model variograms, for WO_3, Cu and Sn. These also show considerably longer horizontal than vertical ranges, as would be expected from the layered way in which the tailings dump area has been built up. The model variogram parameters are summarised in Table 10-18.

The variographic analysis was used to develop grade estimation parameters, as summarised in Table 10-19.

Example model sections, showing the estimated WO_3 grade, are shown in Figure 10-16 and Figure 10-17.

Figure 10-10. Plans of BL2A Drilling

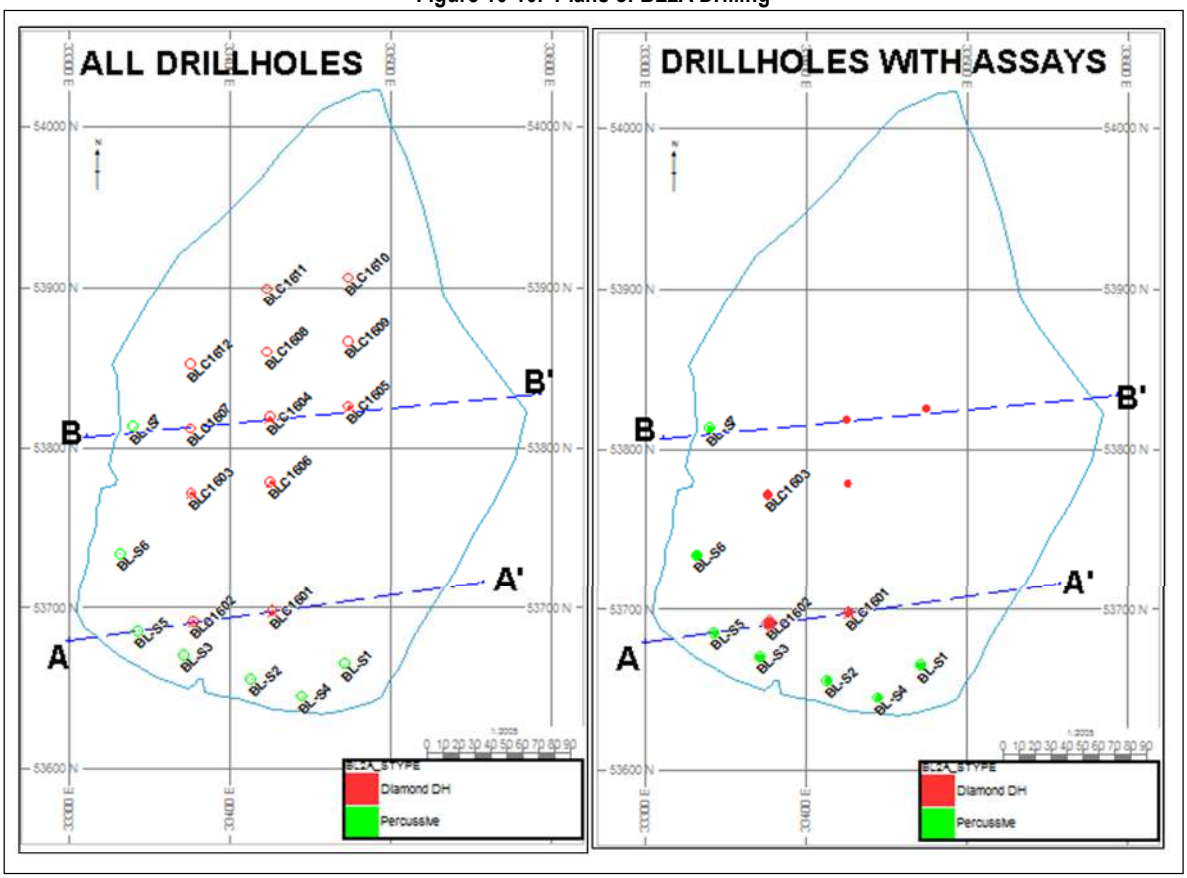


Figure 10-11. 3D View of BL2A Assay Data

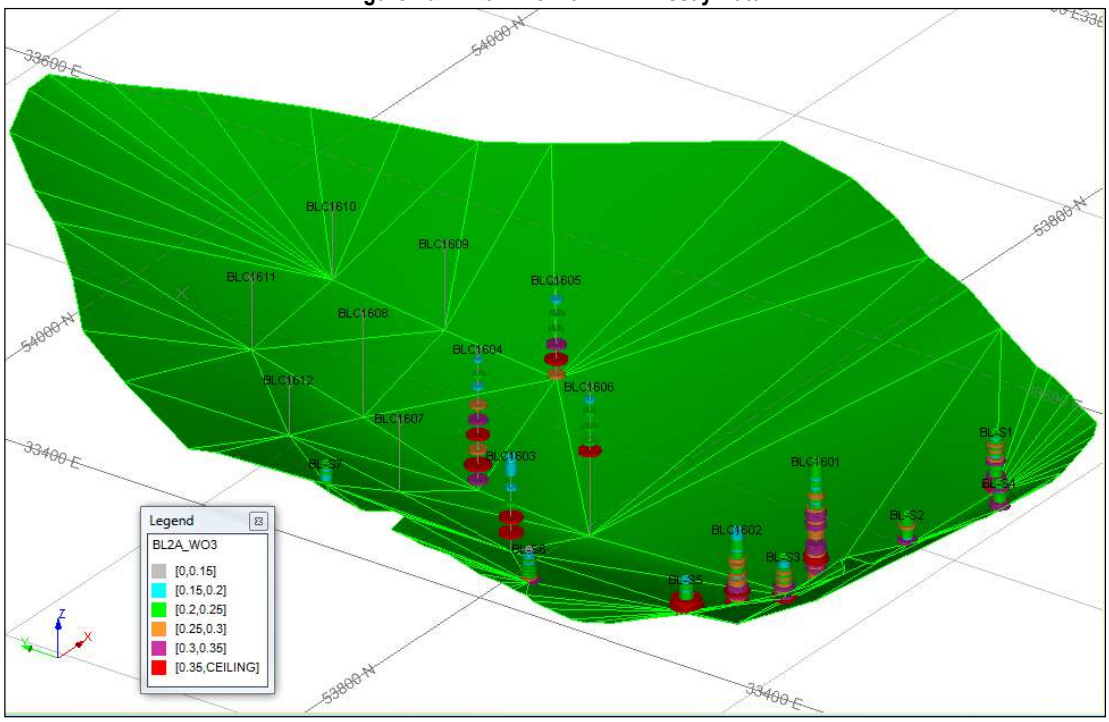


Table 10-16. Summary Statistics –Complete Sample Assays – BL2A

FIELD	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDARD DEVIATION	COVARTN
WO3	182	0.02	0.52	0.24	0.005	0.074	0.30
CU	182	0.03	0.69	0.25	0.015	0.122	0.50
SN	180	0	0.25	0.024	0.000	0.020	0.82
ZN	182	0.02	1.13	0.39	0.064	0.253	0.65

Table 10-17. Summary Statistics of Granulometric Fraction Assays

FIELD	MESH	MICRON	NUMBER	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDARD DEVIATION	COVARTN
WO3	+ 100 mesh	150	42	0.014	0.355	0.07	0.008	0.088	1.21
	+ 200 mesh	75	42	0.02	0.33	0.12	0.006	0.077	0.65
	+ 325 mesh	45	42	0.08	0.53	0.25	0.007	0.082	0.33
	- 325 mesh	-45	42	0.07	0.87	0.36	0.017	0.129	0.36
CU	+ 100 mesh	150	42	0.02	0.84	0.14	0.025	0.158	1.10
	+ 200 mesh	75	42	0.04	0.72	0.34	0.023	0.151	0.45
	+ 325 mesh	45	42	0.04	0.84	0.28	0.020	0.141	0.50
	- 325 mesh	-45	42	0.04	0.5	0.19	0.009	0.093	0.49
SN	+ 100 mesh	150	42	0.003	0.055	0.010	0.000	0.010	0.95
	+ 200 mesh	75	42	0.007	0.085	0.022	0.000	0.018	0.82
	+ 325 mesh	45	42	0.012	0.119	0.030	0.000	0.017	0.59
	- 325 mesh	-45	42	0.011	0.089	0.025	0.000	0.008	0.33
ZN	+ 100 mesh	150	42	0.03	1.76	0.23	0.066	0.258	1.11
	+ 200 mesh	75	42	0.05	1.24	0.52	0.102	0.320	0.62
	+ 325 mesh	45	42	0.05	1.04	0.44	0.072	0.267	0.60
	- 325 mesh	-45	42	0.03	0.66	0.28	0.022	0.150	0.54

Notes

. Statistics weighted by proportion within each fraction

. Overall proportions of different fractions:

MESH	MICRON	PROPORTION
+ 100 mesh	150	19%
+ 200 mesh	75	15%
+ 325 mesh	45	17%
- 325 mesh	-45	48%

Figure 10-12. Graphs of Metal Assays v Elevation – BL2A

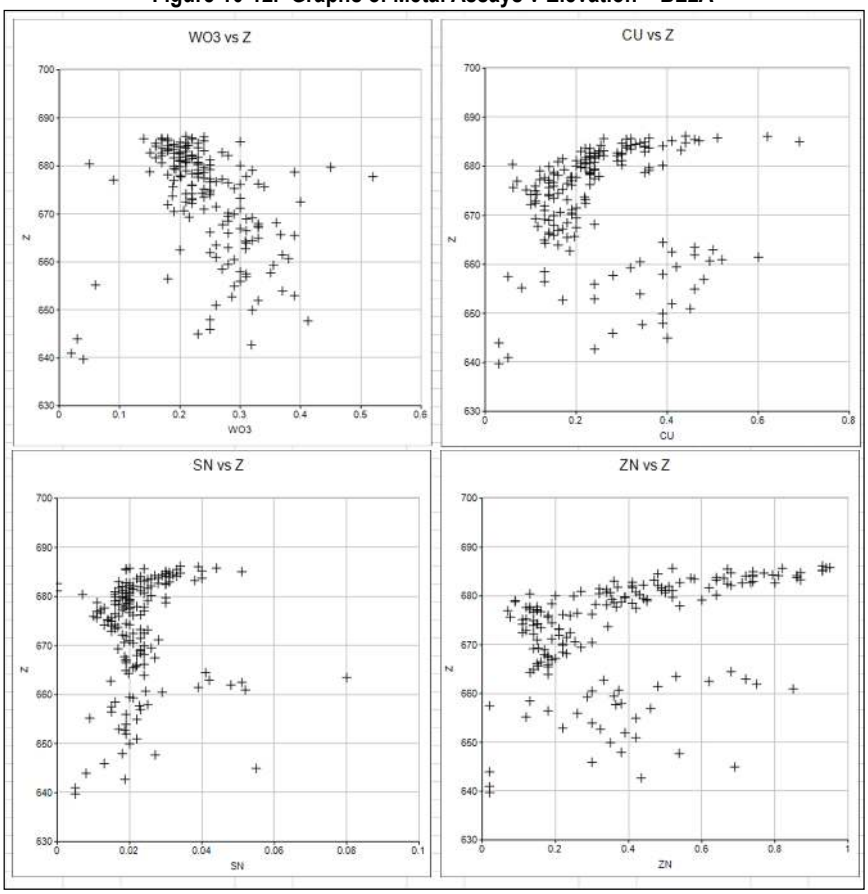


Figure 10-13. Check of Granulometric Assays Against Complete Sample Assays

Number of Pairs			R^2	m	Error (m)	b	Bias
17			0.97	0.92	0.039	0.000	8.12%

Number Accepted	Outliers	Outliers %	R^2	m	Error (m)	b	Bias
16	1	5.9%	0.94	0.89	0.054	0.007	10.78%

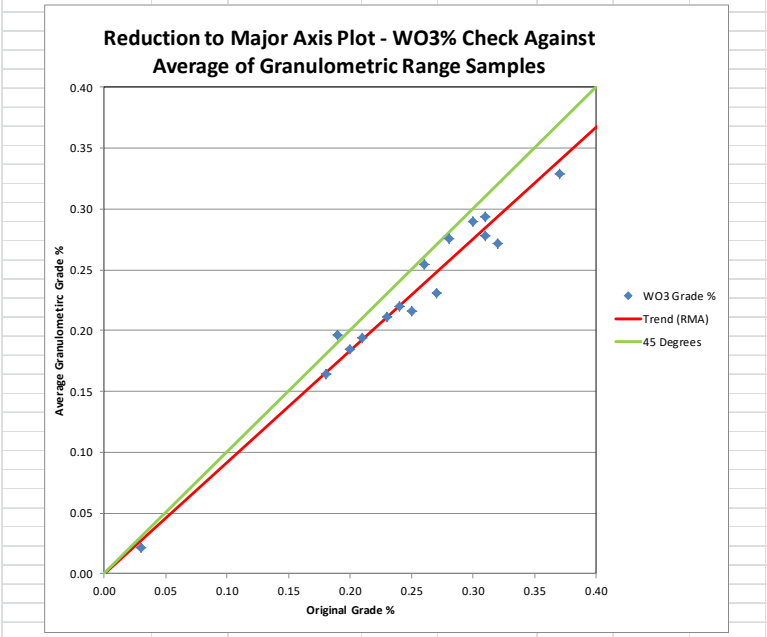


Figure 10-14. Histograms and Log-Probability Plots for BL2A Samples

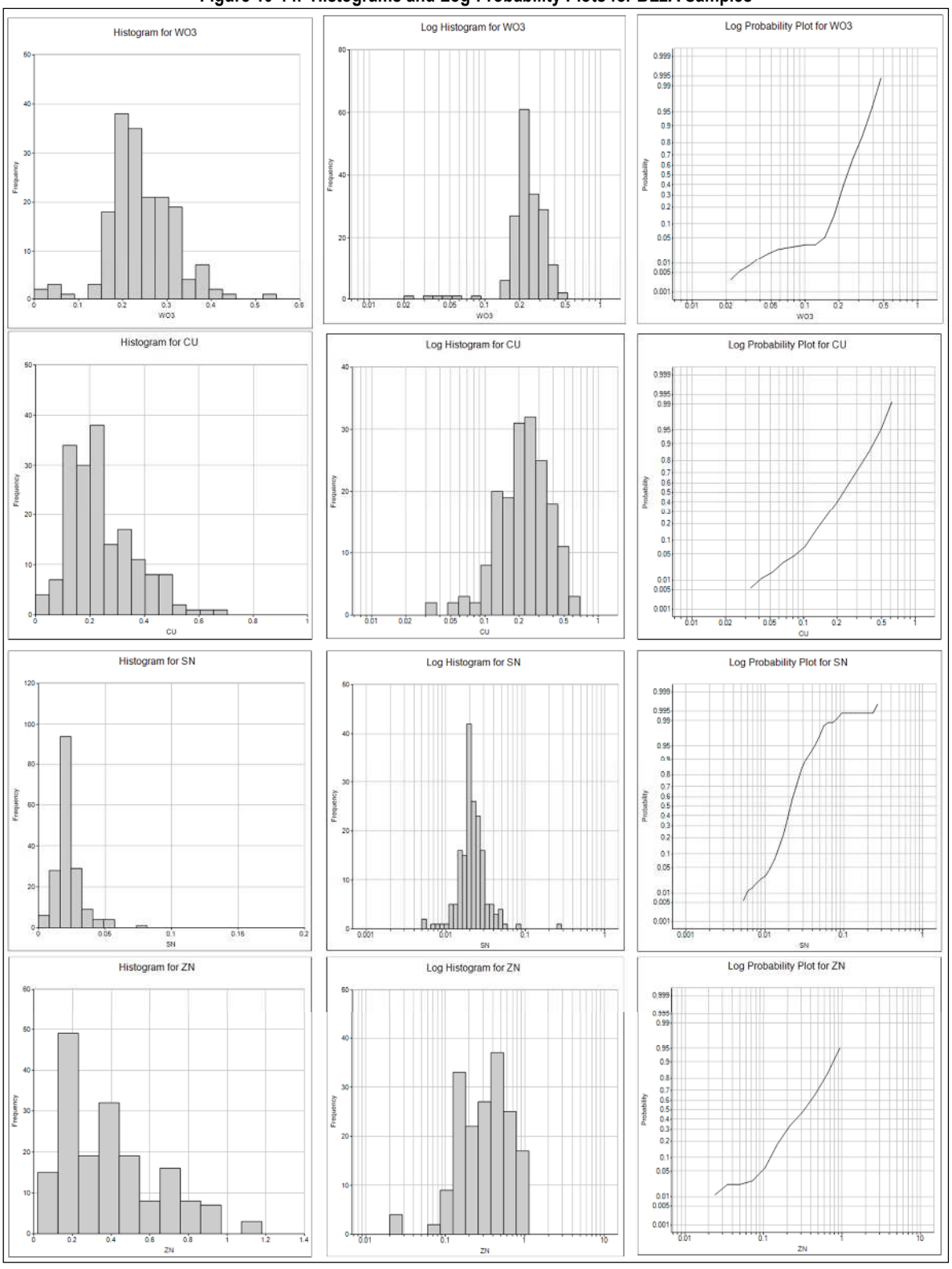


Figure 10-15. Experimental and Model Variograms – BL2A

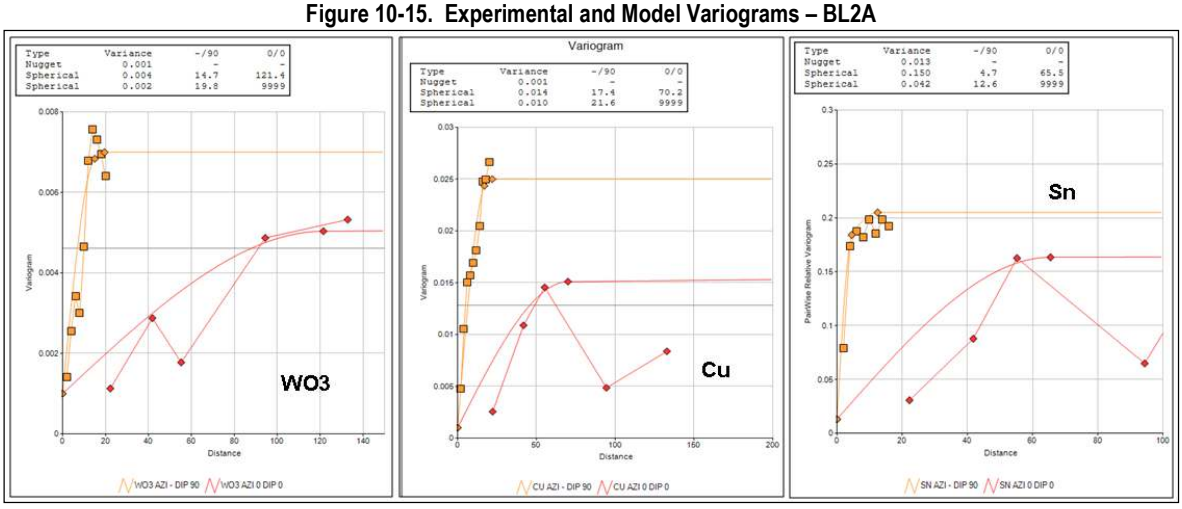


Table 10-18. Model Variogram Parameters – BL2A

Reference Number	Metal	NUGGET	Range 1 (m)			C1	Range 2 (m)			C2
			1	2	3		1	2	3	
1	WO3	0.001	14.7	121.4	121	0	19.8	9999	1	0
2	CU	0.001	17.4	70.2	70.2	0.01	21.6	9999	1	0.01
3	SN	0.013	4.7	65.5	65.5	0.15	12.6	9999	1	0.04

Notes
. Direction 1 : Z axis
. Directions 2 and 3 : X and Y axes

Table 10-19. Grade Estimation Parameters – BL2A

Search Distances (m)		Search	Minimum	Minimum
Lateral	Vertical		Samples	Drillholes
50 x 50	10	1st	10	3
100 x 100	20	2nd	10	3
250 x 250	50	3rd	1	1

Notes:
. Maximum number of samples used = 20
. Maximum number of samples used from any drillhole = 4
. For first 3 searches, octant control also applied:
. Minimum samples per octant = 2
. Maximum samples per octant = 4
. Minimum octants required = 5
. A further 3 searches then repeated, without octant control
. All grades estimated using OK
. For validation, grades also estimated using ID (^2) and NN

A global dry density value of 2.5 t/m^3 has been assumed. This value stems from 2016 testwork completed by Laboratorio Nacional de Engenharia Civil (LNEC), as summarised in Table 10-20. Example pictures of the test sample areas and samples taken are shown in Figure 10-18.

Table 10-20. LNEC Density Measurements

Ref. LNEC	Ref. Local	Orientation	Density t/m^3
5345	B	Vertical	3.09
		Horizontal	3.09
5346	C	Vertical	2.82
		Horizontal	2.81
5347	D	Vertical	2.90
		Horizontal	2.88

Figure 10-16. Section A-A' Through BL2A Block Model

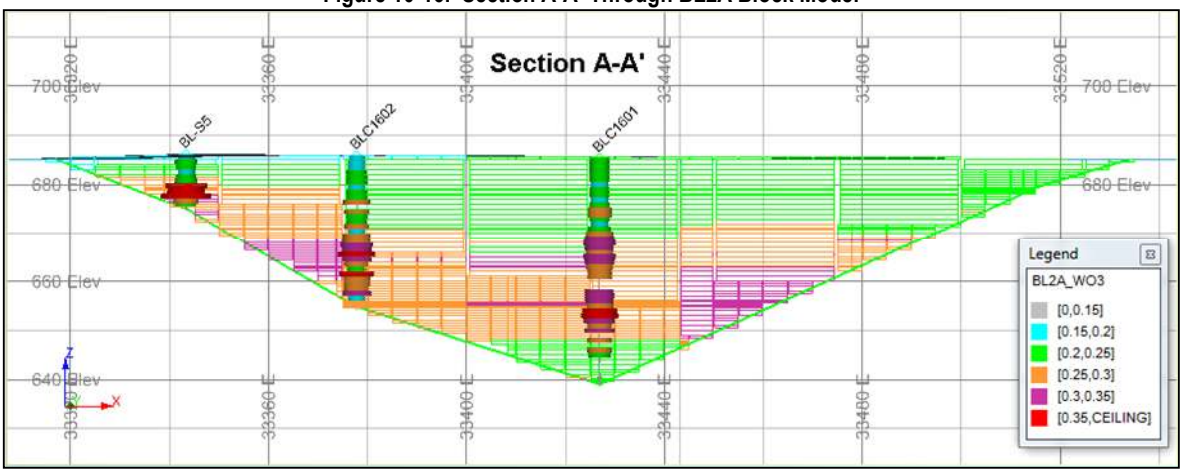


Figure 10-17. Section B-B' Through BL2A Block Model

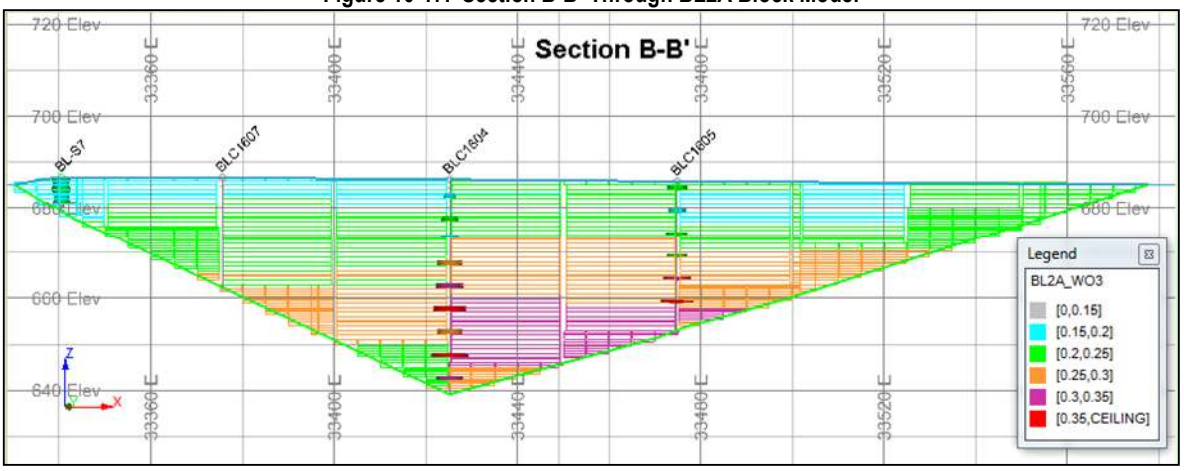


Figure 10-18. Positions of LNEC Sample Locations and Example of Test Pit



As part of the validation process, global average grades were compared, as derived from samples and estimated model grades, as summarised in Table 10-21.

Table 10-21. Comparison of Global Averages

		Model Averages		
Field	Samples	OK	NN	ID
WO_3	0.24	0.25	0.25	0.25
Cu	0.25	0.23	0.23	0.23
Sn	0.024	0.022	0.022	0.022
Zn	0.39		0.35	0.36

Notes

. OK = ordinary kriging
. NN = nearest neighbour
. ID = inverse-distance weighting (^2)
. All grades shown in %

All of the BL2 resources were classified with an **Inferred** resource category. Reasons for assigning this resources category included poor coverage of available assay data and limited density measurements. An overall approximation of the estimated BL2 tailings area is shown in Table 10-22. No cut-off level has been applied in this evaluation, as in any exploitation it is unlikely that different areas of the tailings area can be selectively mined. A grade-tonnage table in Table 10-23.

Table 10-22. Evaluation Summary of BL2A

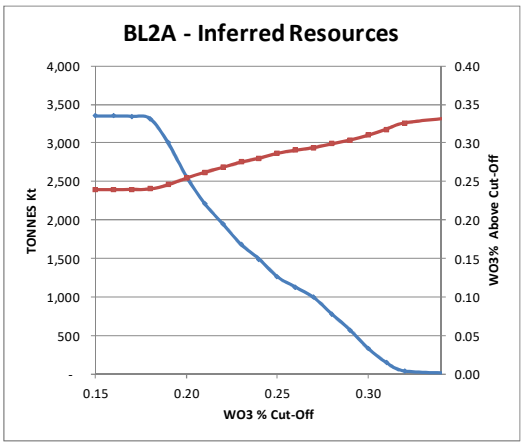
Category	Tonnes	WO3	Cu	Sn	Zn
	Kt	%	%	%	%
3 holes within 50 x 50m	195	0.23	0.22	0.02	0.36
3 holes within 100 x 100m	1,260	0.25	0.22	0.02	0.34
Extrapolated up to 250m	1,892	0.23	0.21	0.02	0.38
Total Inferred Resources	3,347	0.24	0.21	0.02	0.36

Notes

.No cut-off applied
. All resources above classified as inferred
. Assumed density = 2.5 t/m^3
. Evaluation reference date End-Nov 2016

Table 10-23. Grade-Tonnage Table for BL2A

WO_3 Cut-Off	Tonnes	WO_3	Cu	Sn	Zn
%	Kt	%	%	%	%
0.15	3,347	0.24	0.21	0.02	0.36
0.16	3,347	0.24	0.21	0.02	0.36
0.17	3,343	0.24	0.21	0.02	0.36
0.18	3,314	0.24	0.21	0.02	0.36
0.19	2,999	0.25	0.22	0.02	0.35
0.20	2,562	0.25	0.21	0.02	0.32
0.21	2,216	0.26	0.22	0.02	0.30
0.22	1,950	0.27	0.21	0.02	0.29
0.23	1,686	0.27	0.22	0.02	0.28
0.24	1,495	0.28	0.22	0.02	0.28
0.25	1,263	0.29	0.22	0.02	0.29
0.26	1,129	0.29	0.23	0.02	0.29
0.27	995	0.29	0.23	0.02	0.30
0.28	781	0.30	0.24	0.02	0.31
0.29	572	0.30	0.25	0.02	0.32
0.30	334	0.31	0.25	0.02	0.34
0.31	151	0.32	0.26	0.02	0.35
0.32	41	0.33	0.28	0.02	0.35
0.35	9	0.33	0.27	0.02	0.36



10.4 Resources Overview

An overall summary of resources from both the mine and tailings areas are summarised in Table 10-24. These average grades, relative to the calculated breakeven cut-off grade, demonstrate that these Mineral Resources have a reasonable prospect for the eventual economic extraction. The cut-off grade of 0.12%WO_3 (equivalent to 10 kg/m^2) applied for resource reporting is supported by breakeven calculations based on parameters related to average cost levels for January – December 2020. These parameters include:

Underground mining cost	=	$15.94/t ore
G & A cost	=	$4.09/t ore
Processing cost	=	$6.11/t ore
Mill recovery	=	80.0%
Long term metal price	=	$350/MTU WO_3 APT

Table 10-24. Overall Resource Summary

Category	Tonnes	WO_3	WO_3
	Kt	*%*	*MTU x1000*
Measured	3,056	0.21	638
Indicated	8,799	0.25	2,206
Measured + Indicated	**11,855**	**0.24**	**2,844**

Category	Source	Tonnes	WO_3	WO3	Cu	Sn
		Kt	*%*	*MTU x1000*	*%*	*%*
Inferred	In-Situ	5,467	0.22	1,227		
	Tailings *	5,164	0.26	703	0.25	0.023
	Total	**10,631**	**0.24**	**2,550**		

. Measured resources based on a cut-off of 0.12% WO_3

. Indicated and In-Situ Inferred resources based on a cut-off of 0.13% WO_3

*** Tailings resources have no cut-off applied**

11 ORE RESERVE ESTIMATES

11.1 Ore Reserve Estimation

An example of a level/vein Autocad plan is shown in Figure 11-1. The example shown is for level 3, adjacent to drive D25, and for the top-most AW31 vein. This plan displays several important aspects of the reserve planning process:

- Plotting of face sample data, after use of the Pintas formula to obtain kg/m^2 grades.
- Definition of Pillar blocks in pillars sized 11m or smaller, and which have face samples on at least three sides of the pillars.
- Definition of Virgin blocks, in areas which have only been intersected by development, so laterally the block extends outwards from face sampled areas. Such blocks may only have one side with face samples and/ or one set of internal samples. Face sample grades are averaged out within defined resource blocks.
- Sometimes originally identified veins may split, so that two potentially mineable veins are apparent, as shown by the cross-hatched H- shaped block in Figure 11-1.

At the mine site, all of the reserves evaluated are also referred to 'Measured Resources'. There are no Measured Resources determined exclusive to the reserves. However, for classification for the current report, it has been decided to classify the Pillar block material as proved reserves, and Virgin block material as probable reserves. This reflects the lower confidence associated with probable reserves, as compared to proved reserves, as is shown in Figure 11-1, and summarised in Table 11-1.

An overall reserve summary is shown in Table 1-3, with a more detailed breakdown by vein system in Table 11-2. These reserves are part of the mineral resources reported earlier in Table 10-5. Panasqueira is a producing mine, and has been producing continuously for over 50 years. These reserves have been demonstrated to a Feasibility Study level.

In order to convert the resources into reserves, mine plans have been laid out, as shown in Figure 11-1, down to a level of detail such that the individual 11m x 11m pillars are evaluated individually by local face samples. If these pillar evaluations are below cut-off, they are excluded from the reserves. The tonnage estimations are more detailed, taking into account the mining of the 11m x 11m pillars, to leave the final remnant 3m x 3m pillars.

The key assumptions associated with this reserve estimate are:

- A cut-off grade of 0.12%WO_3 (equivalent to 10 kg/m^2). This cut-off level is supported by breakeven calculations based on parameters related to average cost levels for January – December 2020. These parameters include:

Underground mining cost	=	$15.94/t ore
G & A cost	=	$4.09/t ore
Processing cost	=	$6.11/t ore
Mill recovery	=	80.0%
Long term metal price	=	$350/MTU WO_3 APT

- A minimum mining height of 2.2m.

- Applied losses consistent with the mine room-and-pillar mining method, leaving non-recoverable 3m x 3m pillars.

- For probable reserves, the largest blocks can be delineated on the same basis as the development grid layout, which is 100m x 80m. The implies a maximum assumed continuity of 50m.

However, results may vary and investors are referred to the risk factors in Section 6 of Almonty's Prospectus .

Figure 11-1. Example of Reserve Plan - L3 D25_R02A_AW31

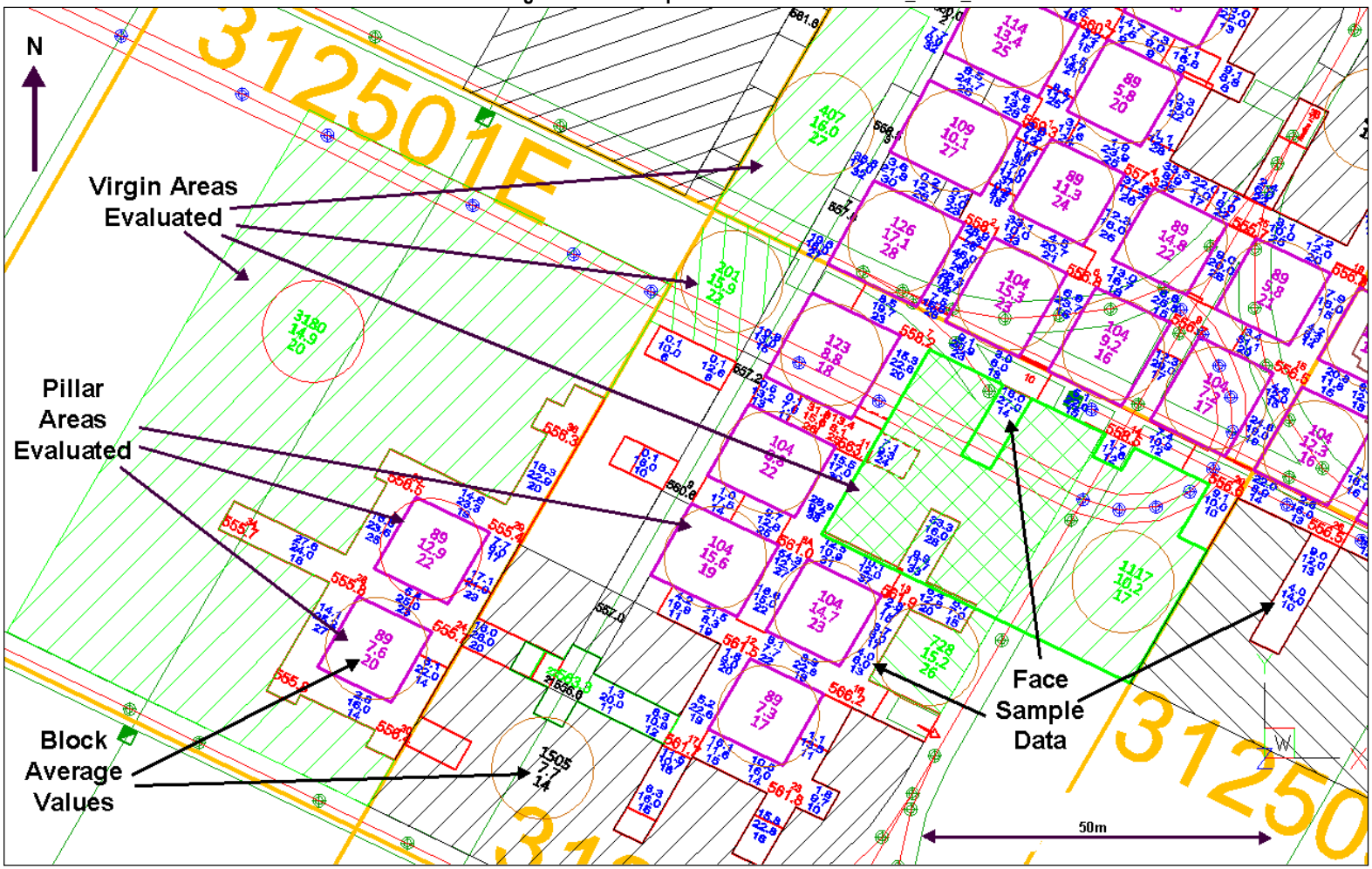


Table 11-1. Ore Reserve Estimation Parameters

Reserve Category	Samples	Criteria	Block Extrapolation	Mining Recovery Factor
Proven	Face Samples on at least 3 sides	Pillars 11m x 11m	not applicable	67.3%
		Pillars 3m x 11m		45%
Probable	Face samples on at least one side or internal	Developed with drive or panels, prior to pillar development	Vein < 30m cm - Max extrapolation 34.5m	84%
			Vein > 30m cm - Max extrapolation 50.5m	

Notes

. Pintas formula used to convert measured wolframite crystal areas into kg/m^2 grades:

$$\text{Grade in kg/m}^2 = \frac{\text{Total area of Wolframite Crystals in mm}^2}{\text{(100 x Total Length Sampled x MEF)}}$$

MEF, Mineral Evaluation Factor = 1.0 (Since April 2016)

. Cut-Off used in reserve development:

= 10kg/m2 wolframite

= 0.12% WO_3

. Tonnage Calculations use:

- Average s.g. = 2.8

- Average mining height = 2.2m

. Mining recoveries in accordance with final non-recoverable 3m x 3m pillars

Table 11-2. Ore Reserve Breakdown
As of 31st December, 2020

LEVEL	Vein Units	Proved Reserves (Pillars)				Probable Reserves (Virgin area)				Totals		
		Tonnes	WO_3	Wolf'te	Av'age Thick	Tonnes	WO_3	Wolf'te	Av'age Thick	Tonnes	WO_3	WO_3
		Kt	%	kg/m²	cm	Kt	%	kg/m²	cm	Kt	%	mtu
L0	AW 02	0.24	0.20	17	31	-	-	-	-	0.24	0.20	48
	AW 03	1	0.13	11	28	-	-	-	-	1	0.13	126
	AW 04	16	0.18	15	33	26	0.14	12	22	42	0.16	6,778
	AW 06	23	0.19	15	35	15	0.19	16	45	38	0.19	7,199
	TOTAL	**40**	**0.18**	**15**	**34**	**41**	**0.16**	**13**	**31**	**82**	**0.17**	**14,152**
L1	AW 10	6	0.16	13	30	9	0.16	13	22	16	0.16	2,504
	AW 11	20	0.17	14	33	18	0.15	12	32	38	0.16	6,022
	AW 12	41	0.19	16	27	146	0.18	15	23	187	0.18	33,558
	AW 13	6	0.16	13	35	16	0.13	11	29	21	0.14	2,942
	AW 14	30	0.20	17	38	45	0.16	13	38	76	0.18	13,446
	AW 15	226	0.26	21	27	610	0.18	15	21	836	0.20	169,713
	AW 16	10	0.22	18	28	35	0.20	16	22	45	0.20	9,026
	AW 17	61	0.26	21	27	72	0.23	19	23	133	0.24	32,383
	AW 18	-	-	-	-							
	TOTAL	**400**	**0.24**	**20**	**29**	**951**	**0.18**	**15**	**23**	**1,352**	**0.20**	**269,594**
L2	AW 20	20	0.19	15	27	83	0.21	17	24	102	0.20	20,676
	AW21	54	0.22	18	39	142	0.25	20	35	196	0.24	46,533
	AW22	9	0.19	15	27	10	0.14	12	33	19	0.17	3,223
	AW 23	56	0.18	15	30	51	0.17	14	28	107	0.18	18,789
	AW 24	41	0.21	17	39	46	0.20	17	35	87	0.21	18,116
	AW 25	31	0.23	19	25	106	0.27	22	34	137	0.26	35,443
	AW 26	44	0.28	23	31	80	0.20	17	28	124	0.23	28,598
	TOTAL	**255**	**0.22**	**18**	**32**	**518**	**0.22**	**18**	**31**	**772**	**0.22**	**171,379**
L3	AW 30	2	0.23	19	19	-	-	-	-	2	0.23	377
	AW 31	23	0.18	14	24	28	0.16	13	23	51	0.17	8,592
	AW 32	62	0.24	20	32	160	0.17	14	24	222	0.19	42,035
	AW 33	95	0.23	19	39	18	0.24	20	35	114	0.23	26,306
	AW 34	58	0.29	24	40	82	0.26	21	38	139	0.27	37,725
	AW 35	2	0.28	23	25	38	0.23	19	26	39	0.23	9,060
	AW 36	42	0.27	22	36	61	0.25	20	38	103	0.26	26,341
	AW 37	21	0.19	16	20	36	0.18	15	20	57	0.18	10,417
	AW 38	-	-	-	-	6	0.18	15	62	6	0.18	1,151
	AW 39	6	0.27	22	29	111	0.18	15	45	117	0.18	21,389
	TOTAL	**310**	**0.24**	**20**	**35**	**540**	**0.20**	**16**	**33**	**850**	**0.22**	**183,394**
Total		**1,006**	**0.23**			**2,050**	**0.20**			**3,056**	**0.21**	**638,518**

Notes

. Cut-off = 0.12% WO_3 (Equivalent to 10 kg/m^2)

11.2 Reconciliation

One way of assessing the reserve methodology is to consider reconciliation results. A summary of the monthly reconciliation results, for the last six years prior to December 2020, is shown in Table 11-3.

The grades reported by the Mine are monthly compared with the Plant feed grades. The Plant feed grades are determined from the various grade measurements analysed in the laboratory, and then combined in a metallurgical balance. This allows the calculation of the Mine Call Factor (MCF), corresponding to Plant grade/Mine grade. This means that a MCF of 150 indicates an actual feed grade of 15 kg/m^2, corresponds to a mine grade of only 10 kg/ m^2.

Observations from these results include:

- The generally high MCF factors indicate that the current methodology appears to be conservative in terms of assessing grade.
- The block factor (BF) factors are mostly below 100, indicating that grades from probable (virgin) reserves tend to be lower when developed into proved (pillar) ore reserves.
- The combined effect of MCF x BF do help to balance out the overall differences.

These results support the reserve estimation results presented, but also indicate a need for on-going analysis and improvement of the various factors employed in the reserve estimation process.

Table 11-3. Reconciliation Summary – July 2014 – December 2020

	Mine				Plant						
Month	Trammed Kt	Kg/TON	WO3 %	WO3 t	ROM Kt	Kg/TON	WO3 %	WO3 t	MCF %	BF %	MCF X BF
Jul-14	75.1	1.13	0.08	69	76.9	1.90	0.14	110	159	83	133
Aug-14	23.1	1.20	0.09	16	20.7	1.80	0.14	28	180	103	185
Sep-14	80.2	1.24	0.09	74	76.4	1.77	0.13	102	138	100	138
Oct-14	79.1	1.01	0.08	62	76.0	1.74	0.13	99	159	65	103
Nov-14	69.9	1.04	0.08	56	70.9	1.63	0.12	87	154	81	125
Dec-14	61.1	0.92	0.07	38	55.9	1.63	0.12	68	179	62	111
Jan-15	70.8	0.94	0.07	49	65.7	1.55	0.12	76	156	91	143
Feb-15	60.0	1.04	0.08	49	58.7	1.64	0.12	72	148	96	142
Mar-15	60.6	1.00	0.08	44	59.0	1.68	0.13	74	167	71	119
Apr-15	49.8	0.98	0.07	40	48.4	1.76	0.13	64	158	69	109
May-15	46.8	1.12	0.08	44	45.7	1.70	0.13	58	131	91	119
Jun-15	43.5	1.32	0.10	53	46.1	2.27	0.17	79	148	109	162
Jul-15	49.1	1.36	0.10	60	48.7	2.34	0.18	86	143	100	143
Aug-15	0.0	0.00	0.00	0	0.0	0.00	0.00	0	0	0	0
Sep-15	33.8	1.82	0.14	49	31.7	2.66	0.20	63	129	107	138
Oct-15	40.8	1.58	0.12	57	40.8	2.12	0.16	65	114	132	150
Nov-15	42.2	1.05	0.08	35	43.0	1.88	0.14	60	171	96	164
Dec-15	26.0	0.99	0.08	23	29.8	2.12	0.16	47	204	86	175
Jan-16	40.6	1.15	0.09	42	41.2	1.96	0.15	60	143	107	153
Feb-16	47.4	0.81	0.06	34	45.0	1.94	0.15	66	194	66	128
Mar-16	55.6	0.77	0.06	40	60.2	1.56	0.12	70	175	68	119
Apr-16	50.8	1.14	0.09	50	56.6	1.57	0.12	67	134	108	145
May-16	53.4	1.18	0.09	52	56.3	1.71	0.13	72	138	138	190
Jun-16	59.3	1.25	0.09	56	60.0	1.78	0.13	80	143	58	83
Jul-16	55.8	1.15	0.09	50	55.3	1.89	0.14	78	156	149	232
Aug-16	49.2	1.73	0.13	71	49.7	1.98	0.15	74	104	130	136
Sep-16	63.6	1.31	0.10	68	64.0	1.79	0.13	86	126	92	117
Oct-16	56.0	1.03	0.08	42	53.0	1.66	0.12	66	157	84	132
Nov-16	61.6	1.17	0.09	56	59.1	1.91	0.14	85	151	85	128
Dec-16	44.2	1.77	0.13	55	42.4	1.83	0.14	58	106	98	104
Jan-17	63.8	1.56	0.12	74	63.4	1.83	0.14	87	118	83	99
Feb-17	55.0	1.45	0.11	60	55.9	1.80	0.14	76	127	78	99
Mar-17	74.9	1.31	0.10	68	74.1	1.80	0.13	100	147	63	93
Apr-17	57.4	1.61	0.12	68	53.7	2.21	0.17	89	131	109	143
May-17	74.0	1.36	0.10	69	72.0	1.78	0.13	96	139	95	132
Jun-17	60.7	1.47	0.11	64	62.9	1.80	0.14	85	133	66	88
Jul-17	66.4	1.79	0.13	83	63.4	1.69	0.13	80	97	76	74
Aug-17	66.1	2.27	0.17	105	63.6	1.81	0.14	87	82	91	75
Sep-17	66.1	2.13	0.16	108	70.1	1.79	0.13	94	87	77	67
Oct-17	67.4	1.97	0.15	88	69.7	2.03	0.15	106	121	98	118
Nov-17	41.6	2.46	0.18	92	38.7	2.55	0.19	74	80	129	104
Dec-17	42.0	2.20	0.16	68	42.7	2.52	0.19	81	118	112	131
Jan-18	69.5	2.13	0.16	96	68.9	1.99	0.15	103	107	110	118
Feb-18	66.9	2.08	0.16	94	66.7	1.96	0.15	98	105	91	95
Mar-18	66.8	2.39	0.18	110	67.4	1.96	0.15	99	90	81	73
Apr-18	64.7	2.32	0.17	113	64.8	1.83	0.14	89	78	89	70
May-18	67.0	2.12	0.16	102	67.1	2.13	0.16	107	105	59	61
Jun-18	70.0	1.96	0.15	105	70.7	2.10	0.16	111	106	66	70
Jul-18	61.6	1.99	0.15	88	62.7	2.01	0.15	95	108	48	51
Aug-18	60.8	1.59	0.12	73	59.0	1.95	0.15	86	119	41	49
Sep-18	63.6	1.75	0.13	77	62.3	2.08	0.16	97	126	58	73
Oct-18	61.5	1.69	0.13	80	62.7	1.90	0.14	89	112	82	92
Nov-18	66.5	1.67	0.13	86	66.7	1.77	0.13	88	102	72	74
Dec-18	43.8	2.16	0.16	67	45.7	1.84	0.14	63	94	68	64
Jan-19	62.8	1.98	0.15	94	63.0	1.94	0.15	91	97	61	60
Feb-19	61.5	1.79	0.13	82	63.3	1.88	0.14	89	109	69	75
Mar-19	69.1	1.58	0.12	68	68.7	1.72	0.13	89	130	65	84
Apr-19	68.6	1.70	0.13	76	66.5	1.51	0.11	75	99	95	94
May-19	67.7	1.46	0.11	63	66.1	1.48	0.11	74	116	93	108
Jun-19	61.3	1.36	0.10	57	60.8	1.39	0.10	63	111	71	79
Jul-19	60.9	1.51	0.11	65	63.1	1.63	0.12	77	119	86	102
Aug-19	21.1	2.45	0.18	41	21.3	1.95	0.15	31	75	66	49
Sep-19	59.6	1.43	0.11	57	58.7	1.52	0.11	67	117	56	66
Oct-19	58.1	1.26	0.09	49	57.9	1.43	0.11	62	126	73	91
Nov-19	52.9	1.30	0.10	54	55.5	1.27	0.09	53	98	78	77
Dec-19	38.1	1.67	0.13	43	40.6	1.49	0.11	45	105	80	84
Jan-20	58.8	1.41	0.11	59	58.5	1.52	0.11	67	123	81	100
Feb-20	60.6	1.74	0.13	69	61.9	1.54	0.12	72	107	103	110
Mar-20	56.8	2.04	0.15	83	59.9	1.88	0.14	85	104	116	121
Apr-20	47.7	1.86	0.14	60	49.3	1.64	0.12	61	103	112	115
May-20	53.3	1.81	0.14	62	55.0	1.78	0.13	73	120	114	137
Jun-20	53.4	1.80	0.14	67	52.8	1.72	0.13	68	103	111	114
Jul-20	60.1	1.85	0.14	72	59.0	1.87	0.14	83	118	86	102
Aug-20	25.2	1.81	0.14	31	25.1	1.89	0.14	36	115	64	73
Sep-20	60.6	1.69	0.13	59	60.8	1.49	0.11	68	115	74	85
Oct-20	58.5	1.84	0.14	81	60.1	1.66	0.12	75	94	74	70
Nov-20	56.2	1.78	0.13	72	58.0	1.89	0.14	82	115	61	70
Dec-20	37.6	1.58	0.12	46	38.4	1.85	0.14	53	115	66	76
Total	4358	1.56	0.12	4984	4356	1.81	0.14	5918	124	85	105

Notes

. MCF call factor = (Plant Contained WO3t)/(Mine Reported WO3t)

. BF block factor = kg from proven reserves (actual = pillars)/
kg from former probable reserves (virgin)

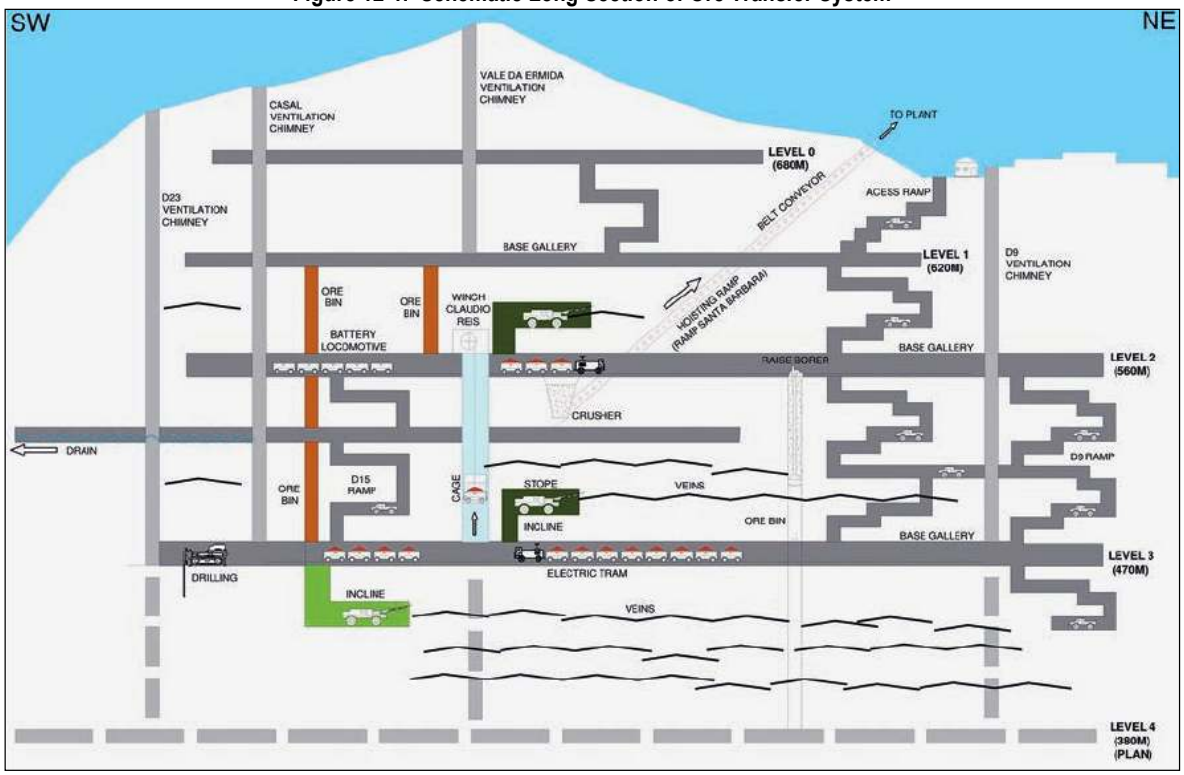
12 MINING METHODS

12.1 Mining Method

The mining method used at Panasqueira is a mechanized room and pillar method that has evolved during the past 100 years. The method is possible due to the sub-horizontal nature of the quartz veins and the very competent host rock. Underground support is relatively rare. When argillaceous faults are encountered, concrete reinforcement is used, with arches either side of such faults in the main drives. Rock bolts, screen and shotcrete are used only when large openings are excavated for underground infrastructure.

The stoping process begins with ramps being driven to access the mineralized veins, in areas where diamond drilling has indicated quartz intersections equal to or above 18cm (indicated resources). When a vein is accessed, it is blocked out on a basic 100m by 100m pattern. Ore passes of 1.8 metre diameter raises are generally bored near drive/panel intersections, and allow ore to be dropped down to main haulage levels. Chutes are installed in the bottom of the orepasses to facilitate the loading of the wagons. A schematic long section of the mine is shown in Figure 12-1, depicting the ore transfer system.

Figure 12-1. Schematic Long Section of Ore Transfer System



Equipment that is used for mine development and production includes electric hydraulic single boom jumbo drills, low profile 3.5 cubic yard diesel LHDs, and a raise borer. The target height of the stopes is nominally 2.1m but increased to 2.3 m in areas where ore bearing veins are more variable in their dip, strike or thickness. The average height achieved is generally 2.2m. As the average mineralized zone thickness is 33cm, the applied planned dilution 536% i.e. 5 x times as much waste has to be mined within the 2.2m minimum height. No additional dilution factors are added.

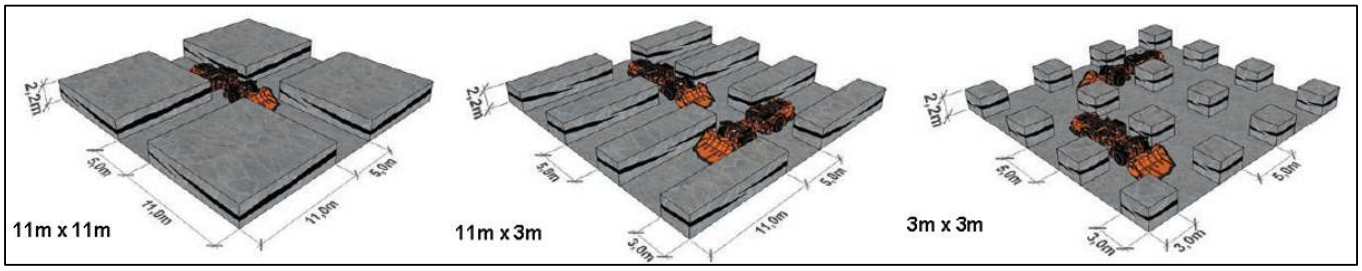
As the veins are intersected with development, face sampling is used to verify mineralisation and indicate how the stopes can be developed and expanded so as to best follow the ore. When sufficient ore has been delineated, additional 5m wide openings are excavated between and parallel to the drives and panels to create a series of regular 11m by 11m pillars. The pillars are then reduced in size in two passes of 5 m excavations; firstly to 11m by 3m, and then to 3m by 3m to complete the extraction sequence, as depicted in Figure 12-2. This process results in an overall extraction rate of 84%, as the 3m by 3m pillars are not recovered.

Precise survey control is maintained so that all final pillars are aligned vertically on the different levels and experience has shown that the stopes will usually begin to collapse about 4 or 5 months after completion (as shown in Figure 12-6), which gives plenty of time to “sweep” the fines from the floor. A small track mounted excavator is used for a final stope clean-up (sweeping) to recover the wolframite rich material that accumulates on the floor during normal mucking operations. This excavator can be operated by remote control, and is also used to help remove mined pillar material, when the final 3m x 3m pillars are being created, as shown in Figure 12-5.

Stope drilling is carried out by electric hydraulic single boom jumbos, as shown in Figure 12-3. Blast holes are drilled 2.4 metres in length and are 43 mm in diameter. Fan cuts or V-cuts are drilled, with two horizontal rows generally just above and below the vein, so as to minimize shattering the brittle wolframite. Regular back holes and lifters are then drilled above or below the cut slice, with variations up or down so as to follow the vertical variation in the vein.

ANFO is loaded pneumatically into the blast holes and delayed electric detonators along with small primers are used for blasting. Blasting occurs at midnight using a central blast cable, the mine then ventilates for all of the third shift. Each blasted face produces about 55 tonnes of rock and good drillers can complete more than five faces in a shift. After the blast the muck pile is washed down and the back is scaled, ore is loaded and hauled by 3.5 cubic yard diesel LHDs from the heading to the orepasses, as shown in Figure 12-4.

Figure 12-2. Ore Extraction Sequence – Pillar Sizes



Once the blasted rock has been removed, then the vein can be evaluated, using face sampling as described in Section 8.2. These sample results, together with geological mapping of the veins' variations, and problems that can arise with local faulting, are all taken into account for expansion of the stopes on the 11m x 11m pattern. When the final limits of the stopes are established then the final extraction takes place first with 11m by 3m and after that with 3m by 3m pillars created from the perimeter retreating to the access ramp. Occasionally some pillars cannot be totally extracted due to hazardous conditions created by mining. Subsidence measurements are also used in this assessment, with approximately 6 points per stope, which are measured once a month. In these instances, some of the reserve is lost. In the past there have been attempts at recovering pillars using either jacks or timber packs for support, but these exercises have proved expensive, labour intensive and hazardous. For this reason, there are no pillar recovery operations currently in use at the mine.

Within any large 100m x 100m mining block, veins are generally stoped out from the top-down. A minimum 3m pillar is always left between one stope and the stope below, when veins converge close together.

The mine currently has four main levels, which are all connected by ramps. The main water drainage level is the 530m, which is between level 2 (560m) and level 3 (470m). The underground crusher is below level 2 (530mRL). Ore from above Level 2 is fed from ore passes into 4t self-tipping rail cars and hauled by electric and diesel trolley locomotives to the ore pass on Level 2 that feeds the underground crusher. Ore from below Level 2 is similarly fed to and trammed on Level 3 to the winze where the rail cars are individually hoisted to Level 2. From this shaft the cars are trammed to where they self-dump into the crusher ore pass. The underground crusher feeds ore on the conveyor belt in the Santa Barbara hoisting ramp.

Figure 12-3. Jumbo Stope Production Drilling



Figure 12-4. Low Profile LHD



Figure 12-5. Small Excavator For Final Clean-Up



Figure 12-6. Ultimate Collapse of Final 3m x 3m Pillar



12.2 Mine Production

The mine currently employs approximately 100 people. Over 2020, the mine produced on average 53,000tpm. Based on current reserve levels, a mine life of over 4 years is indicated.

The mine operates on two shifts (7am to 3pm and 3pm to 11pm), five days per week. Due to the extensive workings in the mine the effective time of each shift is reduced to about six hours due to the time that it takes for workers to reach their workplaces, as well as the lunch time period. There are several four-wheel drive pickup trucks that are used to transport men and materials to the underground headings, these vehicles are also used by supervisors to visit the working places during the operating shifts. One vehicle is on permanent standby on surface for use during emergencies.

Drilling is performed primarily on the first shift and then completed on the afternoon shift prior to loading and blasting at midnight. There is a specific loading and blasting crew. Each face generates about 55 tonnes of rock, so at full production in 2014 it was necessary to blast about 61 faces per day. There have to be enough faces in close enough to facilitate one jumbo drilling and blasting as many faces as possible without long moves.

The mine is ventilated from midnight to the beginning of day shift at 7 am. Crushing of the ore begins at noon when there is enough ROM ore in the orepass to keep the crusher going. Tramming will then continue until the end of the afternoon shift.

A summary of the key parameters associated the mining method at Panasqueira includes:

- **Mining Method.** Mechanised room-and-pillar.
- **Mining Unit Dimensions.** All galleries in ore are generally 5m wide x 2.2m high. A regular grid system of 11m x 11m pillars is used, which with subsequent mining reduce to 3m x 3m unrecoverable pillars.
- **Dilution.** With the average mineralised bed thickness of 33cm, the application of a 2.2m minimum mining height gives a effective 536% dilution factor.
- **Losses.** Based on the room and pillar dimensions, a mining recovery of 84% is applied to overall large virgin blocks. A mining recovery of 67.3% dilution is applied to the evaluation of 11m x 11m pillars, and a mining recovery of 45% is applied to the evaluation of 11m x 3m pillars.

Upcoming mine development will be more strongly focused on Level 3. In the upper zones, development will continue to the north, especially on Level 1. The veins in the north zone have shown better and more consistent tin grades. Tin as a by-product has gained importance with production increases and better tin prices.

13 MINERAL PROCESSING

The mineral processing facilities have been in their current configuration for several decades. Improvements have been introduced by small changes to the existing plant while it is in production, rather than major expansions with specific testing studies.

Panasqueira produces very high grade concentrates, which are almost pure wolframite, facilitated by the coarse crystalline character of the ore. Most of the sulphide minerals occur as macroscopic crystals within the quartz gangue of the vein. In addition to the sulphides, quartz exists as coarse crystals within vugs in the veins and muscovite in 2cm halos above and below the veins. Wolframite, cassiterite and chalcopyrite are the economic minerals to be recovered as concentrates. Pyrite, arsenopyrite and siderite are the heavy minerals that are removed from concentrates.

A general view of the plant is shown in Figure 13-1. A simplified mill flow sheet is shown in Figure 13-2.

13.1 Wolframite Recovery

The brittle characteristic of wolframite makes recovery difficult from the mine, but assists the plant, as most of the wolframite is easily liberated with only two stages of crushing. The underground jaw crusher delivers <100mm ROM, containing about 13% of vein material rock to four storage bins via the 1,203m long 17% Santa Barbara conveyor. Vibrating feeders discharge ore to a conveyor which feeds the crushing plant at a rate of about 160tph. Plus 25mm material is produced by primary screens and crushed in closed circuit by one of two short head cone crushers.

Figure 13-1. General View of the Panasqueira Mine Plant Installation

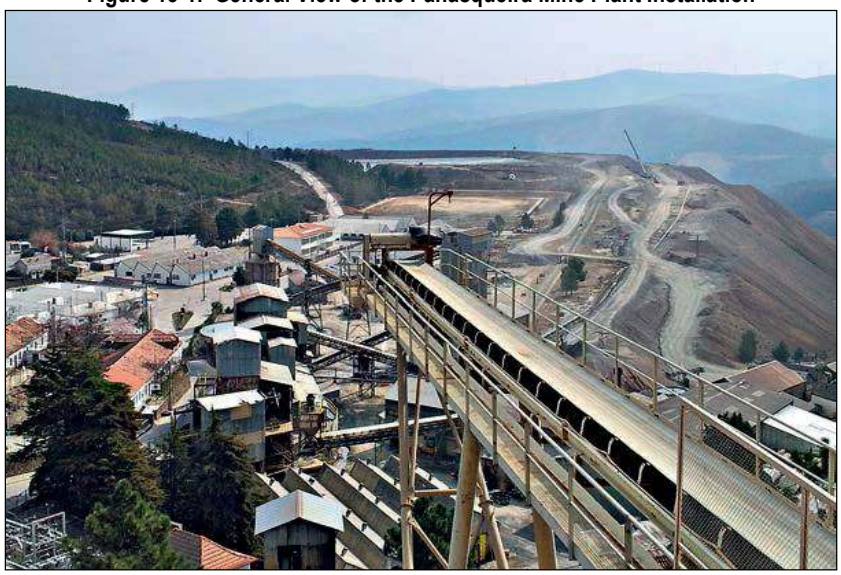
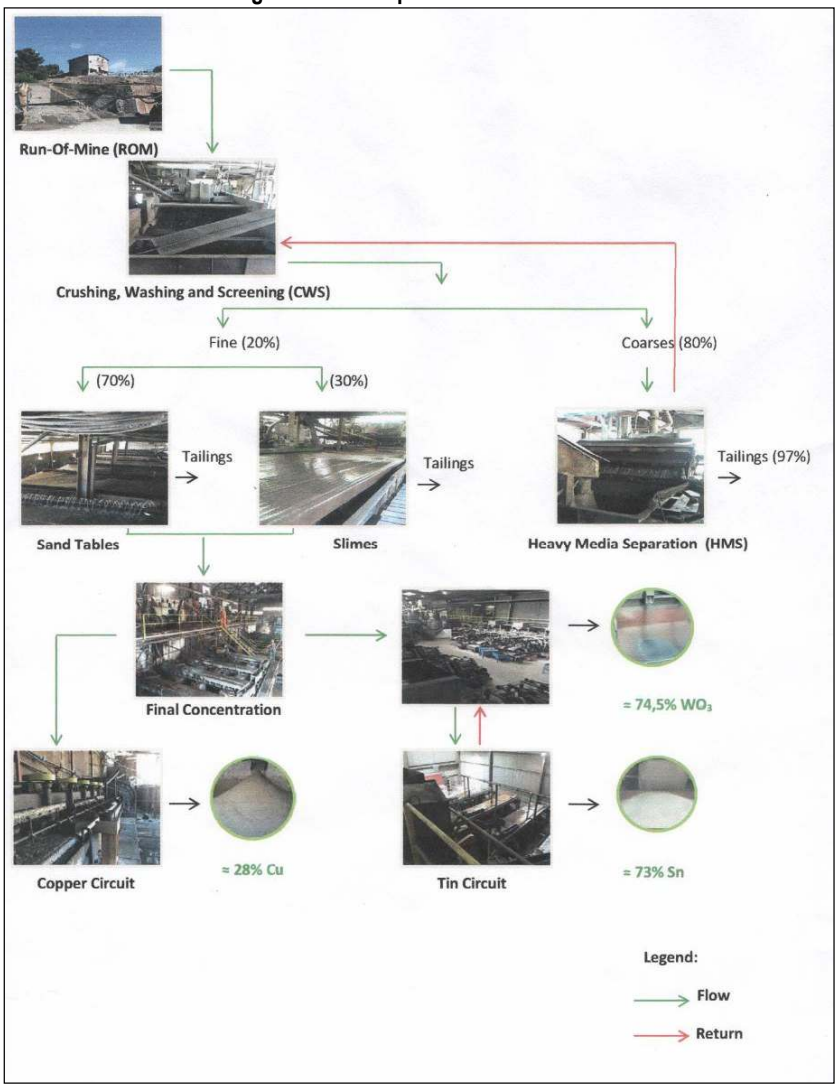


Figure 13-2. Simplified Mill Flowsheet



All screening done in the plant is aided by copious amounts of spray water. Secondary screens, remove minus 0.8mm material from the minus 25mm Heavy Media Separation (HMS) feed. The HMS process uses a hydrocyclone for the separation, with a dense slurry media maintained at an SG of 2.7 using very fine magnetic ferrosilicon (FeSi); the characteristics of the Panasqueira ore lend themselves perfectly to the use of HMS to remove approximately 80% of the ore, which has no tungsten content.

The tailings from the HMS circuit consists of +0.5 -25 mm material which is washed and screened from the cyclone overflow by sieve bends and shaking screens. One of the roll crushers is dedicated to +3 –5 mm material from the HMS concentrate and this material is re-circulated to the HMS plant. The minus 3mm material is treated in an hydraulic classifier prior to concentration by gravity shaking table. The table concentration eliminates all the gangue minerals, namely quartz and silicates, whilst the concentrates contain the dense minerals (pre-concentrate) which include, as well as wolframite, all the sulphides (pyrite, chalcopyrite, arsenopyrite, sphalerite) plus cassiterite and siderite.

In the slimes treatment section, tables are used to concentrate the possible finest particles and have produced satisfactory results, as almost all the wolframite in the slimes tailings is finer than 150 µm.

The pre-concentrate is conditioned with sulphuric acid, Nafta and Gasoil prior to passing over the table where the sulphide minerals float to the tailings, even 2mm sulphide grains will float down the table. These table tailings then become feed for the copper circuit.

This concentrate is recovered using differential flotation in Denver type cells. The table concentrates without sulphides are dried and screened to prepare three sized lots (+20, -20+60, and –60 mesh); each size fraction is treated separately using dry high-intensity cross-belt magnetic separators to produce the high grade wolframite concentrate, non-magnetic cassiterite and magnetic siderite (with a small amount of ferrosilicon).

Plant recoveries over the last year has averaged 80.2%. Over 89% of the recovered MTUs are typically in the high grade concentrate averaging over 75% WO_3 with the remainder from the fine lower grade concentrate, which averages above 74% WO_3. The bulk of the losses of WO_3 occur in the coarse tails. The overall tailings grade is 0.028% WO_3.

The Wolframite concentrates are packed in one ton bags which are transported in containers by road from the mine to the port at Lisbon, whence they are shipped to their destination. Water from the thickener overflow is retreated in the mill. The water treatment unit is located downhill at Salgueira, as described in Section 16.

13.2 Copper Circuit

All slimes pass through to the copper circuit, so it works all the time concurrently with the plant. It incorporates a small ball mill and 7 flotation cells. Over 2020 the average monthly production of copper concentrate was 65t/month. The average arsenic grade in the copper tailings is approximately 20%, with a copper circuit recovery of 77%.

13.3 Tin Circuit

In the tin circuit, the siderite is discarded whilst the cassiterite goes to further treatment using tables to eliminate the finer gangue particles, and flotation in a mechanical cell to eliminate the remaining finer sulphide particles. Over 2020, the average monthly production of tin concentrate was 10.8 t/month.

14 PROJECT INFRASTRUCTURE

14.1 Summary

The infrastructure for the mine is very well established, mining having been undertaken at Panasqueira and Barroca Grande for over 100 years. A summary of the main infrastructure requirements for the mine includes:

- **Underground Infrastructure.** This includes the underground jaw crusher below level 2 (560mRL), the belt conveyor in the Rampa Santa Barbara which takes ore from the crusher up to surface, the main access ramp to surface for mechanised equipment and personnel, four main ventilation raises, the internal hoist and shaft which connects level 2 and level 3 (470mRL), and the train level haulage systems on levels 2 and 3.
- **Coarse Waste Dump.** The Barroca Grande waste dump lies adjacent to and above Bodelhão Creek that flows south-easterly to the Rio Zêzere and comprises primarily HMS tailings (gravel), waste rock and sand tails, all of which are very benign and possibly marketable as aggregate. This waste dump is approximately 1km to the east of the mill. A belt conveyor takes waste from the mill out to a discharge point just to the west of the waste dump area. The waste material is then transported and discharged by truck onto the waste dump, or use for the building up of embankments in the construction of the new TMF 2B fine tailings disposal area.
- **Fine Tailings Disposal areas (TMFs).** There are two historic disposal areas – TMF 1, which is completely finished and TMF 2A, into which fine tailings is currently being discharged. TMF 2A is nearly full, and so a new disposal area, TMF 2B, is under construction. A pipeline takes fine tailings hydraulically from the mill out to the disposal area, along the same access roadway as the coarse waste conveyor.
- **Electrical Power Distribution System**. The electrical power is supplied by EDP at 60kV, into a sub-station at the Rio site, from where it is transported to Barroca Grande sub-station by the company 40kV line.

- **Water Systems**. There are two main water pipe systems: one for process/mine water and one for potable water. The process/mine water pipeline feeds the Salgueira water treatment plant.

14.2 Electrical Supply

The electrical power is supplied by EDP at 60kV, into a sub-station at the Rio site, from where it is transported to Barroca Grande sub-station by the company 40kV line. There are 6 main transformers at this sub-station which transform all incoming power to 3kV which is the feed voltage up to the consuming centres. The majority of motors are of 400V. Contracted power is 3750 kW (2006 NI 43-101 report).

Electricity typically accounts for just over 9.3% of operating cost. Power price per kWh increased substantially since 2007 to €2.12/t ore, making the monitoring and control of large consumers even more important. The low electricity consumption is mainly the result of not having to grind the coarsely liberated ore. A large degree of natural ventilation also occurs in the mine. Power is adequately reported on and controlled by monthly reporting. The mine has modern telecommunication, with touch-tone dialling, internet connected data communication, international cellular coverage and a mine radio communication system.

A contract has recently been signed with Prosolia Portugal Ltda ("Prosolia") for the construction of a Solar Power Plant during 2021, with commissioning in 2022. This will be located near the main office, and with a rating of 2.52MW, will be capable of producing 4.1 million KWH per year. BTW could use 3.4 million KWH per year of this, representing 21.5% of annual consumption. All of the capital costs will be provided by Prosolia, and BTW will pay for the power from the panels at 43% discount, representing an annual saving of Euro 150,000 with respect to an annual power cost of Euro 14.4 million. The balance of the power produced will be sent to the National Grid. At the end of the 15 year contract the installation becomes BTW's property.

14.3 Transportation

Easy all-weather road access is provided by a combination of two-lane and four-lane divided highways, for approximately 260km from the capital Lisbon to the town of Fundão. The mine is located approximately 35km from Fundão along a two-lane windy, paved road to Barroca Grande, the community that supports the mine and contains the Barroca Grande plant and offices. Government maintained paved roads or dirt roads maintained by the company can access most areas of the concession.

All essential services such as food and lodging are available from the numerous nearby towns and villages including all heavy-duty equipment. Alternative access to the mine is via two and four lane highways to Porto, a port city located approximately 200km to the north-west. The railway from Lisbon reaches the town of Fundão. The wolframite concentrates are transported in containers by road from the mine to the port at Lisbon whence they are shipped to their destination

14.4 Water

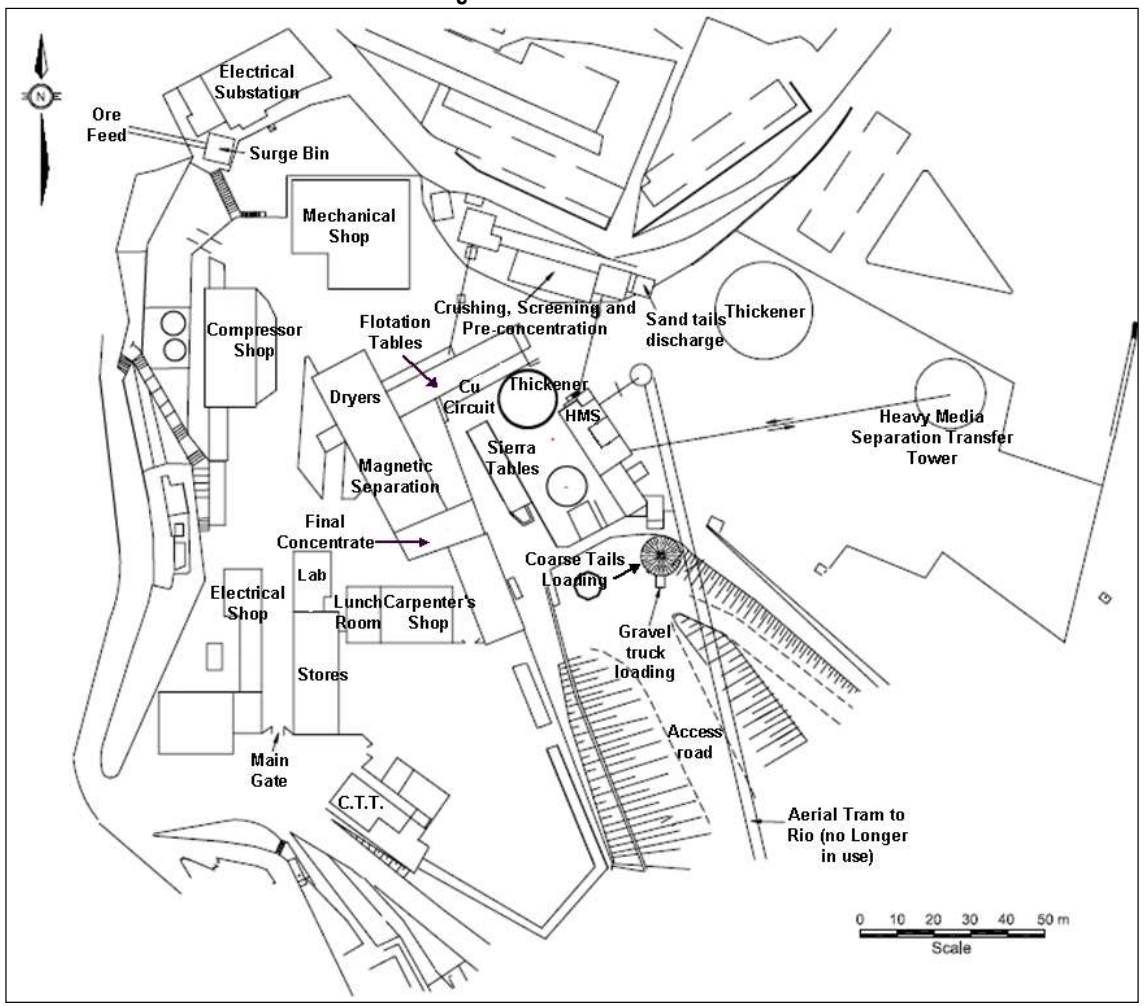
Please refer to the Solicitor's Report on Tenements in Appendix J of Almonty's Prospectus for information in relation to the expiration of water licensing and related matters.

The concession contains abundant water sufficient to continue to support future mining operations. The mine is situated in a natural cirque at the top of a valley which ends at the Rio Zêzere (Zêzere River). Numerous unnamed creeks and underground water sources feed the mine and drain into the small Bodelhão Creek that flows south-easterly to the Rio Zêzere. The Rio Zêzere is the major source of water for the city of Lisbon, so the mine conducts constant water monitoring.

14.5 Metallurgical Plant and Workshops

The Metallurgical Plant site plan is shown in Figure 14-1. The maintenance workshops are quite spread out geographically.

Figure 14-1. Plant Site Plan



15 MARKET STUDIES AND CONTRACTS

Forecasts for 2020-24 are difficult to make, but costs of production are likely to continue to increase particularly in China, which may raise the floor price in the tungsten market. The cyclical nature of economies in general and the tungsten industry in particular, means that the tungsten price could fluctuate significantly.

As described in Section 13, over 89% of the recovered wolframite is typically in the high grade concentrate averaging over 75% WO_3, with the remainder being sold in the form of a fine lower grade concentrate, which averages above 74% WO_3.

Please refer to Section 10 of Almonty's Prospectus for a summary of the supply agreements in place by which BTW and Almonty have agreed to sell WO_3 concentrate from Panasqueira.

Almonty's long term price forecasts support the price assumption of $350/mtu APT, which corresponds with the cut-off grade of 0.12% WO_3 used in the current reserve estimation.

16 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL IMPACT

In December 2005 a comprehensive Environmental Audit was undertaken by EnviEstudos, the conclusions of which formed the basis for the Environmental Licence Application submitted in June 2007. The main environmental issues related to ongoing operations were listed as:

- Treatment of acid mine drainage;
- Noise (audiometry testing commenced in 2007);
- Continued disposal of coarse and fine tailings (completed during 2014).

Please refer to the Solicitor's Report on Tenements in Appendix J of Almonty's Prospectusin relation to concerns relating to environmental matters.

The Rio site was part of the company's holdings until March 21, 2006, when the Portuguese government signed an agreement that removed that site, and all associated environmental liabilities, from the BTW concession. The Rio waste rock dumps and tailing piles are therefore not environmental liabilities for BTW. The revised concession block was subdivided into two subsections based on the geographic location of the two tailings/waste-dump sites of Panasqueira (the old mine), and Barroca Grande (site of the active mine/plant and dumps).

The Panasqueira site contains the old mine, and tailings pile used in the earliest years of production from the late 1890's to 1927 when a new plant was constructed at Rio. The site contains remnants of old buildings as well as a large tailings pile down slope from the old mill buildings. Numerous old mine workings and small dump piles are scattered around the hillside. Development in this area was done by small hand-driven mining operations that apparently contain little in the way of environmental concerns as they appear to be naturally re-vegetated.

The Barroca Grande site includes the underground mine and portals, processing plant, mine offices and employee housing in addition to the active tailings disposal areas, and Salgueira water treatment plant. It was considered in 2001 that a primary environmental issue from mining was the discharge of mine water from underground via a drainage tunnel which discharged at the Barroca Grande treatment plant at Salgueira.

Mine water flows are seasonal, with minimal base flow conditions during the dry season and high flow during the rainy season. The water quality results were reported to be quite consistent despite the large fluctuations in flow rates. The pH values from March 1999 to December 1999 ranged from a low of 3.49 to a high of 3.73. Although quite consistent, these low pH values are typical of acid mine drainage (AMD) waters and resulted in elevated concentrations of metals which are harmful to the environment. The concentrations for copper, zinc, manganese and arsenic (June 2000) all exceeded the regulatory limits for water quality; although the water discharges to the Salgueira treatment plant and is effectively treated during the summer months.

The original Salgueira plant was apparently designed in 1957, whose capacity was 300m^3/hr. This plant was expanded and upgraded in late 2011, so it can now handle 500m^3/hr. Water is treated with the addition of lime, precipitate sludge is pumped to the tailings pond, and treated water is then discharged to the creek channel adjacent to the plant or pumped to holding tanks for later use in the mill. The sources include mine water drainage, surface accumulation on the old tailings area (Barragem Velha), water from the new tailings pond (Barragem Nova) and seepage from the base of the tailings.

Sometimes during winter, high discharge periods cannot be treated, resulting in discharges to the creek. These discharges were reported to coincide with high flows in the creek valley and in the Zêzere River, with the result, that the untreated AMD water was diluted with surface water.

The mine has obtained a waiver on the maximum pH of waters to be released in the river (level of 10 instead of 9) and manganese. The output pH is 9.8. Twice a week samples are taken and analysed in the mill laboratory. Once a month samples are taken and sent to an independent laboratory. These results are checked every 6 months by the local authorities.

The Barroca Grande dump lies adjacent to and above Bodelhão Creek that flows south-easterly to the Rio Zêzere and comprises primarily HMS tailings (gravel), waste rock and sand tails, all of which are very benign and possibly marketable as aggregate. Fine tails are the biggest liability as

they contain precipitate from Salgueira as well as the copper circuit tailings with up to 25% arsenic. Stability of the low elevation fines (slimes) containment was considered to be less assured than for the coarse tailings upslope of the slimes deposit.

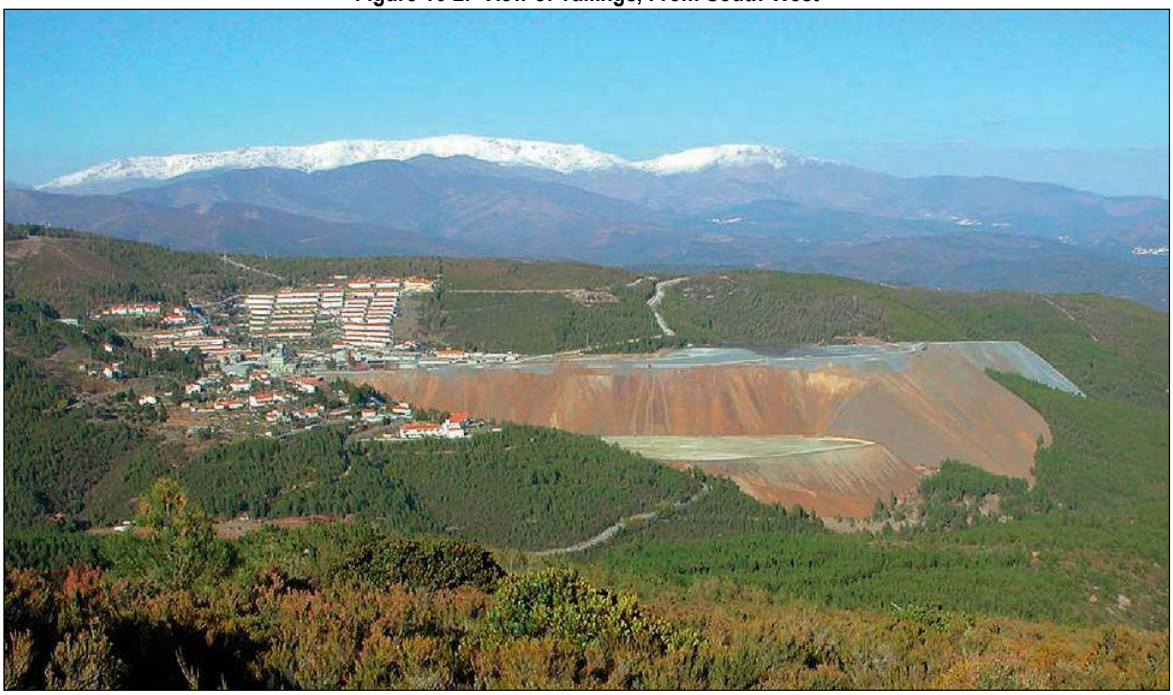
On–site disposal installations are shown in Figure 16-1 and Figure 16-2. Slimes tailings are disposed of in a dam built into the eastern section of the heavy media separation reject stockpile (BL2A). This tailings pond also receives sludge from the water treatment plant. In anticipation of the filling of the current tailings pond (BL2A) with fine tailings, during the summer of 2021, BTW has got the new BL2B pond ready for use. In order to match construction of the required volume for fine tailings storage with the availability of supporting landfill construction coarse waste material, the work is planned to be carried out in 3 phases. In accordance with the mining authorities, the base will be made waterproof with a covering of centrifuged (cyclone) fines.

Solution for tailings storage construction allows a total storage volume of about 1,726,500m3 or ~ 30 years given the current mine production. BTW benefits from the EU tailings ponds Directive, in that ponds can be used until the end of their useful life and there is no obligation to immediately cover a pond that has reached the end of its useful life. Arsenopyrite is the main mineral present as well as a rejected waste sulphide. The metal assemblage identified in soil (Ag-As-Bi-Cd-Cu-W-Zn); potentially toxic elements (PTEs)) reflects the influence of the tailings, due to several agents including aerial dispersion. PTEs and pH display a positive correlation confirming that heavy metal mobility is directly related to pH and, therefore, affects their availability. The estimated contamination factor classified 92.6% of soil samples as moderately to ultra-highly polluted.

Figure 16-1. Plan View of Current Disposal Area



Figure 16-2. View of Tailings, From South-West



17 CAPITAL AND OPERATING COSTS

Capital costs through all the 12 months of 2020 are summarised in Table 17-1.

Table 17-1. Summary of Capital Costs 2020

	US$ x 1000
UG Drilling	16
New Mine Equipment	18
Mine Equip Refurbishment	18
New Plant Equipment	260
Plant Refurbishment	131
Environment	346
Civil Construction+Others	94
Total	**883**

Notes

. Does not include mine development, as this is in the underground operating cost

. Most of the Environment cost is the for the development of TMF 2B tailings pond

A summary of direct mine operating costs over the same time period are shown in Table 17-2.

Table 17-2. Summary of Operating Costs Jan-Dec 2020

Description			*Unit*	Values
General				
		$:Euro conversion		**1.14**
Prices				
		APT Price	*$/mtu WO_3*	
		Metal Price - received	*$/mtu WO_3*	**216.415**
		Conc grade	*%WO_3*	**72.55%**
		Price per t of concentrate		15,701
		after transport + smelting	*$/t WO_3*	21,642
Costs				
		Recovery	*%*	**80.0%**
		Processing Cost	*E/t*	**5.34**
Production Data				
		ROM tons processed	*tonnes*	638,929
		Average %WO_3 Grade Plant	*%WO_3*	0.132
		Average Monthly Ore Treated	*tpm*	53,244
		WO_3 product	*MTUs*	67,564
		Admin	*Euro*	811,030
		General	*Euro*	1,052,311
		Environmental	*Euro/ton*	0.66
Operating Costs				
		Admin	*$/t ore*	1.45
		General	*$/t ore*	1.88
		Environmental	*$/t ore*	0.76
		G&A Sub-total	*$/t ore*	4.09
		Processing Cost	*$/t ore*	6.11
		Underground Cost - Stoping and Development	*$/t ore*	15.94
		Total Operating Cost	*$/t ore*	26.1
		Total Operating Cost	*$/mtu*	247

The G&A costs listed include costs for:

- General Administration, including the Lisbon office
- Auditing and Consulting.
- Bonus and Allowances.
- Safety Bonus.
- Energy
- Transport of Concentrates.

18 ECONOMIC ANALYSIS

The data summarised in Table 18-1, shows a summary of the direct operating cashflow from January to December, 2020. The costs shown in Table 18-1 do not include capital costs. It should be noted that the mine was not at full production capacity for this period, and the WO_3 price was approximately 20% lower than the expected long-term price of \$350/ WO_3 mtu APT.

Table 18-1. Cashflow, January – December 2020

	Unit	Values
Production and WO_3 Revenue		
ROM tons processed	*tonnes*	638,929
Average %WO_3 Grade Plant	*%WO_3*	0.132
Recovery	*%*	80.0%
WO_3 production	*MTUs*	67,564
Average Price - Received	*$/MTU*	216.4
WO_3 revenue	***US$ x 1000***	**14,429**
By-Products Revenue		
Copper Con Revenue	*US$ x 1000*	736
Tin Con Revenue	*US$ x 1000*	1,435
Crystal sales	*US$ x 1000*	79
Sub-total	***US$ x 1000***	**2,249**
Total Revenue	*US$ x 1000*	16,678
Costs		
Mine	*US$ x 1000*	10,186
Plant	*US$ x 1000*	3,905
G&A	*US$ x 1000*	3,453
Total Cash Costs	***US$ x 1000***	**17,544**
Net Direct Cashflow	***US$ x 1000***	**- 866**

Electrical power costs will be reduced, with the construction and use of a solar plant, as described in Section 14.2

The waste dumps are being reprofiled to as to become the wall of the new BL2B dam, with engineered slopes and individual benches. Material from the old BL1 dam will be reprocessed, and the new tailings from this will also be sent to the BL2B dam.

Mine production will continue at similar rates to 2020, with mine development focussed on Level 3 and in the Upper zones on Level 1. Tin as a by-product has gained importance with more production and better tin prices.

19 REFERENCES[1]

U.S. GEOLOGICAL SURVEY. January 2015: 'Mineral Commodity Summaries'.

SCHMIDT.S, Wolfram Bergbau & Hütten AG. June 2012: 'From Deposit to Concentrate: The Basics of Tungsten Mining Part 1: Project Generation and Project Development'. ITIA Publication, Tungsten.

BRITISH GEOLOGICAL SURVEY, National Environment Research Council. January 2011: Publication, "Tungsten".

[1] None of the authors of books, journals and comparable publications cited in this report has consented to the inclusion of any statements in Almonty Industries Inc.'s Prospectus.

Appendix A: JORC Code, 2012 Edition – Table 1

Section 1. Sampling Techniques and Data

Criteria	JORC Explanation	Commentary
Sampling techniques	Sampling overview	The mine does not utilize conventional sampling techniques, such as channel sampling or drill core assaying to provide material to estimate grades. Instead, face sampling and diamond drillhole core measurements are converted into grade values utilising empirically derived factors, within formulae that have proved reliable and accurate for many decades of mining, as described in Sections 8.1 and 8.2. For the evaluation of the tialings areas, diamond drilling and percussive drilling has been used for sampling.
	Measures for representivity and calibration of tools/systems	Face sampling is done on a systematic basis, so as to provide samples around all four walls of each initially delineated mine pillar area.
	Determination of mineralisation	Face sampling involves measuring the area of wolframite crystals within exposed veins on the faces or walls in stoping or development areas. Drillhole data is primarily used with relation to quartz intersections. Such intersections generally do not show wolframite mineralisation, but it is known quartz intersections provide a very good indicator of mineralised areas.
	Sampling details; non-standard aspects	The details of the empirical formulae applied for the processing and face sampling results and diamond drillhole core measurements are shown in Sections 8.1 and 8.2.
Drilling techniques	Drill type and details.	Underground holes produce 47.6mm (NQ) core. Some of the earlier surface boreholes were drilled BQ producing 36.5mm core.
Drill sample recovery	Method of measurement and recording drill recovery	Drillhole recoveries are not systematically measured.
	Measures for recovery and representivity	Conventional drillhole grades are not obtained by assaying, but derived from the measured quartz intersections.
	Relationship between sample recovery and grade	There is no evidence of sample bias from the use of the empirical formulae which are applied to derive grades from the drillhole data.
Logging	Geological and geotechnical logging details.	Diamond drillhole core is left intact, and logged by a geologist and all quartz vein intersections have width measurements.
	Logging qualitative or quantitative, core photography	Logging both qualitative and quantitative. Quartz intersection lengths are measured. A lithological code is recorded for each main lithology in the vicinity of the mineralisation. Over each such lithological interval, the incidence and proportion of up to 23 different minerals is also recorded.
	Total length and % of relevant intersections logged	In the current overall drillhole database, representing 165,225m of drilling, some 121,034m were logged, representing approximately 73%.
Sub-sampling techniques and sample preparation	Core sawing details	Drillhole core is left intact.
	Non-core sample splitting details	Face sampling is described in Section 8.2.
	Nature and quality of sample preparation	It is considered that the derivation of grades from face sampling and drillhole measurements are appropriate for the type of estimation being done.
	Quality Control (QC) procedures, for max representivity	QC procedures are not applied as in conventional sampling.
	Measures to ensure sampling representative of material	In new unexplored areas, vertical drillholes are spaced at approximate regular dimensions of 50m – 100m.
	Samples sizes information	It is considered the size of drillhole and face sampling measurements are appropriate for the mineralisation at Panasqueira.
Quality of assay data and lab tests	Assaying and laboratory procedures	There are no quality controls measures currently in place, associated with diamond drilling and underground sampling.
	Parameters, models for geophysical or other instruments.	No other instruments. Parameters used for empirical formulae are described in Sections 8.1 and 8.2.
	QC procedures, related to accuracy (lack of bias) and precision	Quality control measures are employed in the laboratory, for mill sample measurements, involving blanks, certified samples and external samples.
Verification of sampling and assaying	Verification of key intersections - independent personnel	The Competent Person (CP) discussed with site geologists all aspects of face sampling, core logging and subsequent processing of measurements. The (CP) also imported and combined all of the available drillhole data into Datamine. During the combination and desurveying process, 37 sequencing or overlap errors were found, out of 56,712 records, which represent just 0.07% of the database.

Criteria	JORC Explanation	Commentary
		Section, plans and 3D views of this drillhole data were checked against mine topographic data, and did not show any major discrepancies with corresponding mine plans.
	Use of twinned holes	Generally twin holes have not been drilled.
	Documentation of primary data, and entry procedures	Primary data has been entered and maintained in an Excel database.
	Adjustments to assay data	Empirical formulae used for processing diamond drillhole and face sampling measurements are described in Sections 8.1 and 8.2.
Location of data points	Accuracy and quality of drillhole and workings' surveys	Surveyed underground drillhole collar positions are checked against surveyed underground workings data. Subsequent stoping excavations are also checked against surveyed mineralised intersection positions.
	Specification of grid system	Portugal uses the Hayford–Gauss system and not UTM or another more universally accepted coordinate system. Portugal is in the process of changing to the ETRS89 system. The coordinates of polygonal vertices are referred to an origin which is the central point for the Portuguese cartographic maps. This central point is at the approximate geometric centre of the country and is about 5km south and 31km west of the Panasqueira Mine. In addition to the government issued maps, there are also Portuguese Military topographic maps that use the same system of coordinates but with a different point of origin.
	Quality and adequacy of topographic control	The topographic data used at Panasqueira are considered adequate for the subsequent Mineral; Resource and Ore Reserve estimation work.
Data spacing and distribution	Spacing for reporting of Exploration Results	The lines of surface drilling are generally spaced at approximately, 100m with occasional infill down to 50m and rarely 25m. The underground drilling is much more irregular.
	Assessment of data spacing and distribution	It is considered that the spacing of samples used is sufficient for the Mineral Resources evaluated in the current study.
	Sample compositing	Conventional drillhole samples are not taken, so sample compositing is not applied.
Orientation of data in relation to geological structure	Sampling orientation	Drillholes are generally vertical, so as to intersect the mineralised structures approximately at right angles.
	Assessment of orientation	It is not considered that the drilling orientations have introduced any sampling bias.
Sample security	Measures for sample security	Drillcore is logged and stored in a separate locked warehouse facility next to the mine offices.
Audits or reviews	Results of any audits or reviews	The Competent Person has reviewed the sampling techniques and data and considers them adequate for resource/reserve estimation.

Section 2. Reporting of Exploration Results

Criteria	JORC Explanation	Commentary
Mineral Tenement and Land Tenure Status	License information and data, including royalites	Described in Section2.
	Security of tenure	Described in Section 2.
Exploration Done by Other Parties	Other parties	Even though the mine has been in operation for more than 100 years, very little in the way of conventional exploration has been conducted on the property outside the active or past mine workings. The hills surrounding the present day operation contain many old pits and shafts left from small tungsten vein hand mining operations.
Geology	Deposit type, setting and mineralisation	Described in Section 5.
Drillhole Information	Drillhole Information	Drilling described in Section 7, and summarised in Table 7-1.
	Explain any excluded data	No information has been excluded.
Data Aggregation Methods	Averaging techniques/truncations	Exploration results not being reported.
	Aggregation methods	Not relevant when reporting Mineral Resources
	Assumptions for any metal equivalents	Metal Equivalents not used

Relationship between mineralisation widths and intercept lengths	Geometry of mineralisation with respect to drilling	Not relevant when reporting Mineral Resources
	Statement related to true width	No downhole lengths or individual intersections being reported
Diagrams	Maps/sections - discoveries, collars	Refer to Figure 10-1.
Balanced Reporting	High/low grades and widths	Not relevant when reporting Mineral Resources
Other Substantive Exploration Data	Other exploration data.	A regional stream sediment geochemical survey carried out between 1982 and 1984 by BTW outlined several anomalous areas of elevated tungsten and tin geochemistry in the concession and along the borders. BTW also completed a lithogeochemical survey over selected areas of the Panasqueira concession and in the immediate area adjacent to the concession which returned areas of tin and tungsten anomalies. Two areas appear to stand out as potential sites for follow-up work as defined by both anomalous lithogeochemical and stream sediment sample results.
Further Work	Planned further work	The most important areas of the mine which offer scope for overall resource expansion are the Panasqueira deep area and Level 4 (below 470mRL).
	Diagrams of extensions, interpretations and future drilling	Level 4 shown in plan projection in Figure 5-2.

Section 3. Estimation and Reporting of Mineral Resources

Criteria	JORC Explanation	Information Required
Database integrity	Measures for error reduction/removal between collection and use for Mineral Resources Estimates (MRE)	The principal method used in the geology department is to plot all relevant data associated with the resources on Autocad plans.
	Validation procedures	For the current estimation, the Competent Person carried out his own validation steps, as described in Section 9.
Site Visits	Visit details	Adam Wheeler last visited the Panasqueira site from November 4th - 6th, 2015.
	Explanation if no visit	Not relevant
Geological interpretation	Confidence in geological interpretation	The geologic model is considered robust, with information available from diamond drillholes and extensive mine workings.
	Nature of data, assumptions	Drilling information available from 4,099 diamond drillholes, over a total drilled length of approximately 165,000m. The majority of the data for resource estimation come from underground drillhole data, which are generally either level to level vertical holes, 120m holes drilled down from the deepest available levels, or much shorter 13m holes drilled vertically up and down from current stope workings.
	Effect of alternative interpretations on MRE	Effects of alternative geologic models were not tested.
	Use of geology in controlling MRE	Observations of the mineralised zones inside the room-and-pillar workings are used to update the geological understanding of all zones intersected.
	Factors affecting continuity of grade and geology	The main factor affecting continuity and grade is the presence of the quartz structure hosting the wolframite mineralisation
Dimensions	Extent and variability	The tungsten mineralised quartz veins have an average dip of 8°-10°SW. The mineralised zone has dimensions of approximately 2,500m in length and varies in width from 400m to 2,200m, continuing to 500m in depth. The deposit, between Level 1 and Level 2 (60m vertical separation) consisted of seven or eight flat dipping veins with an average thickness of 0.3m (range 0.1-1.0m) that typically hosted the economic mineralisation over continuous strike lengths of 40 to 60m. This distribution of veins is generally typical of those also encountered on the lower levels.
Estimation and modelling techniques	Estimation techniques: assumptions, software, parameters	Described in Section 10.1, and in Sections 10.2 and 10.3 for tailings.
	Check/previous estimates	Historical production data shown in Table 4-2 and historical mineralisation.
	Assumption with respect to recovery of byproducts	There are very small amounts of copper concentrates and tin concentrates produced in the mill, but these amounts are so small they not evaluated as resources or reserves.

Criteria	JORC Explanation	Information Required
	Deleterious elements	No deleterious elements are evaluated in the resource estimation.
	Block size with respect to sample spacing	Virgin areas are blocked out by perimeters defined in the plan. These plan areas are used, with a minimum mining height of 2.2m, to determine volumes, and from these tonnages. Pillar tonnages are determined from the actual surveyed pillar sizes: generally 11m x 11m or 3m x 11m. Face samples from the sampled pillar walls generally provide samples at spacings at or less than pillar dimensions.
	Assumption with respect to SMUs	The smallest resource areas estimated are 3m x 3m x 2.2m, based on the smallest remnant pillars and the minimum mining height.
	Correlation between variables	No assumptions have been made about the correlation between any variables.
	How geology interpretation used to control resource estimates	The Autocad plans of each level and inter-bed mineralised zones are used to correlate all known exposures and face sample results.
	Grade capping	Derived grades are not capped.
	Validation process	Mode validation steps are described in Section 2210.1.
Moisture	Method of determination	Tonnages are estimated on a dry basis
Cut-off parameters	Basis and parameters	The cut-off grades are discussed above: A cut-off grade of 0.12%WO3 (equivalent to 10 kg/m2) for Measured resources and 0.13% WO3 (equivalent to 10.8 kg/m2) for Indicated and Inferred resources. These cut-off levels are supported by breakeven calculations based on parameters related to average cost levels for January – December 2020.
Mining factors/assumptions	Mining methods: dimensions, assumptions extraction prospects	A minimum thickness of 2.2m was applied in the resource estimation, as being the minimum height for underground mining.
Metallurgical factors/assumptions	Assumptions re processes and parameters	The mineral processing facilities have been in their current configuration for several decades. Improvements have been introduced by small changes to the existing plant while it is in production, rather than major expansions with specific testing studies. The current mill flow sheet is explained in Section 13.
Environmental factors/assumptions	Status of potential environmental impacts	Described in Section 16.
Bulk Density	Basis and application	The global density assigned value of 2.8 t/m^3 comes from a series of 9 core measurements, taken in typical schist material, which dominates mined ore.
	Void spaces	It is considered that the density measurements take adequate account of void spaces, which are minimal.
	Assumptions with respect to the evaluation process	A global density value of 2.8 t/m^3 has been applied in resource estimation work.
Classification	Basis for MRE, with varying confidence categories	The resource classification criteria applied are summarised in Table 10-4.
	Factors: tonnes, grades, input data, geology; quality, quantity and distribution	The resource classification criteria take into account the type and amount of available drillhole and face sample data, along with the zone continuity, which are valuated individually. Different mining recovery factors are applied, according to the size of the ore pillars being evaluated, and reflecting the final non-recoverable 3m x 3m pillars. These factors are 84% for Virgin areas, 67.3% for 11mx11m pillars and 45% for 11mx3m pillars. Confidence factors are also applied of 60% to Indicated Resources and 40% to Inferred Resources.
	Results reflect CP's view	The resource estimation results reflect the Competent Person's view of the deposit.
Audits/reviews	Results of any previous reviews	The Competent Person has conducted an internal review of all available data, as described in Section 9.
Discussion of relative accuracy/confidence	Statement re relative accuracy and confidence level	Relative accuracy of the Resource estimate is reflected in the reporting of the Resources as per the guidelines of the 2012 JORC code.
	Specifics for global and local estimates, relevant to technical and economic evaluation.	The resource statement relates to global estimates of tonnes and grade, by level.
	Comparison with production data, where available	Historic production figures shown in Table 4-2.

Section 4. Estimation and Reporting of Ore Reserves

Criteria	JORC Explanation	Information Required
MRE conversion to Ore Reserves (OR)	Description of MRE	Stated in Table 1-1
	MRE - inclusive of, or additional to, OR	The Mineral Resources are reported inclusive of the Ore Reserves.

Criteria	JORC Explanation	Information Required
Site Visit	Comment re CP visit	Adam Wheeler last visited the Panasqueira site from November 4th - 6th, 2015.
	If not, why not.	Not relevant.
Study status	Type and level of study undertaken	This Technical Assessment Report stems from the resource and reserve update of October, 2019, and then updated to reflect the extent of mining up to the end of December 2020, as produced by the Technical Department at Panasqueira.
	At least PFS level required; has a viable mine plan been determined	The study shown here is equivalent to a Feasibility Study level. A viable mine plan has been developed.
Cut-off parameters	Basis and parameters	A cut-off grade of 0.12%WO_3 (≡ 10 kg/m2) was applied for ore reserve calculations. This cut-off level is based on average cost levels for January – December 2020, and assumed long term price of $350/mtu WO3 APT, as shown in Section 11.1.
Mining Factors/Assumptions	Methods and assumptions	The room-and-pillar mining method is described in Section 12.
	Choice of mining methods and parameters	The mining method used at Panasqueira is a mechanized room and pillar method that has evolved during the past 100 years. The method is possible due to the sub-horizontal nature of the quartz veins and the very competent host rock.
	Assumptions for geotechnics, grade control and pre-production drilling	Underground support is relatively rare. When argillaceous faults are encountered, concrete reinforcement is used, with arches either side of such faults in the main drives. Rock bolts, screen and shotcrete are used only when large openings are excavated for underground infrastructure. However, the room-and-pillar configuration has many years of operation to support its' parameters. The final pillars left intact are 3m x 3m, with 5m room in between.
	Major assumptions used in pit/stope optimisation	No stope optimisation has been applied.
	Mining dilution factors	A minimum mining thickness of 2.2m. As the average mineralised zone thickness is 33cm, this minimum thickness represents an appreciable dilution. No additional dilution factors are applied.
	Mining recovery factors	Different mining recovery factors are applied, according to the size of the ore pillars being evaluated, and reflecting the final non-recoverable 3m x 3m pillars. These factors are 84% for Virgin areas, 67.3% for 11mx11m pillars and 45% for 11mx3m pillars.
	Minimum mining widths	The minimum mining width is 5m, for the rooms and galleries in between the pillars.
	No use of inferred MRE in mining studies	No inferred material is included in the Ore Reserves.
	Infrastructure requirements	As a producing mine, all infrastructure is in place.
Metallurgical factors/assumptions	Met. Process proposed: appropriateness for mineralisation	The existing milling facilities are described in Section 13.
	Whether met. process is well tested.	The metallurgical process is using well-tested technology.
	Nature of met test work	The mineral processing facilities have been in their current configuration for several decades. Improvements have been introduced by small changes to the existing plant while it is in production, rather than by major expansions.
	Assumptions made for deleterious elements	Pyrite, arsenopyrite and siderite are the heavy minerals that are removed from concentrates
	Bulk sample/pilot test > orebody representivity	Not relevant.
	OR based on appropriate mineralogy	The Ore Reserve estimation has been completed on zones with appropriate mineralogy, corresponding with the existing metallurgical processing facilities.
Environmental	EI studies. Waste rock characterisation. Residue storage, waste dumps.	Described in Section 16.
Infrastructure	Existing land for development, power, water, transportation, labour.	Described in Section 14.
Costs	Derivation of capital costs.	Described in Section 17.
	Methodology for operating costs.	Described in Section 17.
	Allowances for deleterious elements.	No deleterious elements are evaluated in the Ore Reserve estimation.

Criteria	JORC Explanation	Information Required
	Source of exchange rates.	The exchange rate used in the study used is US$1.15 to 1.00 Euros (€), unless otherwise stated.
	Derivation of transport charges.	Transportation costs have already been deducted from the operating costs shown in Table 17-2.
	Basis for tc/rc, penalties.	The average price received over 2014 was $US315.5/MTU. This figure takes into account reductions for smelting charges.
	Allowances for royalties.	A royalty, in the form of a percentage of the values of the F.O.B/Concession sales. The last review of these rates was made in March, 2012 and pertains for 12 years. For further royalty information please refer to the Solicitor's Report on Tenements in Appendix J of Almonty's Prospectus.
Revenue Factors	Assumptions for head grades, exchange rates and other charges.	The average head grade over 2020 was 0.132% WO_3.
	Assumptions for metal prices.	Described in Section 15.
Market Assessment	Demand, supply and stock situation	Described in Section 15.
	Customer analysis, market windows.	The mine has been successfully selling tungsten concentrate for several decades.
	Price and volume forecasts.	Almonty's long term price forecast is $350/mtu WO_3 APT, which corresponds with the cut-off grade of 0.12% WO3 used in the current reserve estimation.
	For industrial minerals: specification, testing and acceptance requirements.	Not relevant.
Economic	Inputs for NPV in study. Source / confidence of economic inputs.	A cashflow summary of the production during 2020 is shown in Table 18-1.
	NPV ranges and sensitivities.	Since the beginning of 2015, production has been cut back, in line with poorer tungsten prices. The current mining plan of BTW is to produce approximately 480 kt of ore for 2016. Based on current reserve levels this indicates a mine life of 2.4 years.
Social	Status of agreements with key stakeholders, for social license to operate.	The village of Barroca Grande is notable for its long history of mining, with a significant number of local people being employed at the mine historically.
Other	Impact of identified material risks.	There are no known naturally occurring risks.
	Status of legal agreements and marketing arrangements.	Refer to Section 2.4 of this report.
	Status of government agreements and approvals.	Please refer to the Solicitor's Report on Tenements in Appendix J of Almonty's Prospectus.
Classification	Basis for classification of OR, into varying confidence categories.	Described in Table 11-1.
	Whether results reflect CP's view.	The results do reflect the Competent Person's view of the deposit.
	Proportion of Probable Ore Reserves derived from Measured Mineral Resources.	100% of the Probable Ore Reserves have been derived from Measured Mineral Resources. Those Measured Resources with Face Samples on at least 3 sides are converted into Proved Reserves. Those Measured Resources with Face Samples on at least one side are converted into Probable Reserves.
Audits or reviews	Results of any audits/reviews on OR estimates.	No audit or review of the Ore Reserve estimates has been completed by an independent external individual or company.
Discussion of relative accuracy/confidence	Statement of relative accuracy in the OR estimates, or if not appropriate, qualitative discussion.	The relative accuracy of the Ore Reserve estimates are reflected in the face sample criteria corresponding to the reserve categories. Proved Reserves must be in pillars with face samples on at least 3 sides, whereas Probable Reserves are in pillars that may have face samples on at least one side.
	Relation to global or local estimates.	The Ore Reserve statement relates to global estimates of tonnes and grade, broken down by main level intervals.
	Accuracy discussion with respect to any Modifying Factors.	Other than the Mining Recovery factors (described above) no other modifying factors are applied.
	Where possible, comparison with production data.	Production figures are not specifically reconciled.

APPENDIX B:

Glossary of Terms

UNITS OF MEASURE AND ABBREVIATIONS

BF	Block factor
DMT	dry metric tonne
m	meters
MCF	Mine call factor
m/h	meters per hour
mtu	metric tonne unit
	1 mtu = 10kg = 0.01t. Normally used to refer to 10kg of WO_3 concentrate at a grade of 100% WO_3.
m^3	cubic meter
m^3/h	cubic meters per hour
t	Tonne (1,000 kg)
km	Kilometers
kt	Tonnes x 1,000
Ktpa	Kilo-tonnes per annum
Mt	Tonnes x 1,000,000
NI	National Instrument (43-101)
NSR	Net smelter return
ppb	Parts per billion
ppm	Parts per million
tph	Tonnes per hour
tpa	Tonnes per annum/year
3D	Three-dimensional
QA/QC	Quality assurance/ quality control
ha	hectares
US$	US dollars
UTM	Universal Transverse Mercator
XRF	X-ray fluorescence

APT Pricing

Mined tungsten concentrates are priced by reference to the price of Ammonium Paratungstate (APT), an intermediate product in the production of tungsten metal, powder, tungsten carbide or other end use tungsten products. Prices are quoted “per metric tonne unit” (mtu) which is equivalent to 10 kg of product. An equivalent price per tonne is therefore the price on an mtu basis multiplied by 100.

The price received at the mine for its concentrate sales is typically subject to a discount to the APT price to cover the cost of converting mined concentrate to APT as in the case of TC/RC charges for base metals.

Appendix H - Solicitor Reports on Tenements (Spanish Tenements)

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Almonty Industries Inc.
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May 19, 2021

RE: Solicitor's report on mining titles

Dear Sirs,

This Solicitor's Report is prepared, at the request of Almonty Industries Inc. (the "Company"), for inclusion in a Prospetus that the Company is preparing for its presentation before the Australian Stock Exchange ("ASX").

1.- Introduction.

The Report thoroughly analyses the interests of the Company in their mineral exploitation concessions in Spain, after a general analysis of the regulatory framework that is applicable, with the purpose of analysing the mineral rights that are included, their current validity and their inclusion in the appropriate official registries and more specifically,

- The Company, through theirindirect wholly owned subsidiary, Daytal Resources Spain, S.L.U, holds a derived exploitation concession of a tungsten mineral deposit (resource of Section C), named "Los Santos-Fuenterroble" covering an area of 38 mining grids, located in the municipalities of Fuenterroble de Salvatierra, Los Santos and Valdelacasa (Salamanca); file no. 6133 ("Los Santos-Fuenterroble, Concession").

- The Company, through their indirect wholly owned subsidiary, Valtreixal Resources Spain, S.L.U, holds an investigation permit of tin, tungsten and other under Section C, named "Valtreixal" covering an area of 76 mining grids, located in the municipalities of Requejo, Pedralba de la Pradería and Puebla de Sanabria (Zamora); file no. 1906 ("Valtreixal Investigation Permit").

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- The Company, also through their indirect wholly owned subsidiary, Valtreixal Resources Spain, S.L.U, holds an exploitation concession derived from resources under Section C), tin, named “Alto de Repilados” covering an area of 3 mining grids, located in the municipalities of Pedralba de la Pradería (Zamora); file no. 1352 ("Concession of Alto de Repilados").

2.- <u>Searches</u>.

For the purposes of this report:

- Firstly, we have reviewed all the documentation relating to the Concession of Los Santos-Fuenterroble, called Title of Exploitation Concession, granted on 14th August, 2002 by the Office of Industry, Trade and Tourism of the Regional Government of Castile and León in favour of the Society for Mining Investigation and Exploitation of Castile and León, S.A. (SIEMCALSA).The said concession was published in the Official Gazette of the Autonomous Community of Castile and León no. 203 on 18th October 2002. The rights were acquired by Daytal Resources Spain, S.L.U, through an assignment agreement authorized by a Resolution of the General Directorate of Energy and Mines of the Office of Economy and Labour of the Regional Government of Castile and León of 12th July 2006.

- Likewise, we have reviewed all the documentation relating to the Valtreixal Investigation Permit, called Investigation Permit, granted on 4th July, 2007 by the Office of Industry, Trade and Tourism of the Regional Government of Castile and León in favour of the Society for Mining Investigation and Exploitation of Castilla y León, S.A. (SIEMCALSA).The said concession was published in the Official Gazette of the Autonomous Community of Castile and León no. 143 on 24th July 2007. The rights were acquired by Valtreixal Resources Spain, S.L.U, through an assignment agreement authorized by a Resolution of the General Directorate of Energy and Mines of the Office of Economy and Labour of the Regional Government of Castile and León of 3rd May 2017.

- Finally, we have reviewed all the documentation relating to the Alto de Repilados Concession, named Title of Exploitation Concession, granted on 14th January 1978 by the then General Directorate of Mines and Building Industry of the Ministry of Industry and Energy in favour of Mr. César Iglesias Montecino. On 24th September 2007, the General Directorate of Energy and Mines of the Office of Economy and Labour of the Regional Government of Castile and León resolved to authorize the transfer of the concession to the Society for Mining Investigation and Exploitation of Castilla y León, S.A. (SIEMCALSA). The rights were acquired by Valtreixal Resources Spain, S.L.U, through an assignment agreement authorized by a Decision of the General Directorate of Energy and Mines of the Office of Economy and Labour of the Regional Government of Castile and León on 3rd May 2017.

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- We have verified that Daytal's Concession is duly registered with the MinesDepartmentof the General Directorate of Energy and Mines of the Regional Government of Castile and León and is listed on page 38 of book 3 of Exploitation Concessions.

- Likewise, it has been verified that both the Investigation Permit and the Concession are duly registered with the Mines Department of the General Directorate of Energy and Mines of the Regional Government of Castile and León.

- We have relied upon information provided by the Company and have verified that such information is accurate and up to date.

- Finally, we have taken into account the most relevant legal provisions applicable to the mining rights under analysis:

(i) Law no. 22/1973, of 21st July, of Mining Law.
(ii) Royal Decree no. 2857/1978, of 25st August, approving the General Regulations for the Mining Regime.
(iii) Royal Decree no. 975/2009, of 12th June, on waste management of the extractive industries and on the protection and reclamation of the area affected by mining activities.
(iv) Law 21/2013, of 8th December on Environmental Assessment.

3.- Mining Law in Spain

a. Regulations and Relevant Authorities.

The Spanish Constitution grants the exclusive power over the mining and energy regime to the State. Furthermore, the Constitution establishes that all deposits of natural origin and the rest of the current geological resources within national territory, sea territory and continental platform are assets belonging to the Public Domain and their investigation and exploitation can be assumed directly by the State or the State can assign them in the form and conditions established by the Mining Law and the provisions in force.

The Autonomous Communities hold regulatory power over mineral and thermal waters, management of the environmental protection, promotion of regional economic development and development of basic mining regulations.

The General Directorate of Energy Policy and Mines, under the Ministry for the Ecological Transition and the Demographic Challenge, is the competent authority for the development of the state competencies, which according to the Mining Law, are as follow:

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- Grant exploration approvals and investigation permits when these occupy the areas belonging to more than one autonomous community.
- Grant exploration approvals, investigation permits and exploitation concessions in the subsoil areas referred to in the Law. Likewise, grant exploitation approvals and investigation permits when their scope includes both land and marine subsoil areas.

At a regional level, the General Directorate of Energy and Mines of the Regional Government of Castile and León, under the Ministry of Economy and Finance, is the competent authority for:

- The legislative development and the execution of the basic regulations in this matter.
- Planning in coordination with the State Administration.
- Granting exploration approvals and investigation permits within its territorial scope.

The General Directorate of Energy and Mines of the Ministry of Economy and Finance of Regional Government of Castile and León is, therefore the competent authority in relation to the mining rights that Valtreixal Resources Spain, S.L.U. holds in Spain.

b. <u>Mineral Resources in Spain and their classification.</u>

The classification system for mineral resources of the Law of 1973 is actually technical and economic in nature. In accordance with the provisions of the current mining legislation, mining resources can be classified into the following sections:

A) Mineral deposits and other geological resources of little economic value and geographically restricted trading fall under this section, as well as those whose sole use is to obtain fragments of appropriate size and shape for direct use in infrastructure, construction and other uses that do not require more operations than starting up, breaking and calibrating. The preferential right to exploit the resources in section A) is generally attributed to the owners of the land. They only require an approval as an enabling title.

B) Includes mineral waters, thermal waters, underground structures and deposits of non-natural origin, formed as a result of operations regulated by the Mining Law. Lately, CO2 storage has been regulated within this section. The resources in section B) must be previously declared as such in order to be used. The concession is the enabling title.

C) Includes non-energy mining, which includes mineral deposits and geological resources which do not fall under the previous sections, except for those included in section D. This section, in turn, is subdivided into four classes according to their utility (metallic minerals for the steel industry, precious metals, minerals for agriculture and chemical industries, minerals for glass and ceramic

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industry and minerals for fillers and coatings). The resources in this section are subject to thirty-year concessions, extendable up to ninety, and preference is granted to the holders of the prior investigation permits.

D) Includes coals, radioactive minerals, geothermal resources and bituminous rocks. The legal regime of this section is similar to that of section C) with certain particularities regulated in the Law.

Resources in sections C) and D) may be investigated or exploited through the related Exploration Permits, Investigation Permits and Exploitation Concessions. For the awarding of these mining rights, the essential requirement is that the land, where the resources are allocated, must meet the condition of "free" and "registrable". However, exploration permits may be granted without excluding from the perimeter the land which is not free and registrable. A land is considered to be registrable if, in addition to being free, it has a minimum extension of a mining grid (A mining grid is the volume, of indefinite depth, whose surface base is defined between two parallels and two meridians, whose separation is of twenty sexagesimal seconds, which must coincide with degrees and whole minutes and, where appropriate, with a number of seconds that must necessarily be zero, twenty or forty).

All mineral deposits and other geological resources are public domain assets, and their investigation and exploitation may be carried out by the State directly, through the State Reserves, or may be assigned through the mineral rights contained in the law.

There are different types of mineral rights which can be distinguished as follows:

- Authorizations for the exploitation of resources in section A).
- Authorizations / concessions for the use of mineral-medicinal waters.
- Concessions for the use of thermal waters
- Authorizations / concessions for the use of natural mineral waters.
- Authorizations / concessions for the use of spring waters.
- Authorizations / concessions for the use of industrial mineral waters.
- Authorizations for the use of underground structures.
- Authorizations for the use of deposits of non-natural origin.
- Exploration permits for resources in section C) or D).
- Research permits for resources in section C) or D).
- Exploitation concessions for resources in section C) or D), which can be direct or derived.
- Definitive State reserves for resources in section C) or D).
- Provisional State reserves for resources in section C) or D).

c. <u>Mineral rights.</u>

The requirements to obtain mineral rights depend on the type of mineral resources, A), B), C) or D), the nature of the applicant, and other conditions related to its location.

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To execute the right to exploit the resources in section A) or B), it is necessary that the holder of the mineral right, being a natural or a legal person, obtains an authorization from the Government.

Exploration permits are granted to carry out studies and surveys where are applied techniques that do not substantially alter the configuration of the land. They are granted for a maximum period of one year, extendable for another year and with a minimum area of 300 mining grids and a maximum of 3,000. Exploration permits are requested on the resources of sections C) and D), and their purpose is to allow the study of large areas by means of quick methods of recognition during short periods of time, in order to select the most interesting areas and obtain the corresponding investigation permits on them.

Investigation permits grant their holder the right to carry out, within their perimeter, studies and works aimed at marking and defining one or more mining resources in sections C) or D), for their subsequent exploitation. They are granted for a term not exceeding three years, unless extended, and cannot exceed 300 mining grids. The investigation permit grants its holder the right to carry out, within the demarcated perimeter and for a specified period of time, the studies and works aimed at marking and defining one or more mining resources, as, once defined, the investigation permit grants its holder the right to have the exploitation concession granted. After the resources are investigated, an Exploitation Concession may be requested for a specific resource.

Exploitation concessions, which may be direct or derived from a prior investigation permit, grant their holder the right to use the resource or resources marked within its perimeter. They are granted for a period of 30 years, extendable for a further two periods of 30 years up to a maximum of 90 years, and with a maximum area of 100 mining grids. The resources that the Law submits to Concession automatically have the status of public utility. The concession has been used as the classic title which grants the exploitation of the resources of sections C) and D), and of the mineral and thermal waters found in public domain lands. The immediate cause of the concession of a public domain is the profitable exploitation of a given administrative owned sector, through the incorporation of certain facilities, of greater or lesser fixity, aimed at an economic activity, which the concessionaire requires as its physical headquarters.

The concessionaire has the right, in addition to exploiting the deposits of all the materials in Section C) that are in the assigned grids, to use the groundwater that emanates from its works, to dump the surplus water into public channels, to occupy the necessary land for the exploitation and, of course, to take over and trade the minerals already separated.

Regarding the duties, the concessionaire is obliged to begin the works within one year after the concession is granted, and to continue them without interruption except in case of a force majeure or prior administrative

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authorization; not to abandon the investigation without previously notifying the Administration; to expand the work to investigate and exploit other substances when required to do so by agreement of the Council of Ministers for national interest reasons; to facilitate the drainage and ventilation of neighbouring or nearby mines, and to allow the passage of movement or transport galleries that do not affect their exploitation, prior agreement between the interested parties, or, failing that, as decided by the Administration.

The concessions expire due to the expiration of the term or, when appropriate, the extensions, due to the holder's voluntary resignation accepted by the Administration, due to lack of payment of mining taxes and due to the commission of infractions that the Law sanctions with the expiration of the concession.

4.- <u>Valtreixal Investigation Permit</u>.

On 4th July 2007 the Society for Mining Investigation and Exploitation of Castilla y León, S.A. (SIEMCALSA) was awarded the title of the Investigation Permit of tin, tungsten and other under Section C), named "Valtreixal" covering an area of 76 mining grids and for a validity term of 3 years, located in the municipalities of Requejo, Pedralba de la Pradería and Puebla de Sanabria (Zamora); file no. 1906 ("Valtreixal Investigation Permit").

The Concession was published in the Official Gazette of the Autonomous Community of Castile and León no. 143 on 24th July 2007, and is duly registered with the Mines Department of the General Directorate of Energy and Mines of the Regional Government of Castile and León.

On 2nd June 2010, SIEMCALSA requests a three-year ordinary extension to continue with their investigation work in the aforementioned Valtreixal Investigation Permit, which was granted via a Resolution of the competent authority of 13th October 2010.

On 26th July 2013, SIEMCALSA requests again a first three-year extraordinary extension for the aforementioned Valtreixal Investigation Permit, which was recognized via a Resolution of 21st July 2014 of the General Directorate of Energy and Mines; Office of Economy and Labour of the Regional Government of Castile and León.

On 13th September 2016, SIEMCALSA requests once more a second three-year extraordinary extension, which was granted via a Resolution of 21st December 2017 of the General Directorate of Energy and Mines; Office of Economy and Labour of the Regional Government of Castile and León.

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The latest extension granted was for a period of three years starting on 3rd January 2018, which led to a petition for a third three-year extraordinary extension on 28th November 2020, and to-date the response is yet to be received.

The Investigation Permit was acquired by Valtreixal Resources Spain, S.L.U. by means of an assignment contract signed with SIEMCALSA which was authorized via a resolution of the General Directorate of Energy and Mines of the Ministry of Economy and Labour of the Regional Government of Castile and León of 16th February 2018. The assignment contract of the mining rights was notarized on 29th December 2016 by the Notary of Valladolid Don Francisco Fernández-PridaCasado, with number 957 of his protocol order.

Surface. The Concession covers an area of 76 mining grids, delimited in its perimeter with UTM coordinates on the title of the investigation permit concession.

Duration. The initial validity term of the investigation permit was 3 years since 4th July 2017, and it was extended on several occasions until 2nd January 2021. A third extraordinary extension has been requested but as of the date of this report, a response is yet to be received. Notwithstanding the foregoing, the current mining regulations provide for the possibility of granting such an extension, after submitting the report of the work carried out, the investments made and the schedule for the investigation development planned for the next 3 years.

Guarantees and obligations.As the exploitation works have not commenced, there is no need generated yet, for the benefit of the competent authority, of guaranteeing the strict compliance with its legal obligations, and specifically of guaranteeing the reclamation of the natural space affected by the mining exploitation.

Taxes. Mining regulations establish the annual obligation for all holders of mining rights of mineral deposits and geological resources to pay a mining surface fee in favour of the Spanish State. The tax point of the surface fee is the exclusive use of the mining public domain.

The amount of the canon for year 2020 amounted to € 1,926.65.

5.-<u>Alto de Repilados Exploitation Concession</u>.

On 14th January 1978, Mr. César Iglesias Montecino was awarded via a resolution of the then General Directorate of Mines and Building Industry of the Ministry of Industry and Energy of the title of the Investigation Permit derived from tin resources and other under Section C), named “Alto de Repilados” covering an area of 3 mining grids, located in the municipalities of Pedralba de la Pradería (Zamora); file no. 1352 ("Concession of Alto de Repilados"). It is

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duly registered with the Mines Department of the General Directorate of Energy and Mines of the Regional Government of Castile and León.

On 16th February 2018, the General Directorate of Energy and Mines of the Office of Economy and Labour of the Regional Government of Castile and León resolved to authorize the transfer of the concession to the Society for Mining Investigation and Exploitation of Castilla y León, S.A. (SIEMCALSA). The rights were subsequently acquired by Valtreixal Resources Spain, S.L.U, through an assignment agreement signed with SIEMCALSA authorized by a Resolution of the General Directorate of Energy and Mines of the Office of Economy and Labour of the Regional Government of Castile and León of 16th February 2018. The assignment contract of the mining rights was notarized on 29th December 2016 by the Notary of Valladolid Don Francisco Fernández-Prida Casado, with number 957 of his protocol order

On 31st May 2013, it was requested a one-year temporary suspension of the exploitation works in order to expand the investigation and value the exploitable resources of tin, tungsten, gold and silver present in the exploited deposit, as well as to carry out the necessary concentration trials, by virtue of the provisions of the applicable mining regulations. This temporary suspension was authorized for a period of 1 year by the competent authority through a resolution dated 24th July 2013.

On 18th July 2013, SIEMCALSA submitted an Investigation Work Plan complimentary to the Work Plan from 2013, based on the execution of drilling and trenches in the Alto de Repilados Exploitation Concession, which was approved by the competent authority via a resolution dated 20th August 2013.

On 30th January 2014, a Work Plan on the Concession was submitted. The plan showed the work carried out in 2013 and those planned to be carried out in 2014.

Similarly, on 29th January 2015, the corresponding Work Plan for 2015 was submitted. These Work Plans include the investigation works done and the works planned to be carried out in the following years.

Then, on 7th June 2015, the General Director of Industry and Technological Innovation authorizes, upon request of SIEMCALSA, the suspension of works of the Exploitation Concession until 31st May 2017. On 24th May, 2017, SIEMCALSA and VALTREIXAL RESOURCES SPAIN SLU request a new stoppage of the concession exploitation works for a period of three years. This was approved on 2nd May 2018 for a period of three years until 31st May 2020, or until the municipal Urban Planning Regulations of the city council were approved if this were to happen before the indicated date.

Finally a new 3-year extension was approved by a resolution of 8th September 2020 issued by the General Directorate of Energy and Mines of the

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Office of Economy and Finance of the Regional Government of Castile and León.

Surface. The Concession covers an area of 3 mining grids, delimited in its perimeter with UTM coordinates on the title of the exploitation concession.

Duration. The initial validity term of the concession was 30 years since 14th January 1978, extendable for two further periods of the same length, with a maximum total length of 90 years. By a Resolution of the General Directorate of Energy and Mines of 10th December 2008, it was agreed the extension for another 30 years after the date of the end of the initial concession. The future extension of the concession that may eventually be requested after the expiration of the current one on 13th January 2038 will be resolved by the competent authority, and upon presentation of a report signed for this purpose by the Statutorily Appointed Manager. This report shall detail the continuity of the resource being exploited or the discovery of new ones, the calculation of reserves, the general project of the exploitation and exploitation, treatment and processing techniques.

Guarantees and obligations.As the exploitation works have not commenced, there is no need generated yet, for the benefit of the competent authority, of guaranteeing the strict compliance with its legal obligations, and specifically of guaranteeing the reclamation of the natural space affected by the mining exploitation.However, during the period that the works are suspended in the exploitation concession, the company is obliged to maintain the preservation and surveillance works and to take the necessary measures to guarantee the safety of the people, property and rights.

Taxes. Mining regulations establish the annual obligation for all holders of mining rights of mineral deposits and geological resources to pay a mining surface fee in favour of the Spanish State. The tax point of the surface fee is the exclusive use of the mining public domain.

The amount of the canon for year 2020 amounted to € 152.10.

6.- <u>Los Santos-Fuenterroble Exploitation Concession</u>.

On 14th August 2002, the Society for Mining Investigation and Exploitation of Castilla y León, S.A. (SIEMCALSA) was awarded the title of a Derived Exploitation Concession of a tungsten mineral deposit (resource of Section C), named “Los Santos-Fuenterroble” covering an area of 38 mining grids, located in the municipalities of Fuenterroble de Salvatierra, Los Santos and Valdelacasa (Salamanca), file no. 6133 (“Los Santos-Fuenterroble, Concession”).

The Concession was published in the Official Gazette of the Autonomous Community of Castile and León no. 203 on 18th October 2002, and is duly

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registered with the MinesDepartmentof the General Directorate of Energy and Mines of the Regional Government of Castile and León and is listed on page 38 of book 3 of Exploitation Concessions.

The Exploitation Concession was granted prior a favourable Environmental Impact Statement, approved by the resolution of 14th August 2002 of the then Office of Industry, Trade and Tourism of the Regional Government ofCastile and León.

Such Concession was acquired by Daytal Resources Spain, S.L.U. by means of an assignment contract signed with SIEMCALSA which was authorized via a resolution of the General Directorate of Energy and Mines of the Ministry of Economy and Labour of the Regional Government of Castile and León of 12th July 2006. The assignment contract of the mining rights was notarized on 2nd August 2006 by the Notary of Valladolid, Mr. Francisco Fernández-PrivaMigoya, with number 2369 of his protocol order.

In 2011 the company submitted to the competent authority a request to amend the exploitation plan and the reclamation plan. On 17th August 2012 the company received a notification to submit the existing Mining Exploitation Project for the Environmental Impact Assessment process, since the modifications demanded by the company were considered a substantial modification of the activity initially approved in 2002.

In September 2012, the company submitted the appropriate documentation and completed the subsequent procedures with the publication of an Environmental Impact Study in September 2013.

On 11th June 2014, the competent authority required the company to present a new Exploitation Project, Reclamation Plan and Environmental Impact Study adapted to the new reality of the exploitation. This requirement was complied with on 7th July 2014.

On 20th July 2017, the General Directorate of Energy and Mines definitely authorized the modification of the Project for the Use of the Exploitation Concession of a resource under section C) Los Santos-Fuenterroble, No. 6133, owned by Daytal Resources Spain, S.L.U.

Surface. The Concession covers an area of 38 mining grids, delimited in its perimeter with UTM coordinates on the title of the exploitation concession.

Duration. The concession term is 30 years extendable for another two periods of the same duration, with a maximum total length of 90 years. The extension of the concession is decided by the competent authority, and upon presentation of a report signed for this purpose by the Statutorily Appointed Manager. This report shall detail the continuity of the resources being exploited or the discovery of new ones, the calculation of reserves, the general project of the exploitation and exploitation, treatment and processing techniques.

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Guarantees and obligations. In accordance with the applicable legal regulations, Daytal has formalized several guarantees and guarantee insurance policies for a total amount of € 2,283,514.00, and for the benefit of the competent authority, to guarantee strict compliance with its legal obligations, and specifically to "... guarantee the reclamation of the natural space affected by the mining exploitation named 'Los Santos-Fuenterroble', number 6133, of 38 mining grids, in the municipalities of Fuenterroble de Salvatierra, Los Santos and Valdelacasa". The amount of the guarantee may change annually depending on the state of exploitation of the concession.

Taxes. Mining regulations establish the annual obligation for all holders of mining rights of mineral deposits and geological resources to pay a mining surface fee in favour of the Spanish State. The tax point of the surface fee is the exclusive use of the mining public domain. The amount of the canon for year 2020 amounted to € 1,926.65.

7.-Validity and Standing of the Valtreixal Investigation Permit and the Exploitation Concession of Alto de Repilados.

The Company has not provided any information on possible breaches of the contractual obligations arising from the concession on Valtreixal's behalf, nor are there any pending disciplinary proceedings, or any other relevant administrative procedures, on the expiration, validity or possible resolution of the concession than the previously stated.

We are not aware of any pending lawsuit or dispute related to the concession by the Spanish state, the competent regional authority or any third party that could imply the early termination of the permit or concession.

For all this, we consider that both the Investigation Permit and the concession contract are valid and are currently in force, expiring on 13th January 2038, although they can be extended according to the current law for another successive period of 30 years, up to a total maximum of 90 years.With regards to the authorization for the suspension of works of the exploitation concession, this authorization will be valid until 7th September, 2023.

With regards to the investigation permit, as indicated above, a new request for an extraordinary 3-year extension has been formalized and the response is still pending.

8.- Validity and Standing of the Exploitation Concession of Los Santos-Fuenterroble.

The Company has not provided any information on possible breaches of the contractual obligations arising from the concession on Daytal's behalf, nor are there any pending disciplinary proceedings, or any other relevant

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administrative procedures, on the expiration, validity or possible resolution of the concession.

We are not aware of any pending lawsuit or dispute related to the concession by the Spanish state, the competent regional authority or any third party that could imply the early termination of the concession.

For all this, we consider that the concession contract is valid and is currently in force, expiring on 13th August 2032, although it can be extended according to the current law for two successive periods of 30 years, up to a total maximum of 90 years.

9.- Conclusion.

Felipe Rodríguez Cascón, attorney, who has prepared this report, does not have any type of interest, direct or indirect, in the matter on which he reports, and his impartiality is therefore not altered when issuing this report.

The report has been prepared solely and exclusively for the purposes detailed in its heading, and for the exclusive use of the Company for the purposes described, and may not be used or disclosed for any other purpose, nor presented to any government authority or third party, if it is not with the prior written permission of the undersigned attorney.

We understand that this report offers true, current and accurate information on the mining rights of Valtreixal Resources Spain, S.L.U. and Daytal Resources Spain, S.L.U. in Spain on the date of issue. However, we do not assume any responsibility for any inaccuracies or omissions contained in this report.

Signed.Ldo. Felipe Rodríguez Cascón
Attorney. Bar member no. 2112

Appendix I - Solicitor Reports on Tenements (South Korean Tenements)

KIM & CHANG

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May 21, 2021

Almonty Industries Inc.
100 King Street West,
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Toronto, ON Canada
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Re: Report on Mining Titles

Ladies and Gentlemen:

This report (the "**Report**") is prepared for inclusion in a prospectus for Almonty Industries Inc. (the "**Company**") in connection with the offering and listing of the Company's shares on the Australian Stock Exchange (the "**Offering**").

This Report relates to the Company's interests in the mining rights in the Republic of Korea ("**Korea**"). The Company, through its indirect wholly owned subsidiary Almonty Korea Tungsten Corporation ("**Korean Subsidiary**"), holds exclusive mining rights over (i) the mineral deposit of tungsten, molybdenum, gold, silver, copper, lead, zinc and other associated minerals in the area named "Sangdong" located in Yeongwol, Gangwon Province ("**Sangdong Mine**") and (ii) the mineral deposit of uranium in the area named "Chungju/Boeun" located in Chungcheongbuk Province of Korea ("**Chungju Mine**").

For the purpose of this Report, we have reviewed and examined various documents as specified in Schedule I (the "**Examined Documents**").

In giving this Report, we have assumed:

(1) the genuineness of all signatures, stamps and seals, the conformity to the originals of all documents supplied to us as certified or photostatic or faxed copies or in portable document format (PDF) or other electronic form and the authenticity of the originals of such documents and that there have been no amendments thereto;

(2) that where a document has been examined by us in draft or specimen form it will be or has been executed in the form of that draft or specimen;

(3) the due authorization, execution and delivery of the Examined Documents by each of the parties thereto and that the performance thereof is within the

capacity, powers and authority of such party and does not violate the constitutive or other organizational documents of such party;

(4) the absence of any other arrangements between any of the parties to the Examined Documents which modify or supersede any of the terms thereof, or any other arrangements or matters which adversely affect our opinions set forth hereunder;

(5) any power of attorney granted for the entering into of any of the Examined Documents has not been amended or revoked and is in full force and effect;

(6) that the Examined Documents have not been amended, supplemented or terminated (whether in writing, by conduct or course of dealing), expired or been revoked;

(7) that there are no provisions in the laws or regulations of any jurisdiction outside Korea which would be contravened by the execution, delivery and performance of any of the Examined Documents and that none of our opinions set forth hereunder expressed will be affected by laws (including public policy) of any jurisdiction outside Korea;

(8) that no law of any jurisdiction outside Korea would render the execution, delivery and performance of the Examined Documents, the Offering or the publication or dispatch of the Prospectus illegal or ineffective and that, insofar as any obligation under the Examined Documents or otherwise pursuant or in relation to the Offering is performed in, or is otherwise subject to, any jurisdiction other than Korea, its performance will not be illegal or ineffective by virtue of the law (including public policy) of that jurisdiction;

(9) that on the date of execution of each of the Examined Documents and at each time of delivery, none of the parties to any of the Examined Documents has taken any corporate or other action nor have any steps been taken or legal proceedings been started against any such party for the liquidation, winding up, dissolution, reorganization or bankruptcy of, or for the appointment of a liquidator, receiver, trustee or other similar officer of any such party or of all or any of its or their assets and that none of the parties to any of the Examined Documents is insolvent or has been dissolved or declared bankrupt;

(10) that all statements of fact (including all representations and warranties, other than any statements as to matters of Korean laws on which we specifically express an opinion) contained in the Examined Documents were, when made or repeated, or deemed to be made or repeated, true and remain accurate and complete and that any representation or warranty by any party that it is not aware of or has no notice or knowledge of any act, matter, thing or circumstance means that the same does not exist or has not occurred;

(11) that the statements in the official records, certificates and any other documents issued by a Korean court or governmental or regulatory agency or body are true, correct and currently in full force and effect;

(12) that the Examined Documents are duly authorized by the board or shareholders meetings of each of the parties thereto and such meetings were duly conducted and as so described, the matters stated and views expressed therein were and remain true, accurate, complete and not misleading, each of the meetings referred to therein was duly constituted and convened, and quorate; the minutes contain a true, accurate and complete record of the proceedings at such meetings and each of the resolutions passed thereat was duly adopted, has not been revoked or varied and remains in full force and effect;

(13) the lack of bad faith and absence of fraud, misrepresentation, coercion, duress or undue influence, unfair preference or breach of trust or fiduciary duties on the part of any parties to the Examined Documents, their respective directors, officers, employees, agents and advisers;

(14) that none of the transactions contemplated by the Land Use Agreements (as defined in Section IV below) will infringe the terms of or constitute a default under any agreement, instrument or obligation to which a party to the Land Use Agreements is bound or is a party;

(15) that, in respect of each Examined Document, all transactions were and are entered into and all acts were and are performed (and any acts required by such Examined Document not to be performed were not and are not performed) in each case in accordance with the terms of the relevant Examined Document;

(16) that each of the parties to the Land Use Agreements (other than the Korean Subsidiary on which we specifically express an opinion) is duly incorporated and validly existing under the laws of the jurisdiction under which it is incorporated;

(17) that the choice of the laws of Korea to govern the Land Use Agreements has been made by the parties thereto freely; and

(18) that the Land Use Agreements constitute legal, valid and binding obligations of each of the parties thereto enforceable under all applicable laws.

This Report is confined to and given with respect to the laws of Korea effective as of the date hereof, and we do not express any opinion (implicit or explicit) with respect to those

matters governed by or construed in accordance with the laws of any jurisdiction other than Korea.

As to any facts material to the opinions expressed herein, which we did not independently establish or verify, we have relied upon certificates or oral or written statements and representations of officers, employees and other representatives of the Company and the Korean Subsidiary.

Based upon the foregoing and subject to the qualifications set forth below, and having regard to other Korean legal considerations we deemed relevant, we prepared the Report as follows:

I. Due Incorporation and Valid Existence

The Korean Subsidiary is duly incorporated and validly existing under Korean laws, and is duly registered in Korea; provided, that in issuing our opinion regarding the Korean Subsidiary's due incorporation and registration, we have relied solely upon such Korean Subsidiary's Commercial Registry extracts referred to in paragraph (a) of Schedule I.

II. Mining Law in Korea

1. Legal Framework

The following legislation governs matters relating to mining in Korea:

(1) Mining Industry Act ("**MIA**");
(2) Presidential Decree to MIA; and
(3) Enforcement Decree to MIA.

The Ministry of Trade, Industry & Energy ("**MOTIE**") administers affairs regarding mining rights, and the Mine Registration Office, an agency of the MOTIE, oversees the general operations of mining business.

2. Eligibility for mining rights

(1) Restrictions on foreigners

A 'foreigner' or a 'Korean company in which a foreigner owns 50% or more of the capital or voting rights' may have a mining right only if:

(i) the home country of the foreigner allows a Korean national to have a mining right on equivalent conditions; or

(ii) the mining right is allowed under a treaty or other equivalent agreement.

As the Korean Subsidiary falls within paragraph (i) above, it is eligible to hold a mining right.

(2) Whether a person should be a landowner to be eligible for mining rights

Under the MIA, mining rights are granted to qualifying applicants regardless of land ownership. Accordingly, one may hold a mining right granted over the land of another person. However, if one intends to develop a mine on another person's land, he/she must obtain consent for the use of the land from the landowner.

3. Types of Mining Rights

Mining rights set forth in the MIA consist of the exploration right and extraction right. An applicant for an exploration or extraction right must meet the qualifications set forth in the MIA and must register the right with the Mine Registration Office once it has been granted.

(1) Exploration Right

Definition and Nature

The MIA defines the exploration right as the right to explore registered minerals and other minerals existing in the same mineral deposits within a registered land district (hereinafter referred to as "**mining area**") (Article 3 of the MIA).

The exploration right constitutes a real right in Korea. In addition, unless the MIA provides otherwise, provisions concerning real estate in the Korean Civil Code and other legislation equally apply to the exploration right (Article 10 of the MIA). The exploration right cannot be the object of any right except for inheritance, transfer, disposition on default, or compulsory execution (Article 11 of the MIA).

Application for Establishment and Registration

A person who intends to obtain an exploration right must submit an application to the MOTIE with an area map and a mineral deposit description (Article 15 of the MIA). Within sixty (60) days of receiving the notice of the grant of the exploration right, the applicant should apply for registration to the MOTIE. The applicant must then register in the mining register

maintained by the Mine Registration Office, (i) the name of minerals, (ii) type of mining right (i.e. exploration right), (iii) establishment of the right, (iv) duration of the right, and (v) withdrawal of joint right holder, if any (Articles 28 and 38 of the MIA).

Report on Exploring Plans

Within one (1) year from the registration date of the exploration right, the holder of exploration right must submit an exploration plan to the MOTIE in accordance with the Ordinance of the MOTIE (Article 40 of the MIA).

Recognition on Exploring Records

Within three (3) years of the submission of the exploration plan, the right holder must submit an exploration report to the MOTIE. The submission of the exploration report is construed as an application for an extraction right (Article 41of the MIA).

Term of Exploration Right

The maximum term of an exploration right is seven (7) years (Article 20 of the MIA).

(2) Extraction Right

Definition and Nature

The MIA defines the extraction right as the right to extract and acquire registered minerals and other minerals existing in the same mineral deposits within a mining area (Article 3 of the MIA).

The extraction right constitutes a real right in Korea. In addition, unless the MIA prescribes otherwise, provisions concerning real estate in the Korean Civil Code and other legislation equally apply to the extraction right. (Article 10 of the MIA). The extraction right cannot be the object of any right except for inheritance, transfer, establishment of mining concessions or mortgages, disposition on default, or compulsory execution (Article 11 of the MIA).

Term of Extraction Right

The maximum term of an extraction right is twenty (20) years. Before the term of the extraction right expires, an extraction right holder may extend the term with the authorization of the MOTIE. Each extension period cannot exceed twenty (20) years (Article 20 of the MIA).

Application for Establishment and Registration

Submission by an exploration right holder of his/her exploration report to the MOTIE is deemed as an application for an extraction right. An extraction right will be granted if the exploration report satisfies the statutory standard applying to the relevant minerals such as the scale and quality of the mineral deposit. The exploration right will terminate upon the registration of the extraction right pursuant to the MOTIE's permission, regardless of any remaining term of the exploration right (Article 41 of the MIA).

Within sixty (60) days of receiving the notice of the grant of the extraction right, the applicant should apply for registration to the MOTIE. The applicant must then register in the mining register maintained by the Mine Registration Office, (i) the name of minerals, (ii) type of mining right (i.e. exploration right), (iii) establishment of the right, (iv) duration of the right, and (v) withdrawal of joint right holder, if any (Articles 28 and 38 of the MIA).

Authorization of Extraction Plan

An extraction right holder should apply to the MOTIE for authorization of an extraction plan within three (3) years from the registration of the extraction right. However, extraction right holders who registered their extraction right before January 28, 2011 may apply for the authorization within eleven (11) years from the date of registration or within seven (7) years from the date they submitted their exploration plans (Article 42 of the MIA).

Commencement, Suspension and Resumption of Extraction

Extraction is deemed to have begun on the day the extraction plan is approved by the MOTIE. If an extraction right holder intends to suspend extraction for more than one (1) year, he/she must obtain authorization to suspend extraction from the MOTIE and must immediately notify the MOTIE upon resumption of extraction (Article 42-2 of the MIA).

Restriction on Extraction

An extraction right holder may not extract minerals in any of the following areas without the permission of the competent authority or the consent of the owner or any other interested parties. The competent authority/owner/interested parties may not refuse permission or authorization without a good cause (Article 44 of the MIA):

(i) An area within 50 meters below the surface of railroads, tracks, roads, waterworks, canals, ports, rivers, lakes, swamps, irrigation facilities,

drainage facilities, graves, churches, temple grounds, historic sites, buildings, and other structures; and

(ii) An area within 30 meters below the surface of a cemetery.

Submission of Monthly Report

Once the extraction plan has been approved, the extraction right holder must report his/her mineral production performance to the competent authority on a monthly basis. A failure to submit the monthly report or submission of false report may attract a fine of up to KRW 5 million (Article 104 of the MIA).

Revocation of Extraction Right

The MIA provides that an extraction right may be revoked in the following cases (Article 35 of the MIA):

(i) Where the extraction right holder fails to apply for or obtain authorization of extraction plan;

(ii) Where the extraction right holder fails to make mining investment or demonstrate mineral production prescribed by Presidential Decree within three (3) years from the authorization of the extraction plan[1], or where no monthly mineral production report is filed for three consecutive years. ; or

(iii) Where the extraction right holder suspends extraction activities for at least one year without obtaining authorization from the competent authority (unless he/she has achieved the statutory minimum mining investment or mineral production during the three years before the suspension).

(3) Mining Concession

Mining Concession refers to the right to extract and acquire minerals in a mining area subject to a third party's extraction right (Article 3 of the MIA). A mining concession may be obtained by entering into a written concession agreement with an extraction right holder and obtaining authorization from the MOTIE (Articles 51 and 52 of the MIA).

Since the Korean Subsidiary does not have a mining concession and have no plan to obtain one in the foreseeable future, we did not include any further detail on this matter.

[1] Under Articles 32 and 33 of the Presidential Decree of the MIA and the annexes thereto, "mining investment" refers to investment of at least KRW 100,000,000 on extraction equipment, beneficiation equipment and development of waste dump or safety equipment, and "mineral production" refers to approximately two (2) tons of 70% tungsten concentrate in the case of tungsten mining projects.

4. Use and Expropriation of Land

(1) Land Access Right and Right to Use and Obstacle Removal

A party who intends to apply for a mining right or a mining right holder may enter a third party's land or remove obstacles with the permission from the MOTIE, if it is necessary for a survey or on-site investigation of the land.

The MOTIE, when it grants permission, must consult the opinions of the land owner and occupant or the owner of the obstacle. In addition, when a party who has obtained the permission enters a third party's land or removes an obstacle, the party must notify the owner and occupant of the land or the owner of the obstacle in advance. (Article 67 of the MIA).

A mining right holder may immediately enter or use a third party's land, without prior permission of the MOTIE, if necessary to prevent an imminent danger from a mining activity. In this case, the mining right holder shall inform the owners and occupants of the land without delay (Article 68 of the MIA).

(2) Compensation for Loss Caused by Land Access and Use

Any party that enters or uses a third party's land or removes an obstacle must compensate for the losses incurred by his/her action. (Article 69 of the MIA).

(3) Purpose of Land Use

A mining right holder may use a third party's land located within or near the mining area, if it is necessary for any of the following purposes (Article 70 of the MIA). To use a third party's land, the right holder must obtain the MOTIE's approval and the MOTIE must consult the opinions of the land owner in granting such approval (Article 72 of the MIA).

(i) Opening of pitheads;
(ii) Extraction of minerals through strip mining;
(iii) Installation of machinery necessary for exploration or extraction of minerals;
(iv) Installation of yards for timber, gunpowder, fuel, or other important materials, as well as yards for minerals, stones, slags;
(v) Installation of beneficiation or refining facilities;
(vi) Installation of railroads, tracks, roads, canals, drains, designated and electrical works;
(vii) Installation of mining offices, staff lodging or health/sanitation facilities; and
(viii) Installation of other structures necessary for mining.

(4) Purpose of Land Expropriation

A mining right holder may expropriate a third party's land located within or near the mining area for any of the following purposes (Article 71 of the MIA). In order to expropriate a third party's land, the right holder must obtain the MOTIE's approval and the MOTIE must consult the opinions of the land owner in granting such approval (Article 72 of the MIA):

(i) Opening of pitheads, extraction of minerals through strip mining, or installation of machinery necessary for exploration or extraction of minerals;
(ii) Installation of yards for stones or slags;
(iii) Installation of beneficiation or refining facilities; and
(iv) Installation of railroads, tracks, roads, canals, drains, designated and electrical works.

III. Details of the Mining Rights held by the Korean Subsidiary

The Korean Subsidiary holds the following mining rights in the Sangdong Mine and the Chungju Mine.

1. Sangdong Mine

(1) Key Findings

According to mining register extracts dated May 18, 2021, the Korean Subsidiary has extraction rights that are currently in effect across twelve (12) mining areas located in Sangdong.

In addition, according to the approval of the extraction plan the Korean Subsidiary received from Gangwon-Province, (1) it must develop the mine using the 'gallery drilling extraction method' and any alteration to the mining method requires a permission to change the mining plan, (2) the ore types to be mined are limited to gold, silver, copper, lead, zinc, molybdenum, and tungsten. If the Korean Subsidiary intends to extract other ore types, one it must register such additional ore types.

The Mine Registration Office of the MOTIE notified the extension of the term of the mining rights for seven (7) mining areas (071871, 071872, 071873, 071874, 071875, 071876, 071884) out of the twelve (12) mining areas by an official letter dated October 21, 2020. The summary of the mining rights for the twelve (12) mining areas following such extension is set out in Schedule II.

The Korean Subsidiary obtained (i) approval of the extraction plan on June 7, 2010 for a surface area of 1,829 hectares, (ii) amended approval of extraction plan on July 8, 2011 for a surface area of 2,077 hectares (additional 248 hectares), and (iii) amended approval of extraction plan on February 19, 2013 for a surface area of 3,172 hectares (additional 1,095 hectares) covering all twelve (12) mining rights. However, due to the delay in the development of the Sangdong Mine, the Korean Subsidiary has not started any production activity in the mining areas since the approval was granted.

Accordingly, the Mine Registration Office notified the Korean Subsidiary by a letter dated January 11, 2019 that these mining rights were subject to cancellation under Article 35(2)(vi) of the MIA, as mining activities have been suspended for over a year without obtaining permission required under Article 42-2(2) of the MIA. According to the letter, if the Korean Subsidiary fails to fulfil its development obligations (evidenced by a production report) within the respective grace periods (as set forth in the table below), the mining rights may be cancelled without notice upon the expiry of the relevant grace periods.

Mining Right Nos.	**Grace period**
71871, 71872, 71873, 71874, 71875, 71876, 71884	June 2021
74978, 79986, 79987, 79988, 79989	December 2021

However, in its official letter dated October 30, 2020, the Mine Registration Office notified the Korean Subsidiary in connection with all twelve (12) mining rights that "revocation of the extraction rights is suspended until October, 2024 as the company has made over KRW 100 million worth of mining investment in the last four years; the company should perform its development obligation by then, and if the company fails to perform its development obligation (production report) during this grace period, its extraction rights may be revoked in November, 2024 without prior notice.

(2) Legal Analysis

Development obligation (production report)

Article 35(2) of the MIA provides that the MOTIE may revoke a person's extraction rights if that person fails to perform the requisite mining investment or mineral production prescribed by the Presidential Decree of the MIA within three (3) years after obtaining the authorization for his/her extraction plan. Under Articles 32 and 33 of the Presidential Decree of the MIA and the annexes thereto, "mining investment" refers to investment of at least KRW 100,000,000 on extraction equipment, beneficiation equipment

and development of waste dump or safety equipment, and "mineral production" refers to approximately two (2) tons of 70% tungsten concentrate in the case of tungsten mining projects.

As per the official letter of the MOTIE dated October 30, 2020, the Korean Subsidiary's mining rights will remain in force beyond October 2024, provided that the Korean Subsidiary produces at least two (2) tons of 70% tungsten concentrate by October 2024. Whilst the Korean Subsidiary has started submitting the monthly mineral production reports since January 2021, the reports submitted so far do not include any production activity as it is yet to start production in these mining areas.

Mining rights that overlaps with another person's mining rights

The mining areas where eight (8) mining rights of the Korean Subsidiary listed below are located are also subject to limestone mining rights of third parties. The MIA provides that different mining rights may be established in the same area if the respective right covers a different type of mineral. The competent authority would permit registration of multiple mining rights if it is deemed that the existence of several mining rights in the same area would not cause the right holders to interfere with each other's business activities. The Korean Subsidiary confirmed that while other companies are producing limestone in the same area, such activities do not affect their tungsten production.

Mining Rights of the Korean Subsidiary	**Third Party Mining Rights***	
Numbers	**Numbers**	**Duration**
071871	069806	September 8, 2018 – September 7, 2038
071872	054522	August 1, 2005 – July 31, 2025
071873	054521	August 1, 2005 – July 31, 2025
071874	054520	August 1, 2005 – July 31, 2025
071875	075099	November 29, 2005 – November 28, 2025
071876	066021	June 1, 2017 – May 31, 2037
071884	054519	August 1, 2005 – July 31, 2025
079987	078066	August 26, 2009 – August 25, 2029

* The mining rights of other parties are all limestone extraction rights.

Establishment of "Mining Foundation" and grant of security right

As at the date of this opinion, no encumbrances exist over the mining rights. However, the mining register extracts of May 18, 2021 in respect of the twelve (12) mining rights indicate that as of February 17, 2021 the Korean Subsidiary registered all of its assets, including the mining right and the land use rights, under a mining foundation (*"kwang-up-jae-dan"* in Korean) pursuant to the Factory and Mining Foundation Mortgage Act (the "**Mining Foundation**"). Setting up a Mining Foundation and registering relevant assets under the foundation enables the Korean Subsidiary to grant security over its mining assets, including the mining rights. It is anticipated that the Korean Subsidiary will grant a mortgage over the Mining Foundation (and hence the entire mining rights) in order to obtain the funding for the development and operation of the Sangdong Mine.

2. Chungju Mine

The Korean Subsidiary has two uranium mining rights in Chungcheongbuk Province, the details of which are set forth in Schedule II. However, the Korean Subsidiary has confirmed that it has no plans to develop these mining areas, and the mining rights will be cancelled in July 2022 unless it commences development activities.

IV. Disclosure regarding any third-party interests - Contracts related to Mining Rights (Land use agreement with Yeongwol County)

Since the lands covered by the Mining Rights are public property owned by Yeongwol County, the Korean Subsidiary currently leases the land lots covered by the Mining Rights under six (6) land use agreements with Yeongwol County (the "**Land Use Agreements**"). Please refer to Schedule III for more details of the land lots.

Under the Public Property and Commodity Management Act, a parcel of public land and its fixtures may be leased for up to five years and the lease may be renewed for a period that does not exceed the initial term of the lease. The exact period of such lease agreement and its subsequent renewal are at the discretion of the relevant local government. However, renewals are generally granted without difficulties as the local governments are strongly encouraged to utilize public properties for the promotion of regional economies through official guidelines (e.g., The Standards on the Management of Local Governments Properties).

As the Korean Subsidiary has secured the rights to use all the parcels of land required for the development of the Sangdong Mine via the Land Use Agreements, there is no need obtain permission from the MOTIE to use/access/expropriate any third party land or to remove obstacles through the process described in Section II above.

* * * * *

This Report is subject to the following qualifications:

A. we have not made any investigation of, and we do not express opinion on any law other than Korean laws;

B. the obligations of the respective parties to the Land Use Agreements and the enforcement thereof may be limited or affected by laws governing bankruptcy, insolvency, fraudulent conveyance, liquidation, composition, rehabilitation, corporate restructuring, moratorium, statutory limitation or other similar laws of Korea (including, without limitation, the Corporate Restructuring Promotion Act of Korea) which generally affect the rights of creditors or their financial institutions;

C. to the extent that any fees or expenses are expressed to be in amounts to be agreed, or any other matter is expressed to be determined by agreement between the respective parties to the Land Use Agreements, the relevant provision may be unenforceable for uncertainty in default of agreement, although in default of agreement of any fees or expenses, a claim may be made on a quantum meruit basis in quasi-contract for reasonable remuneration in respect of services rendered;

D. we express no opinion as to whether an agreement or other arrangement may be binding on or enforceable by persons not disclosed as being bound by it or able to enforce it;

E. the obligations of the Korean Subsidiary under the Land Use Agreements and the enforcement thereof may also be limited or affected by the general principles of good morals and social order and the general principles of good faith and fairness provided for in the Korean Civil Code;

F. the validity and enforceability of provisions releasing or exculpating a party from, or requiring indemnification of a party for, liability for its own action or inaction may be limited or affected where the action or inaction involves unlawful conduct, willful misconduct or gross negligence;

G. nothing in this letter should be taken as indicating that the remedies of specific performance or injunction would necessarily be available with respect to any particular provision of the Land Use Agreements or any other documentation related thereto in any particular instance;

H. Korean courts may exercise judicial discretion in determining the conclusiveness of certificates, the amount of damages and the entitlement to attorneys' fees and other costs;

I. we express no opinion as to whether (a) any party to the Land Use Agreements is entitled to immunity (of whatever type) from suit or against its assets; and (b) whether any waiver of immunity (from jurisdiction, proceedings or execution) will bind its successors (whether de facto or de jure); and

J. if the Korean government deems that certain emergency circumstances (including but not limited to severe and sudden changes in domestic or overseas economic circumstances, extreme difficulty in stabilizing the balance of payments or a substantial disturbance in the Korean financial and capital markets) are likely to occur, it may impose certain necessary restrictions provided for under the Foreign Exchange Transaction Act and regulations, such as the suspension of payments or requiring the Korean Subsidiary to obtain prior approval from the Ministry of Economy and Finance for the repatriation of any amount the Korean Subsidiary gains from its business activities in Korea.

This opinion is limited to the matters addressed herein and is not to be read as an opinion with respect to any other matter. This opinion is addressed to you solely for your benefit in connection with the transaction referred to in the first paragraph hereof and may not be relied upon or used by, circulated, quoted or referred to, nor may copies hereof be delivered to, any other person (other than your professional advisors) or for any other purpose, except with our express consent; provided that, this opinion may be disclosed on a confidential basis as required by law or regulation to a regulatory authority; and, provided, further, that such person may not rely on this opinion without our written consent. We assume no obligation to advise you or any other person, or to make any investigations, as to any legal developments or factual matters arising subsequent to the date hereof that might affect the views expressed herein.

Very truly yours,

Kim & Chang

Schedule I
Examined Document List

(a) Commercial Registry extracts of the Korean Subsidiary dated May 18, 2021;

(b) The articles of incorporation of the Korean Subsidiary last amended on October 24, 2019;

(c) The register of shareholders of the Korean Subsidiary dated March 8, 2021;

(d) The mining register extracts dated May 18, 2021;

(e) A letter from the Mine Registration Office of the MOTIE to the Korean Subsidiary dated January 11, 2019;

(f) A letter from the MOTIE dated October 30, 2020; and

(g) The Land Use Agreements.

Schedule II
Details of Mining Rights

1. Sangdong Mine

Mining Right No. and type	Grant date	Expiry Date	Area		Registered minerals	Material registered dealings
071871 Extraction right	June 02, 2001	June 01, 2031	Seobyeok No.121	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum, Bismuth, Quartzite	Mining Right Overlaps with registration for limestone, registration number 069806.
071872 Extraction right	June 02, 2001	June 01, 2031	Seobyeok No.112	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum, Bismuth, Quartzite	Mining Right Overlaps with registration for limestone, registration number 054522.
071873 Extraction right	June 02, 2001	June 01, 2031	Seobyeok No.111	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum, Bismuth, Quartzite	Mining Right Overlaps with registration for limestone, registration number 054521.
071874 Extraction right	June 02, 2001	June 01, 2031	Seobyeok No.102	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum, Bismuth, Quartzite	Mining Right Overlaps with registration for limestone, registration number 054520.
071875 Extraction right	June 02, 2001	June 01, 2031	Seobyeok No.92	185ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum, Bismuth, Quartzite	Mining Right Overlaps with registration for limestone, registration number 075099.
071876 Extraction right	June 02, 2001	June 01, 2031	Seobyeok No.91	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum, Bismuth	Mining Right Overlaps with registration for limestone, registration number 066021.
071884 Extraction right	June 09, 2001	June 08, 2031	Seobyeok No.101	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum, Bismuth	Mining Right Overlaps with registration for limestone, registration number 054519.
074978 Extraction right	October 01, 2005	September 30, 2025	Seobyeok No.81	248ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum	
079986 Extraction right	November 23, 2011	November 22, 2031	Seobyeok No.100	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum	

079987 Extraction right	November 23, 2011	November 22, 2031	Homyeong No.110	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum	Mining Right Overlaps with registration for limestone, registration number 078066.
079988 Extraction right	November 23, 2011	November 22, 2031	Homyeong No.119	274ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum	
079989 Extraction right	November 23, 2011	November 22, 2031	Homyeong No.129	273ha	Gold, Silver, Copper, Lead, Zinc, Tungsten, Molybdenum	

* Although the Korean Subsidiary has been submitting the monthly mineral production report since January 2021, the Sangdong Mine is yet to commence production. If the Korean Subsidiary fails to produce at least two (2) tons of 70% tungsten concentrate and submits mineral production reports demonstrating the production to the Mine Registration Office by October, 2024, the mining rights may be cancelled.

** According to the mining register extracts of May 18, 2021, as of February 17, 2021 the Korean Subsidiary registered all of its assets, including the mining right and the land use rights, under the Mining Foundation.

2. Chungju Mine

Mining Right No. and type	**Grant date**	**Expiry Date**	**Area**		**Registered minerals**
079543 Exploration right & extraction right	May 27, 2011	May 26, 2031	Miwon No.80	60ha	Uranium
079544 Exploration right & extraction right	May 27, 2011	May 26, 2031	Chungju No.77	275ha	Uranium

Schedule III
List of Lands Leased from Yeongwol County under the Land Use Agreements

Location	Category	Area (㎡)	Lease Period
114-5 Gurae-ri, Sangdong-eup	Forest land	2,033	March 28, 2018 – December 31, 2021
San 64 Gurae-ri, Sangdong-eup	Forest land	35,134	July 10, 2018 – December 31, 2021
114-4 Gurae-ri, Sangdong-eup	Forest land	21,278	July 10, 2018 – December 31, 2021
114-6 Gurae-ri, Sangdong-eup	Forest land	996	July 10, 2018 – December 31, 2021
114-5 Gurae-ri, Sangdong-eup	Forest land	215	July 10, 2018 – December 31, 2021
San 65-1 Gurae-ri, Sangdong-eup	Forest land	625	January 01, 2020 – December 31, 2021
San 65-2 Gurae-ri, Sangdong-eup	Forest land	148	January 01, 2020 – December 31, 2021
San 65 Gurae-ri, Sangdong-eup	Forest land	4	January 01, 2020 – December 31, 2021
112 Gurae-ri, Sangdong-eup	Vacant land	130	January 01, 2020 – December 31, 2021
109 Gurae-ri, Sangdong-eup	Vacant land	844	January 01, 2020 – December 31, 2021
106 Gurae-ri, Sangdong-eup	Vacant land	4,539	January 01, 2020 – December 31, 2021
110-2 Gurae-ri, Sangdong-eup	Vacant land	861	January 01, 2020 – December 31, 2021
110-1 Gurae-ri, Sangdong-eup	Vacant land	1,021	January 01, 2020 – December 31, 2021
110 Gurae-ri, Sangdong-eup	Vacant land	1,543	January 01, 2020 – December 31, 2021
114-5 Gurae-ri, Sangdong-eup	Forest land	137	August 21, 2020 – December 31, 2021
112 Gurae-ri, Sangdong-eup	Vacant land	1,860	August 21, 2020 – December 31, 2021

Appendix J - Solicitor Reports on Tenements (Portuguese Tenements)

May 19, 2021

Almonty Industries Inc.
100 King Street West
Suite 5700
Toronto, ON Canada
M5XC7

Dear Sirs

RE: Solicitor's report on mining titles

This Solicitor's Report is prepared for inclusion in a Prospectus for Almonty Industries Inc. (the "Company") listing on the Australian Stock Exchange ("ASX").

This Report relates to the Company's interests in mineral exploitation concessions in Portugal, as follows:

- The Company, through its indirect wholly owned subsidiary Beralt Tin and Wolfram (Portugal) S.A. ("Beralt"), holds an exclusive exploitation concession of the mineral deposits of wolfram, copper, zinc, tin, silver and arsenic, in an area named "Panasqueira", covering 19,135983 square kilometres, located in Fundão and Covilhã, Portugal (the "Panasqueira Concession").

1. Searches

For the purposes of this report:

- We have reviewed the material agreements relating to the Panasqueira Concession, namely the exploitation concession agreement entered into with the Portuguese State on 16 December 1992 and its two addendums entered into on 17 November 2005 and 23 March 2012, details of which are described in this report, and the Portuguese Official Gazette where the extracts of the contract and addendums are published;

- we have confirmed that the Panasqueira Concession agreement is included in the official listing of the contracts in force published by General Directorate for Energy and Geology (DGEG) and updated by reference to 12 January 2021;

- we have relied upon information provided by the Company and have relied upon that information being accurate and up to date.

- we have taken into account the following main statutes/laws which we deem relevant and/or applicable to the rights under analysis:

(i) Decree-Law 90/90 of 16 March 1990, that regulated the legal regime applicable to the discovery and use of geological resources, which was in force at the time the Panasqueira Concession agreement was entered into;

(ii) Decree-Law 88/90 of 16 March 1990, that regulated the use of natural mineral deposits, which was in force at the time the Panasqueira Concession agreement was entered into;

(iii) Law 54/2015 of 22 June 2015, that establishes the legal framework for the discovery and use of geological resources located in Portugal, which replaced Decree-Law 90/90 of 16 March 1990, without prejudice to the application of the latter to certain pre-existing legal positions;

(iv) Decree-Law 30/2021 of 7 May 2021, that regulates Law 54/2015 of 22 June 2015 regarding mineral deposits, which replaced Decree-Law 88/90 of 16 March 1990.

2. Mining law in Portugal

2.1. Legislation and relevant authorities

The Constitution of the Republic of Portugal provides that, *inter alia,* mineral deposits and all underground natural cavities belong to the Public Domain. This means that such assets may not be owned by private entities and therefore may only be exploited on the basis of temporary concession agreements entered into with the State, represented by the relevant governmental authority.
The key mining law is Law 54/2015 of 22 June which establishes the legal regime for the discovery and use of geological resources. Decree- Law 30/2021 of 7 May 2021 regulates Law 54/2015 of 22 June 2015 regarding mineral deposits.

Mining industry is currently administered by the Ministry of the Environment and Energetic Transition and is under the direct supervision of DGEG (the "Relevant Authority").

2.2 Types of Mining Titles

Mining titles /tenements in Portugal are granted subject to various conditions prescribed by Law 54/2015 of 22 June 2015 and by Decree-Law 30/2021 of 7 May 2021.
Tenements in Portugal generally comprise the following exclusive rights: (i) Preliminary Evaluation Rights, (ii) Prospecting and Exploration Rights; (iii) Experimental Exploitation Rights and (iv) Exploitation Concessions.

(i) Preliminary Evaluation Rights

Any entity with recognised technical, economic and financial suitability may apply for the granting of preliminary prior evaluation rights in areas designed for the exercise of activities for the use of metallic mineral deposits.

Preliminary evaluation rights grant the holder the right to develop studies to allow a better knowledge of the geological potential of the intended area, namely through the analysis of available information and samples collected.
These rights are granted under an administrative contract for a maximum non-renewable term of one year and may not be transferred. At the term of the contract the holder of these rights must inform the Relevant Authority if it wants to relinquish the area or request the granting of prospecting and exploration rights, experimental exploitation rights or exploitation concessions.

(ii) Prospecting and Exploration Rights

The areas of the Portuguese territory that are not subject to exclusive rights on geological resources of the public domain of the State are considered as available for the granting of prospecting and exploration rights.
The procedure for the granting of prospecting and exploration rights may start on the initiative of an applicant or by the Portuguese State through a public tender. When more than one application is filed within the timeframe foreseen for this purpose, the Relevant Authority shall launch a public tender, with the first applicant having a pre-emptive right on equal terms.

Prospecting and exploration rights may only be granted to legal entities that provide guarantee of suitability and technical and financial capacity adequate to the nature of the proposed activities.
The prospecting and exploration rights are granted by an administrative contract that shall include provisions on:

a) The area allocated, which may not exceed 500 square kilometers (5 000 sqkm for maritime space);
b) The term of the contract, which may not exceed a maximum of 5 years (including extensions) and the conditions for extension of the term, which shall *inter alia* involve the obligation to relinquish part of the area initially allocated;
c) The works program for the initial term of the contract and the investment plan;

d) The consideration payable to the Portuguese State;

e) the financial guarantees (to secure compliance with the terms of the contract, landscaping recovery of the area and closing of the exploration).

The prospecting and exploration contract grants to the private party the rights to (i) undertake, in the allocated area, the studies and works required for the prospecting and exploration of the resources to which the contractual rights pertain; (ii) temporarily use the land required for the prospecting and exploration works and for the implantation of the respective installations and (iii) to obtain the concession of the exploitation of the resources discovered, provided that the legal and contractual requirements are met.

The private party of the prospecting and exploration contract shall be bound to (i) initiate the works within 6 months as from the date of execution of the contract, unless otherwise is agreed; (ii) perform the works in accordance with the approved program; (iii) compensate third parties for all damages directly caused as a result of the prospecting and exploration activities and to undertake all the measures relating to security, environmental protection and landscape recovery, even after the term of such activities.

Prospecting and exploration works shall be specified in annual works programs and annual work reports, that are subject to the approval of the Relevant Authority.

The contractual position under the prospecting and exploration agreement may only be transferred with the express prior approval of the Relevant Authority.

(iii) Experimental Exploitation Rights

If the discovered resources do not have the necessary conditions to enable their immediate and effective exploitation, experimental exploitation rights may be granted, upon application by the interested party, through an administrative contract.

The contract shall include provisions on the following:

a) The term, which may not exceed 5 years, including extensions;

b) The conditions for exploitation, other activities to be performed and the obligation to make additional studies;

c) The mining plan and the investment plan;

d) The consideration payable to the Portuguese State;

e) The financial guarantees to secure compliance with the terms of the contract, landscaping recovery of the area and the closing of the exploitation;

f) The obligation to undertake the environmental and landscaping recovery.

The procedure for the granting of experimental exploitation rights follows the one of the exploitation concession. The rights granted to the private party are similar to those legally foreseen for the exploitation concession and such party shall have the right to temporarily use the land required for the execution of the works and implantation of the attachments, against the corresponding consideration to the landowners.

The holder of the experimental exploitation rights is bound to compensate third parties for the damages caused by the experimental exploitation, to comply with the applicable hygiene, health and safety regulations at work and with the environmental and landscaping protection measures, to make use of the resources in accordance with the adequate techniques and in line with the public interest of the best use of such assets, to regularly provide to the Relevant Authority information on the knowledge of the resource, not to have an

excessively ambitious mining activity that may compromise the best economic use of the resources and to undertake the resources recognition works continuously and persistently, in order to define their characteristics and prepare the studies and projects necessary for their exploration.

The contractual position under the Experimental Exploitation agreement may only be transferred with the express prior approval of the Relevant Authority.

(iv) Exploitation Concessions

Rights to exploit geological resources are granted, under the concession regime, to the holders of preliminary evaluation rights, prospecting and exploration rights or experimental exploitation rights who have discovered such resources. In case no such prior agreements exist, exploitation rights may be granted in relation to (i) available areas, or (ii) areas covered by prior evaluation, prospecting and exploration or experimental exploitation rights, in case these relate to different mineral resources and the different mining activities are compatible.

The procedure for granting of exploitation rights and entering into the exploitation contract follows the legal rules for the granting of prospecting and exploration rights and respective contract. The granting of exploitation rights is nevertheless subject to compatibility of such activity with the restrictions foreseen in territorial management instruments, administrative easements, public utility restrictions and the laws on environmental impact that may apply.

Exploitation concession contracts have a maximum term of 90 years, including extensions, and are published in the Official Gazette.

Exploitation concession contracts shall grant to the concessionaire, *inter alia*, the following rights:

a) To exploit the resources, pursuant to the law and the contract and to market all products resulting from the exploitation;

b) To make use of the waters and other assets belonging to the public domain of the State that are not in use for other legitimate purposes, subject to the applicable legal restrictions;

c) To hire third parties for the execution of the special works or provision of technical assistance, provided that such circumstance does not involve the transfer of the liability of the concessionaire;

d) To request the urgent expropriation, on grounds of public interest, of the land necessary to perform the works and to install the facilities, even if outside of the covered area, such land being allocated to the concession;

e) To obtain the administrative easements required for the exploitation of the resources;

f) Right of first refusal on the sale or transfer of the properties included in the marked area, provided that the acquisition of the property is shown to be essential to the exploitation.

The concessionaire shall be bound to comply with the following obligations:

a) To start the works necessary for the exploitation within 1 year as from the date of the contract;

b) To maintain the exploitation, except if suspension is duly authorized in advance by the Relevant Authority;

c) To compensate third parties for the damages caused by the exploitation;

d) To comply with the applicable regulations on hygiene, health and security at work and with the applicable environmental and landscaping protection measures, even after termination of the concession;

e) To make use of the resources in accordance with the adequate techniques and in line with the public

interest of the best use of such assets;

f) To exploit, whenever possible, the State public domain resources with recognized economic value that are discovered in the marked area, provided that such exploitation is compatible with the concession;
g) To provide to the Relevant Authority, with the regularity established by the latter, the information on the knowledge of the resources;
h) Not to have an excessively ambitious mining activity, capable of compromising the best economic utilization of the resources.

For public interest reasons, namely for the purposes of supplying the industry or public works, the Government shall have a right of first refusal on the acquisition of the products resulting from the exploitation. This preferential right may also be exercised by the Government, for public interest reasons, when the mineral resources are being offered at prices lower than market prices. For this purpose the concessionaires are bound to inform the Relevant Authority, upon request, of the supply agreements in force in relation to the products originating from the concession and other items deemed necessary to the legal and economic evaluation of the transactions.

Exploitation rights may only be granted to the holder of the rights that allow the exercise of such activity in the relevant properties. Nevertheless, the concessionaire shall have the right to request the expropriation of the land required to the exploitation of the geological resources in accordance with expropriation law. Expropriation may be executed in favour of the State or the concessionaire.

The contractual position under the Exploitation Concession agreement may only be transferred with the express prior approval of the Relevant Authority.

Mortgages over rights arising from exploitation concessions or over the physical facilities created for support of mining activities is only authorised as security of credits/loans for the exploitation works and must be notified in advance to the Relevant Authority.

The exploitation of geological resources is subject to payment of exploitation charges ("royalties"). The initial amount of the royalties is set in the concession contract and may have as reference the net profit of the exploitation or the value of the geological resources "at the mine gate". Royalties may also include bonuses to be paid by the concessionaire and fixed values determined by reference to the geological potential of the granted areas.

Exploitation contracts shall also foresee the provision of financial security to ensure compliance with the terms of the contract, landscaping recovery of the area and the closing of the exploitation.

3. Details of the Panasqueira Concession

On 16 December 1992 Beralt Tin & Wolfram (Portugal) S.A. ("Beralt") entered into an exploitation concession contract for the exploitation of the mineral deposits of wolfram, copper, zinc, tin, silver and arsenic, corresponding to the territorial register (*cadastro*) C-18 named "Panasqueira", located at the parishes of Aldeia de S. Francisco de Assis, S. Jorge da Beira, Barrocas, Silvares, Dornelas do Zêzere and Unhais-Velho, councils of Covilhã, Fundão and Pampilhosa da Serra, district of Castelo Branco.
An addendum was entered into on 17 November 2005, which reduced the concession area.
On 23 March 2012 a second addendum was signed, foreseeing the application of exploitation royalties.

At the time the Panasqueira concession contract and the addendums were entered into, Decree-Law 90/90 of

16 March 1990, which established the legal regime applicable to the discovery and use of geological resources, and Decree- Law 88/90 of March 1990, which regulated the use of mineral deposits were in force. In 2015, Decree-Law 90/90 was replaced and revoked by Law 54/2015 of 22 June 2015.
Pursuant to Law 54/2015, contracts that were in force on the date this law was enacted could, within a one year period, be adjusted to the terms of such law by agreement of the parties.
Decree- Law 88/90 of March 1990 was recently revoked and replaced by Decree-Law 30/2021 of 7 May 2021.
Existing concession contracts may be adapted to the provisions of Decree-Law 30/2021 if, by initiative of the concessionaire or by prorogation of its term, they are subject to changes.

The original concession contract, together with all addendums thereto shall be referred to as the "Contract".

Area - The concession area is of 19,135983 square kilometres and is identified in the contract with coordinates by reference to the Hayford-Gauss system

Term - The initial period of the concession is of 60 years as from the date of signing of the contract (16/12/1992), which may be extended for two successive periods, with an aggregate maximum of 30 years. Extension of the concession is decided by way of a ministerial decree and is conditional on the company having complied with its legal and contractual obligations thereunder. At least 5 years before the term of the last extension period, the concessionaire may express its intention to enter into a new contract, in which case negotiations shall start within 60 days and should be concluded within 2,5 years.

Guarantee – Pursuant to the Contract, Beralt delivered a bank guarantee in the approximate amount of € 20,000[1] in security of the legal and contractual obligations and of any fines, compensations or costs of works to which it is bound.

Specific contractual obligations of Beralt - Pursuant to the Contract, Beralt is bound to:

a) Perform the exploitation works in accordance with the mining plan and the annual programs to be approved;
b) Perform the recognition and evaluation works of the mineral reserves within the concession area, with the objective of proceeding to their complete evaluation, insofar as such evaluation is compatible with the main exploitation activity;
c) Without prejudice to the market regulations and obligations undertaken, to supply with its production the industries of Portugal;
d) Inform the Relevant Authority, within 30 days, of any changes to the by-laws and of the corporate bodies;
e) Continue the works for deepening the mine and intensify the mechanization of the mining operations, eventually followed by rationalization of the premises for ores treatment;
f) Provide all cooperation to the possible creation of industrial compounds with proven economic viability, related to its activity;
g) In case mineral occurrences with recognized economic value are discovered, other than those included within the concession, Beralt is bound to inform the Relevant Authority and to indicate the measures proposed for their exploitation.

Annual programs – Pursuant to the Contract, Beralt must submit to the approval of the Relevant Authority before 1 October each year, a program of works detailing the amount of investment and production estimated for the subsequent calendar year.

[1] At the time of signature of the contract, the amount of the guarantee was denominated in Portuguese escudos.

The program of works for 2021[2] includes:

i) A total capex forecast of € 1,389,490, being € 866.070 in Mine development (excavation and infrastructures) and € 367,420 in environment and safety, 82% of which in TSF modelling;

ii) An MTU total production of 59,709, from 796 tonnes of WO3 concentrate, plus 721 tonnes of copper concentrate and 111 tonnes of tin concentrate;

iii) Total net working costs of € 12,037,310; total cost USD/tonne ROM = 23,05; total cost USD/MTU = 241,92;

iv) Main works for 2021 are related to TSF, preparing closure of current pond and the beginning of the filling of the new one; also continuing the modelling of TSF final downstream wall.

Royalties - The Portuguese State may choose between one of the following royalties charging criteria, which shall only apply when the exploitation generates a net profit:

a) 10% of the net profit for corporate income tax purposes, deducted of the applicable taxes (corporate income tax, municipal surcharge and other applicable tax) or;

b) A percentage of the market value of the ore "at the mine gate", determined in accordance with the methodology agreed in the contract (in relation to wolfram from 0% to 20% and other metals 2,5%).

Under certain circumstances, the royalty payment may be deducted of certain expenditure by the concessionaire in research programs, environmental, social and archeological nature programs and environmental recovery and appreciation programs for the concession area. Royalties are paid on an annual basis.

The most recent royalty charging criteria (2018) applied to the Panasqueira Concession was the percentage of the market value of the ore "at the mine gate", and the percentage payable under this royalty was 0% to 20% for wolfram and 2,5% for other metals.

4. Validity and standing of the Contract

We have been provided with no information regarding delay, non-compliance or breach of the contractual obligations by Beralt and no information on any initiative of the Portuguese State regarding contract modifications and/or termination for any reasons.
To our knowledge, there are no outstanding disputes relating to the concession with the Portuguese State, the Relevant Authority or any third party that could result in the concession being terminated.
Other than our review of documents listed herein, we have not undertaken any special or independent investigation to determine the existence or absence of such facts or circumstances.
Based on the foregoing, we are of the opinion that the Contract is valid and in force, expires on 16/12/2052 and may be extended for two successive periods, with an aggregate maximum of 30 years.

5. Consent

This report is given for the benefit of the Company and its Directors in connection with the issue of the Prospectus and is not to be used for any other purpose.

Serra Lopes, Cortes Martins & Associados consent to being named in this Prospectus as being responsible for the preparation of this report. Except for this report we have not authorised or caused the issue of this Prospectus. We are not responsible for any matter included in, or omitted from this Prospectus. We make no representation or warranty, either express or implied, with respect to the accuracy or completeness of the

[2] Approved by the Relevant Authority in January 2021.

information contained in this Prospectus. We disclaim liability to any persons in respect of any statement included in or omitted from this Prospectus.

Yours faithfully



Isabel Garcia

Serra Lopes, Cortes Martins & Associados

Corporate Directory

Directors	Lewis Black	Director, President and Chief Executive Officer
	Daniel D'Amato	Director
	Dr Thomas Gutschlag	Director
	Michael Costa	Director
	Mark Trachuk	Director
	James Kim	Director
	Andrew Frazer	Director
Chief Financial Officer	Mark Gelmon	
Company Secretary	Marion McGrath	
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Lead Manager	Lazarus Corporate Finance Pty Ltd	
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