



The Leader in Tungsten

TSX: AII / OTCQX: ALMTF / Frankfurt: 1MR

An aerial photograph of the Sangdong Mine project, showing large open-pit mines, processing facilities, and surrounding forested land. A red banner is overlaid on the bottom right of the image.

## **ALMONTY INDUSTRIES --SANGDONG MINE PROJECT--**

PREPARED BY ALMONTY INDUSTRIES INC.

JULY 2020



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

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

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

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

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- ▲ Tungsten – An ‘Endangered Species’
- ▲ A New Paradigm
- ▲ Almonty Projects
- ▲ The “*Pride of Korea*” is Returning
- ▲ Financing Structure and Financial Projections
- ▲ Conclusion





# I. Tungsten – An ‘Endangered Species’

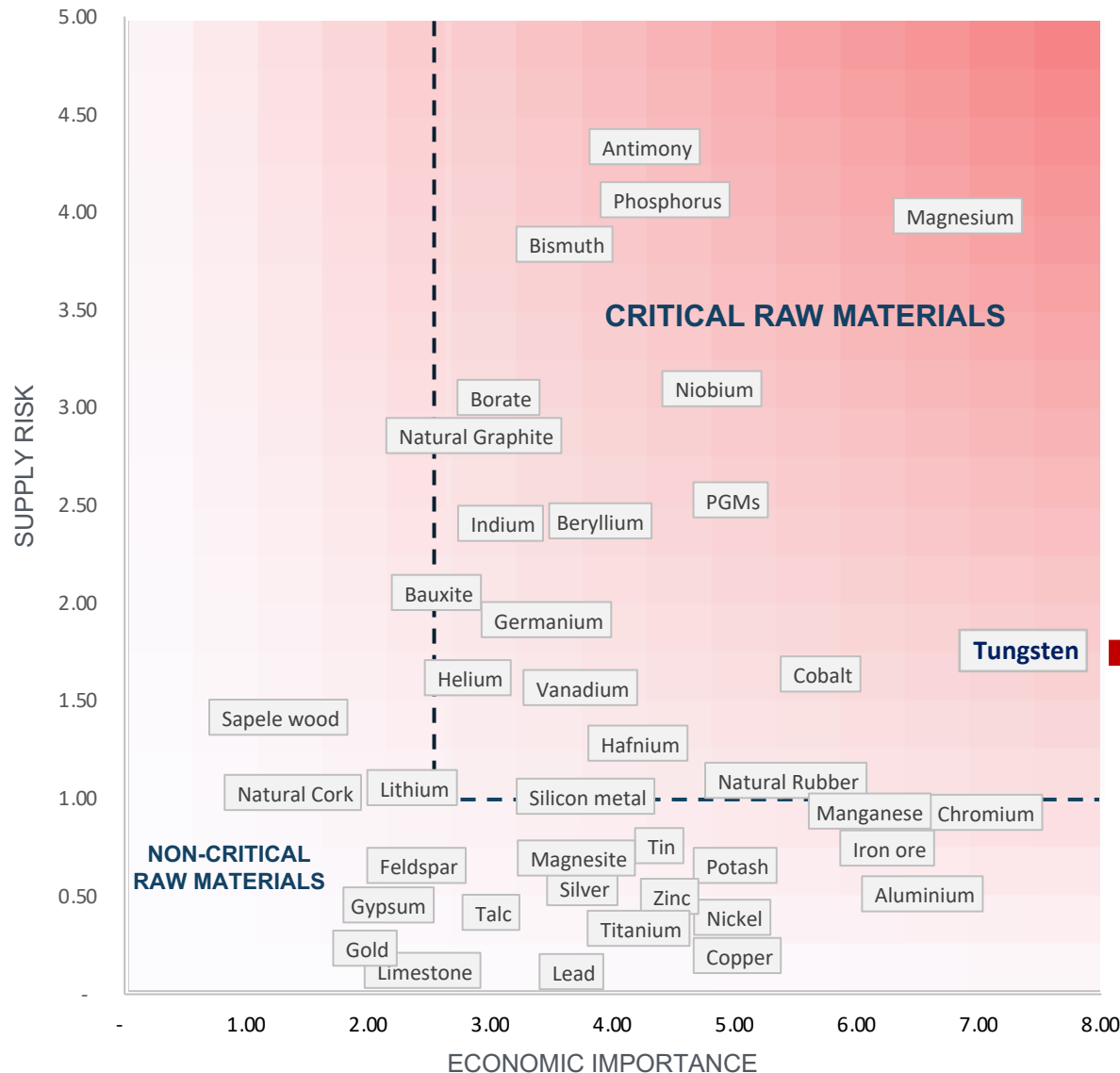
Defined by the EU as a ‘Critical Raw Material’



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

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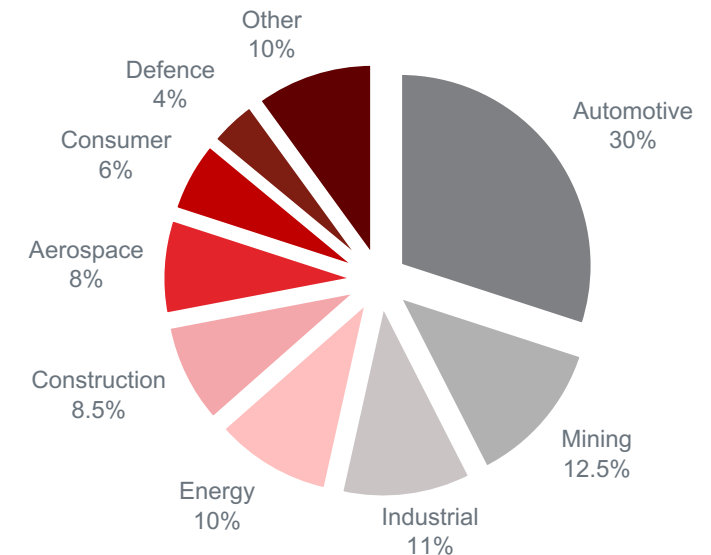
## CRITICAL RAW MATERIALS FOR THE EU



## THE MOST IMPORTANT AMONG ALL RAW MATERIALS

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

## USE OF TUNGSTEN





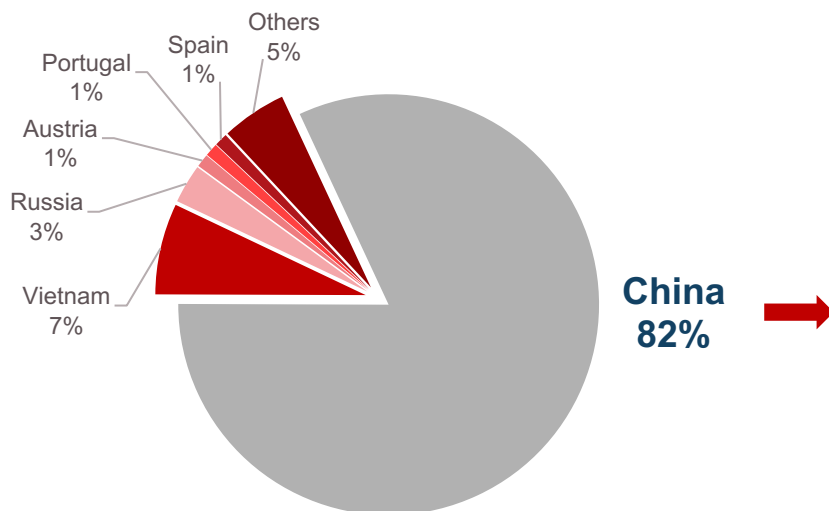
# Tungsten Exports

## Korea, joining the race

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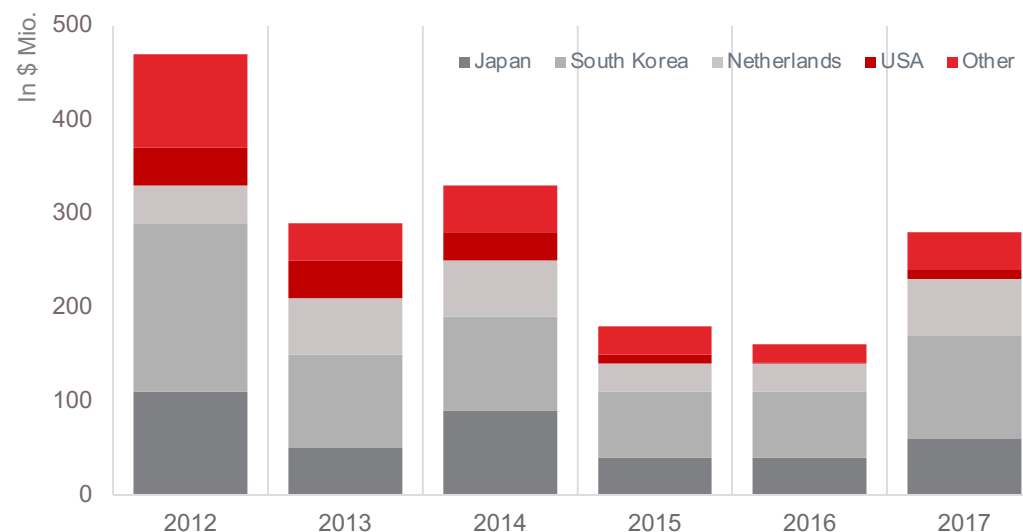
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### CHINA PRODUCES OVER 80 PERCENT OF THE WORLD'S TUNGSTEN



### CHINESE EXPORTS OF TUNGSTEN OXIDES, HYDROXIDES AND TRIOXIDES

South Korea is the largest consumer of tungsten in the world, replicating its dominance in the Semiconductor/LED/LCD Industries.



Source: U.S. Geological Survey, Mineral Commodity Summaries: Tungsten, January 2016–2019

### SCORE BOARD OF TOP 5 CRITICAL MINERAL RESOURCES

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



# The Return of Sangdong

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## HALLGARTEN & COMPANY

### TUNGSTEN MARKET UPSIDE POTENTIAL

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

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

( Christopher Ecclestone, May 21, 2019)

### SANGDONG PROJECT

Sangdong mine was the leading global tungsten producer for more than 40 years and now, with Almonty at the helm, it has the potential to produce over 5% of global production and nearly 30% of non-chinese production.

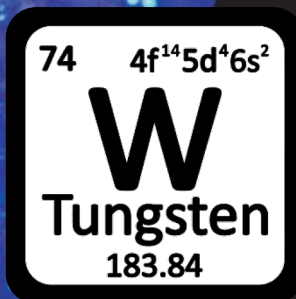
The Korean operating environment is highly competitive, with relatively low materials and labour costs, low taxes and no royalties, which means that the forecasted capital cost would be significantly lower than that of most comparable Western projects.

### STOCK RECOMMENDATIONS OF TUNGSTEN PRODUCERS

COMPANY	M.CAP US\$m	STAGE	CALL
<b>Almonty Industries</b>	76.1	Producer	<b>Long</b>
Blackheath Resources	0.3	Ex-producer	<b>Neutral</b>
Happy Creek Mining	7.0	Exploration	<b>Neutral</b>
King Island Scheelite	11.4	Ex-producer	<b>Long</b>
Ormonde Mining	4.3	Near-producer	<b>Neutral</b>
Northcliff Resources	3.5	Exploration	<b>Neutral</b>
PanEx Resources	1.2	Exploration	<b>Neutral</b>
Specialty Metals Intl	38.4	Near-producer	<b>Long</b>
Thor Mining	5.0	Exploration	<b>Long</b>
W Resources	18.4	Producer	<b>Neutral</b>
Masan Resources	644.8	Producer	<b>Neutral</b>

Source: Metals Review – Tungsten, Hallgarten & Company, May 2019

Market Capitalization updated as of 02.07.2020



## II. A New Paradigm In the Tungsten Industry



# Almonty at a glance

## Huge growth potential in a well-diversified portfolio

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### ALMONTY IS ONE OF THE LARGEST TUNGSTEN MINERS OUTSIDE OF CHINA

- ▲ Two producing tungsten mines and building the largest tungsten mine outside of China
- ▲ Becoming one of the most important producers due to the company's strong in-house operational experience and unrivalled expertise in the tungsten market
- ▲ Almonty's flagship project will be producing soon – Sangdong
- ▲ 2020 production of ca. **93,000 MTU WO<sub>3</sub>** in 2020 will be immediately increased by more than 200% to ca. **400,000 MTU WO<sub>3</sub>** once Sangdong ramps up production
- ▲ Sangdong's ROM and capacity upgrade will push the production profile of Almonty by ca. 50% to around **700,000 mtu WO<sub>3</sub>**
- ▲ With Sangdong Almonty will produce 30% of all tungsten outside of China and 7-10% of global supply

### HIGHLY OPPORTUNISTIC PORTFOLIO

#### Producing Assets

- ▲ Panasqueira, Portugal
- ▲ Los Santos Mine, Spain

#### Near-Term Production

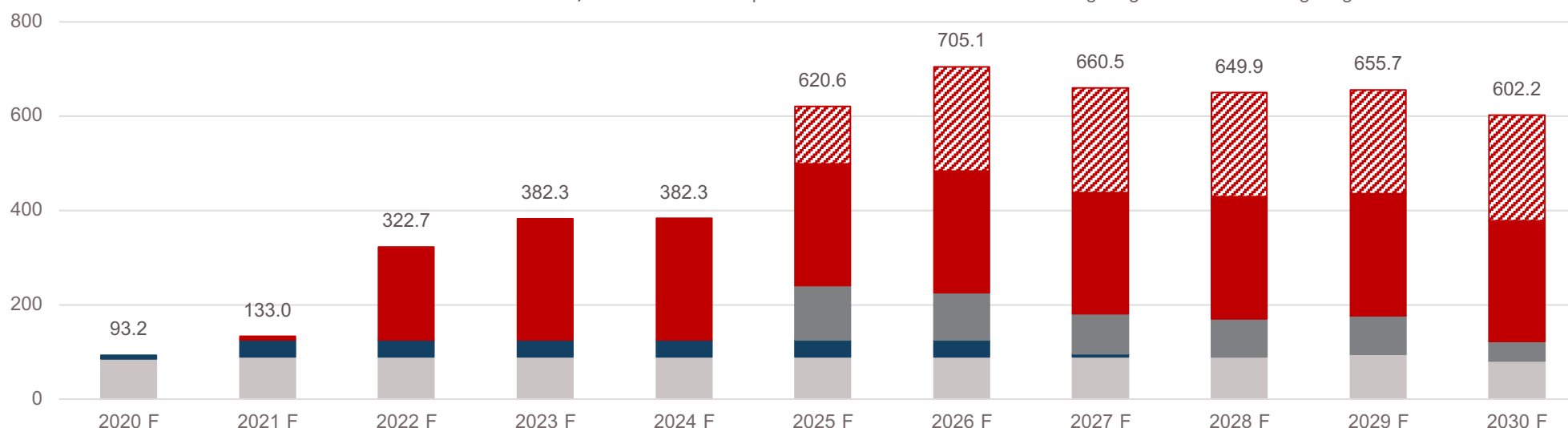
- ▲ Sangdong, South Korea

#### Development

- ▲ Valtreixal, Spain

### ANNUAL COMBINED WO<sub>3</sub> PRODUCTION (in 000s MTUs)

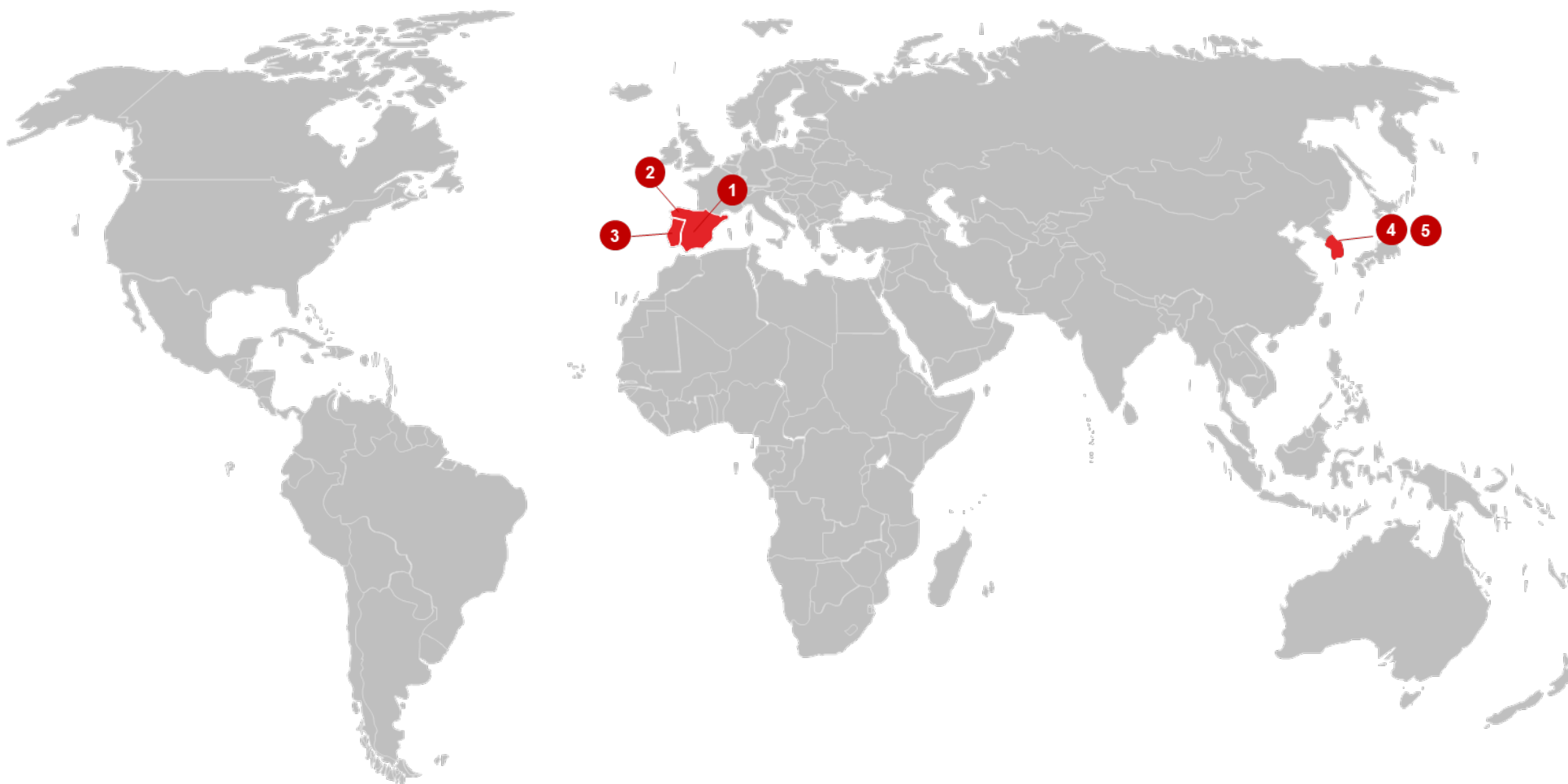
■ Panasqueira ■ Los Santos ■ Valtreixal ■ Sangdong Base Case ■ Sangdong Pro Forma Extension Case



# Regional diversification

Established global tungsten chain in conflict free regions

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## 1 LOS SANTOS – SPAIN

ACQUIRED: 2011  
STAGE: PRODUCTION  
P&P: 3,582kt @ 0.23% WO<sub>3</sub>  
M&I: 2,208kt @ 0.29% WO<sub>3</sub>  
Inferred: 1,878kt @ 0.25% WO<sub>3</sub>

## 2 VALTREIXAL - SPAIN

ACQUIRED: 2013 - 2016  
STAGE: PRE-FEASIBILITY  
P&P: 2,549kt @ 0.34% WO<sub>3</sub>  
M&I: 2,828kt @ 0.34% WO<sub>3</sub>  
Inferred: 15,419kt @ 0.17% WO<sub>3</sub>

## 3 PANASQUEIRA - PORTUGAL

ACQUIRED: 2016  
STAGE: PRODUCTION  
P&P: 1,951kt @ 0.20% WO<sub>3</sub>  
M&I: 10,027kt @ 0.23% WO<sub>3</sub>  
Inferred: 10,322kt @ 0.24% WO<sub>3</sub>

## 4 ALMONTY TUNGSTEN – S.KOREA

ACQUIRED: 2015  
STAGE: PILOT PLANT  
P&P: 5,822kt @ 0.41% WO<sub>3</sub>  
M&I: 8,029kt @ 0.51% WO<sub>3</sub>  
Inferred: 50,686kt @ 0.43% WO<sub>3</sub>

## 5 ALMONTY MOLY – S.KOREA

ACQUIRED: 2015  
STAGE: PRE-FEASIBILITY  
RESOURCE: 17,500 kt @ 0.39%  
Korea Tungsten & Cores Drill Data

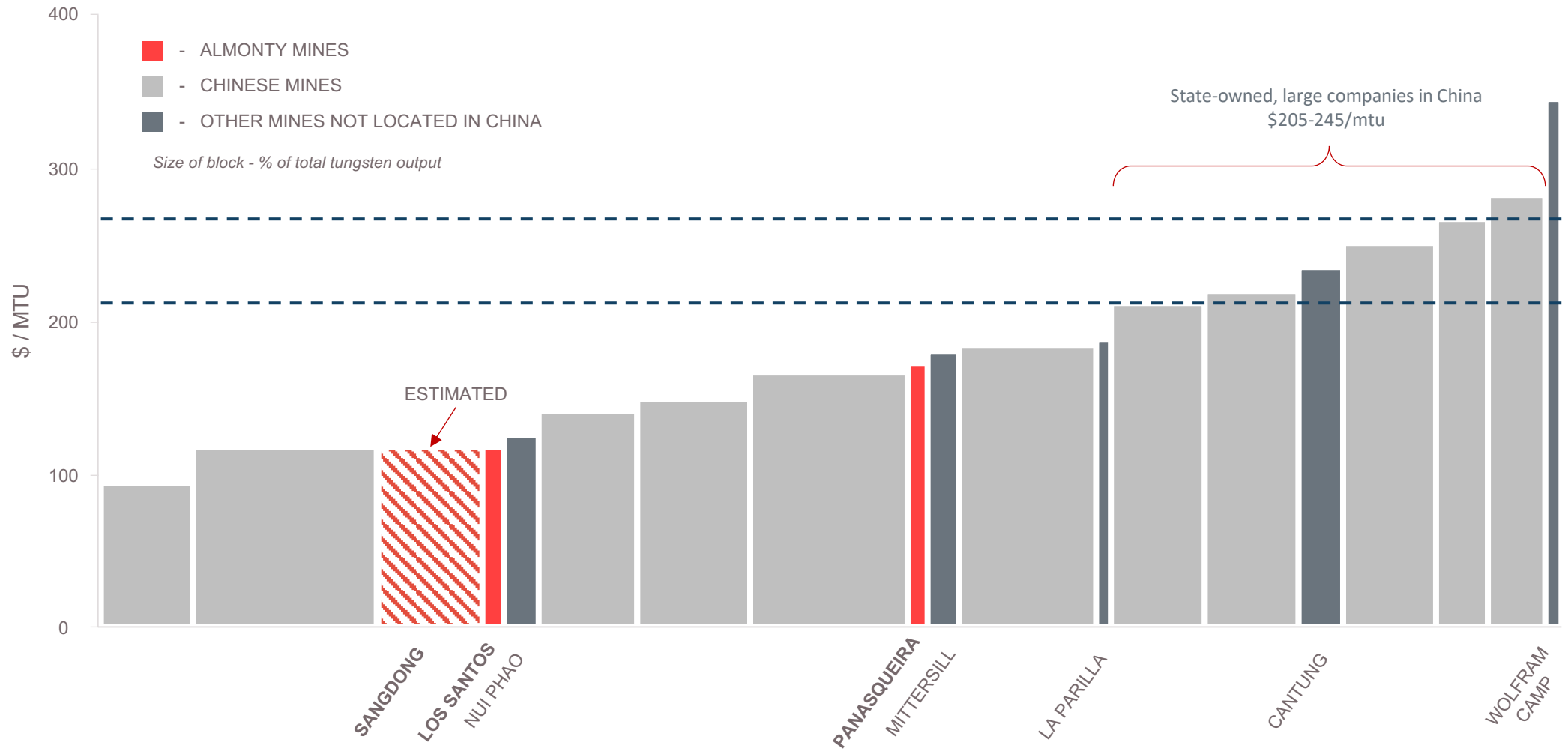
# Almonty Today

## Lowest cost producer in the world

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### GLOBAL TUNGSTEN PRODUCTION COST CURVE





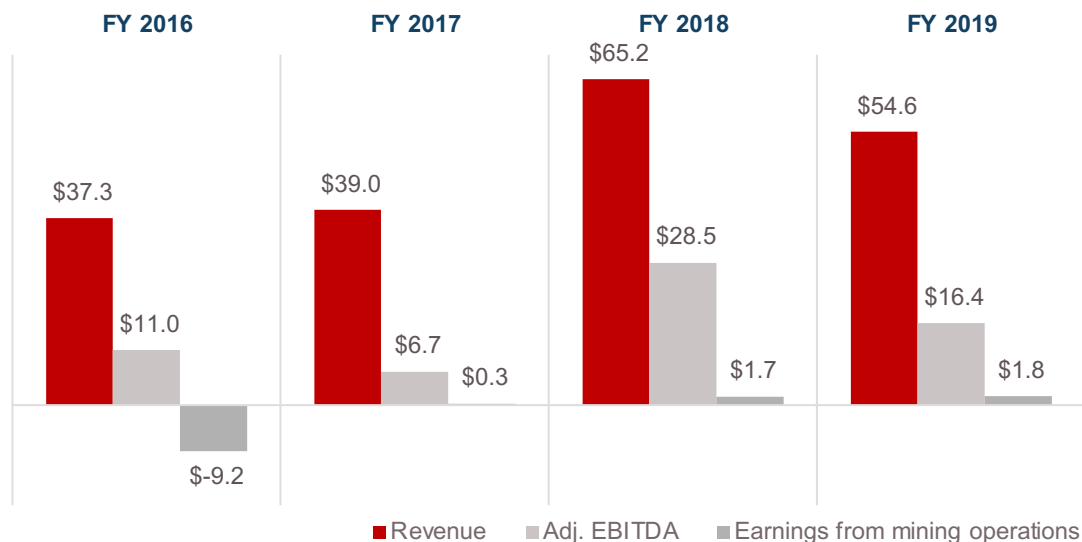
# Key Financial Performance

## Continuously positive results

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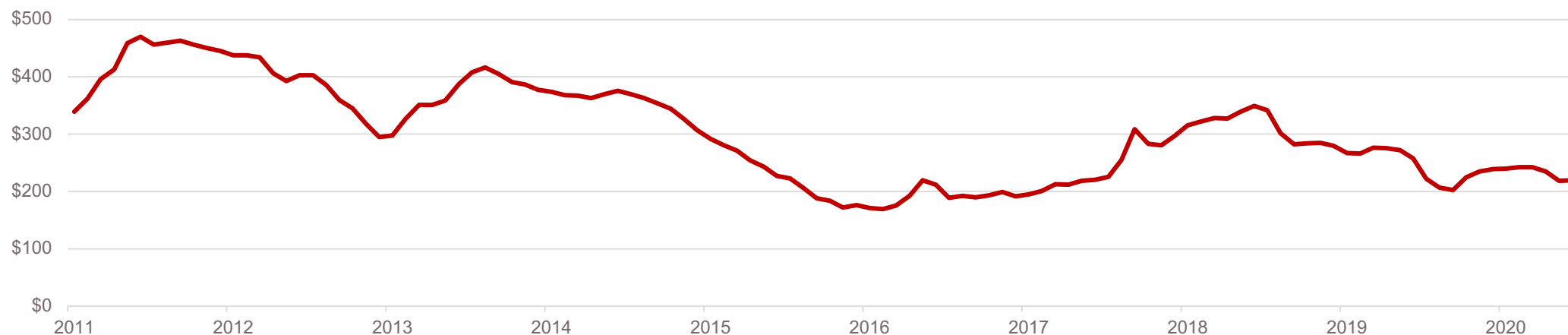
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### KEY FINANCIALS\* (in C\$m)



- ▲ Capable of generating strong revenue and EBITDA despite challenging tungsten market conditions over last years
- ▲ Efficient cost structure and production profile combined with fixed pricing will help Almonty continue maintaining positive EBITDA and cashflow for the forthcoming years until Sangdong starts mainstream tungsten supply in 2022/2023
- ▲ Despite the lower  $WO_3$  price, Almonty managed to reduce operational costs and achieve a positive cashflow
- ▲ Off-take agreement with minimum floor price and quantity for Sangdong to insure strong future cashflow

### HISTORICAL AVERAGE APT PRICE

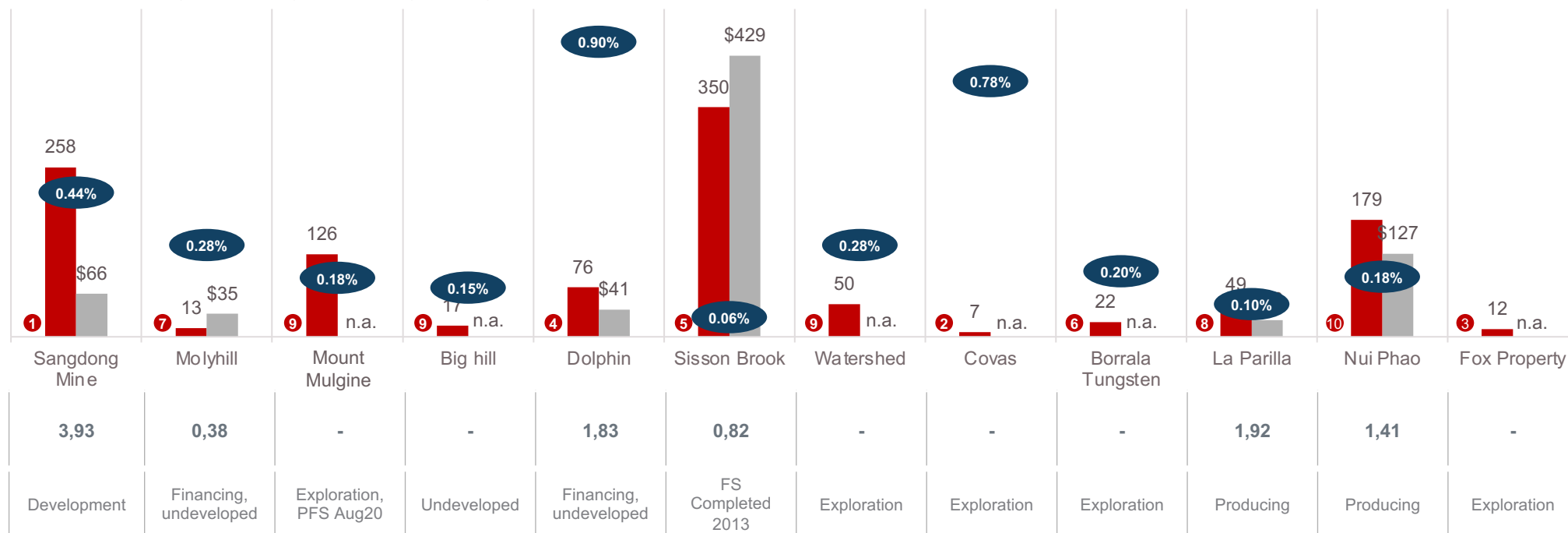


# Peer Group

## Almonty's Sangdong Mine with outstanding economics

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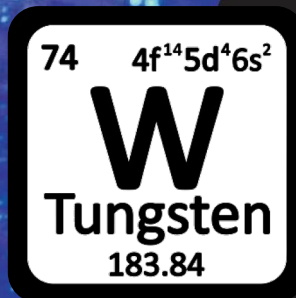
■ Contained Metals ('000s Tonnes) ■ CAPEX (in US\$m) ● Grades (WO<sub>3</sub>)



COMPANY	M.CAP US\$m
1 Almonty Industries	76.1
2 Blackheath Resources	0.3
3 Happy Creek Mining	7.0
4 King Island Scheelite	11.4
5 Northcliff Resources	3.5
6 PanEx Resources	1.2
7 Thor Mining	5.0
8 W Resources	18.4
9 Tungsten Mining	52.4
10 Masan Group	664.8

### COMPARISON OF SANGDONG

- ▲ Almonty's Sangdong mine is the only development mine which is anticipated to produce soon
- ▲ Sangdong has low Capex compared to the overall contained metals
- ▲ Almonty's Sangdong perfectly combines
  - ▲ Low Capex
  - ▲ Large Resource
  - ▲ High Grades



### III. Almonty Projects



# Panasqueira

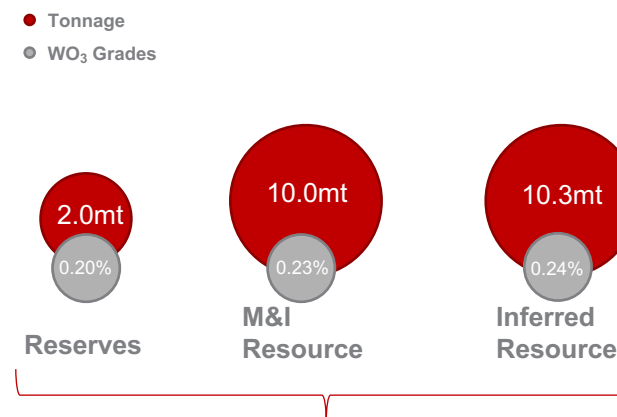
## WO<sub>3</sub> production for more than a century

15

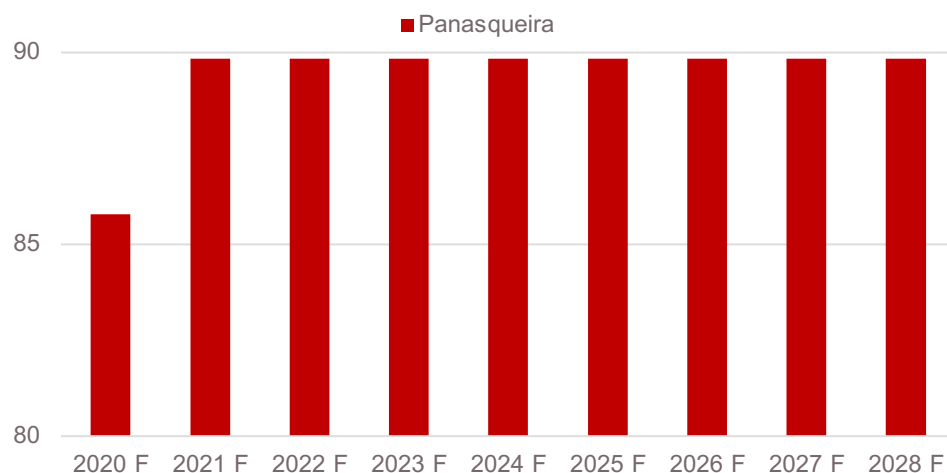
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### KEY FACTS

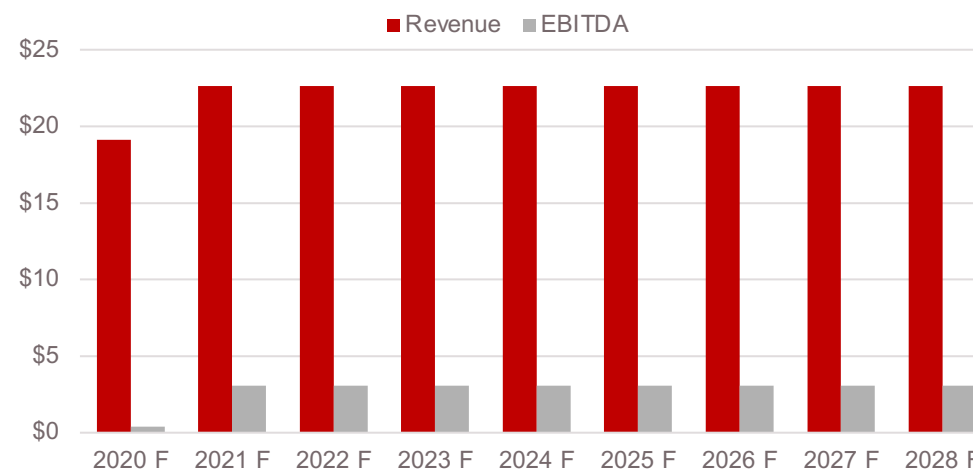
- ▲ Located in Covilha, Portugal
- ▲ Historical production since the early 1900s
- ▲ Current Status - Production
- ▲ Reserve production anticipated to last until 2028
- ▲ Forecasted yearly production of ca. 89,500 MTU WO<sub>3</sub>
- ▲ Panasqueira Deep is rich in Tin
- ▲ The possibility of recovering several metals contained in the slime dams, especially tungsten, tin and copper is currently being investigated.



### ANNUAL WO<sub>3</sub> PRODUCTION (in 000s MTUs)



### ANNUAL REVENUE vs. EBITDA (in US\$m)



# Los Santos Mine

## Tailings project will continue successful operations

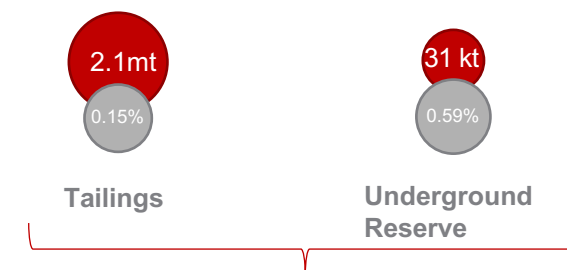
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### KEY FACTS

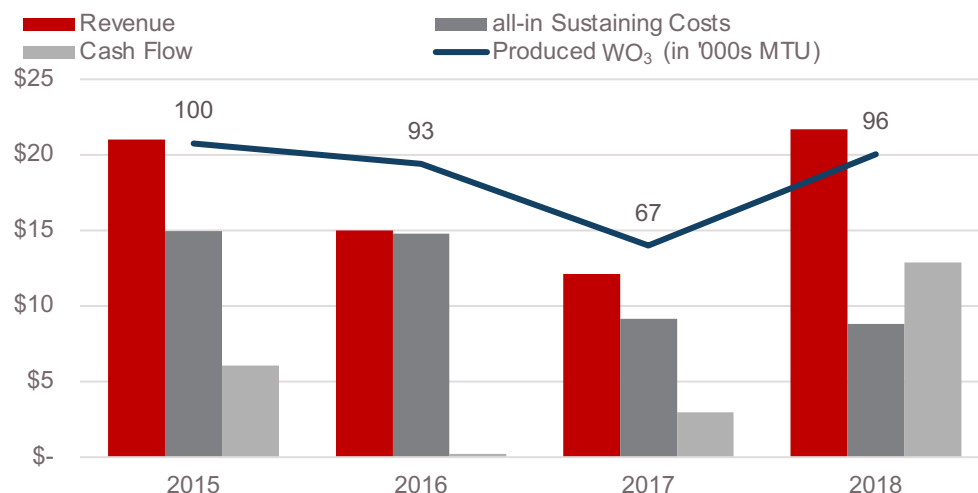
- ▲ Located in western Spain, 50km from Salamanca
- ▲ Current Status – Care & Maintenance
- ▲ WO<sub>3</sub> production from fresh ore ended 2019, tailings reprocessing to start soon and anticipated to last until 2026
- ▲ Forecasted annual production of ca. 36,000 MTU WO<sub>3</sub>
- ▲ Potential high-grade underground resource from the bottom of the main pit
- ▲ Based on the current underground resource a 15,000 tpm operation has been evaluated by management
- ▲ Currently evaluated additional 4 years mine life, underground development has the potential to materially extend mine life

● Tonnage  
● WO<sub>3</sub> Grades

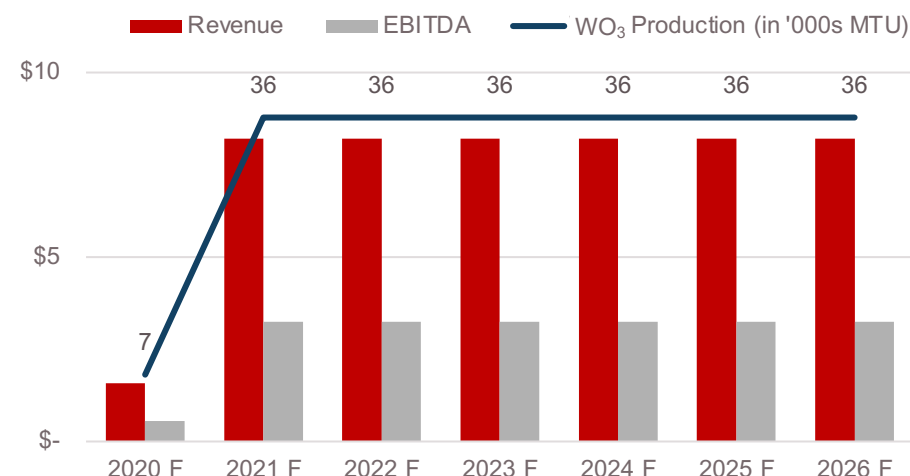


Tailings reprocessing is anticipated to last until 2026, Underground production could add another 4years

### Fresh Ore – Successful mining operations have mines out deposit.... (in US\$m)



### .....Tailings – Production & Key Financials going forward



# Valtreixal

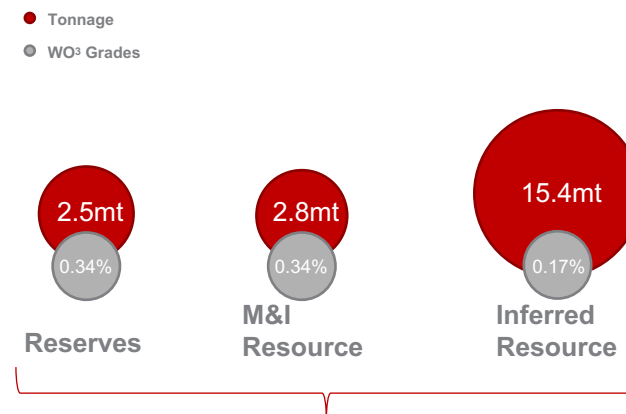
## Almonty's well-located development target

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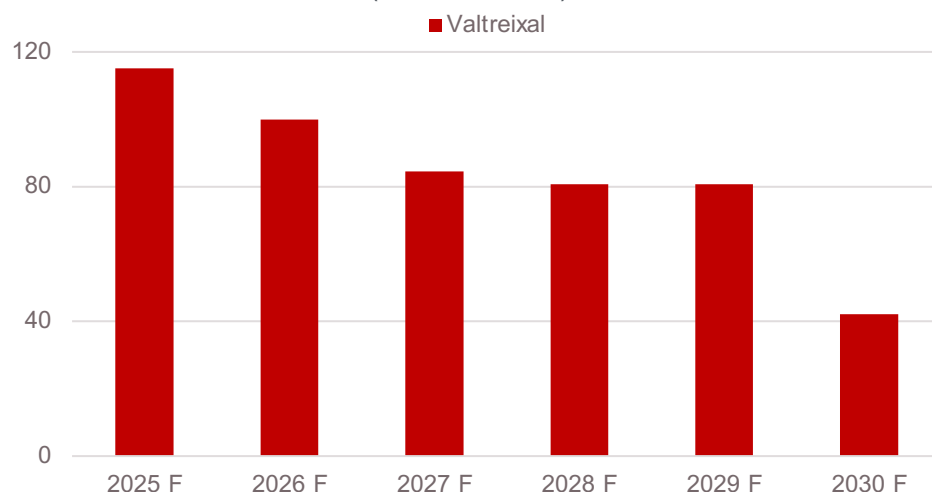
### KEY FACTS

- ▲ Located in north western Spain, 250km from the Los Santos Mine
- ▲ Almonty acquired the project from SIEMCALSA, the same group that was involved in the historical development of Los Santos
- ▲ Rezoning recently announced - final permitting expected late 2020
- ▲ Current Status – Pre-Feasibility (October 2015)
- ▲ Expected start of production in 2025
- ▲ Anticipated 20+ years life of mine
- ▲ Producing WO<sub>3</sub> and Tin

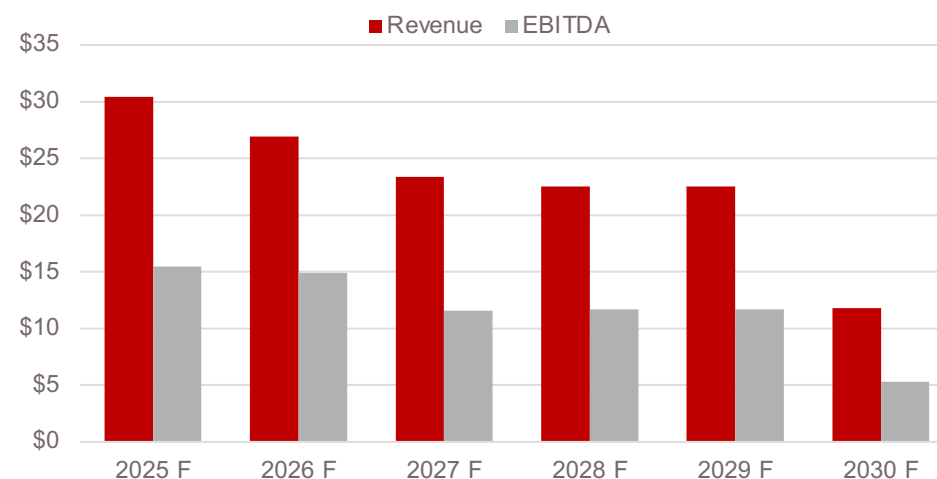


Total Reserves & Resource of 18,200kt  
→ Production anticipated to last until 2030+

### ANNUAL WO<sub>3</sub> PRODUCTION (in 000s MTUs)



### ANNUAL REVENUE vs. EBITDA (in US\$m)





# Almonty Korea Tungsten

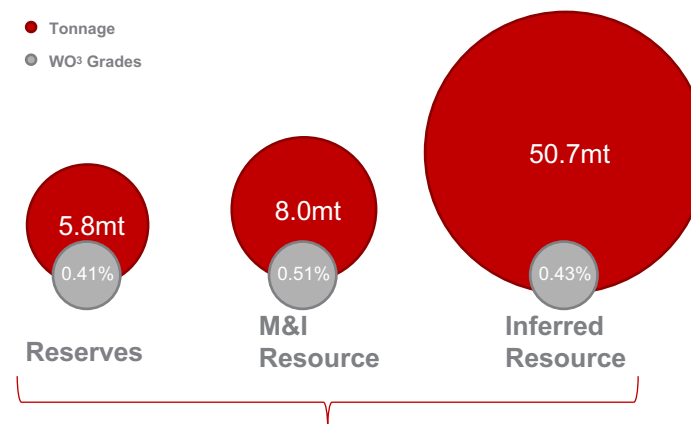
## Sangdong Mine – Almonty's flagship project

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### KEY FACTS

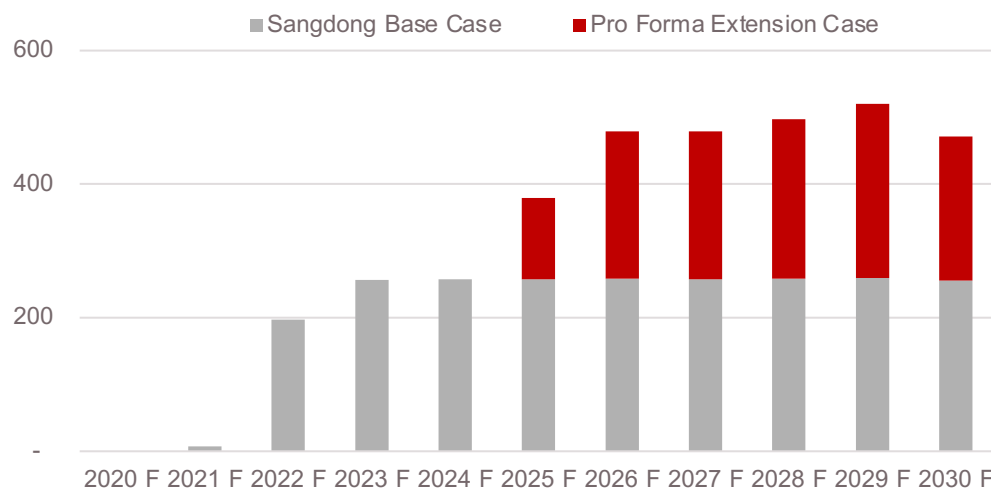
- ▲ Located in South Korea 187km SE of Seoul
- ▲ One of the largest tungsten resources in the world
- ▲ Anticipated production start 2022
- ▲ Technical Report, 2016
  - ▲ Pre-production CAPEX: 65.6 US\$m
  - ▲ Cumulative after-Tax Cashflow of 280 US\$m
  - ▲ Total Capex incl. Sustaining: 82.0 US\$m
  - ▲ 13y Life-of-Mine @ avg. 220,500 MTU WO<sub>3</sub> p.a.
  - ▲ Total Revenue 827 US\$m @ 370\$/MTU WO<sub>3</sub> (avg. 63US\$m p.a.)



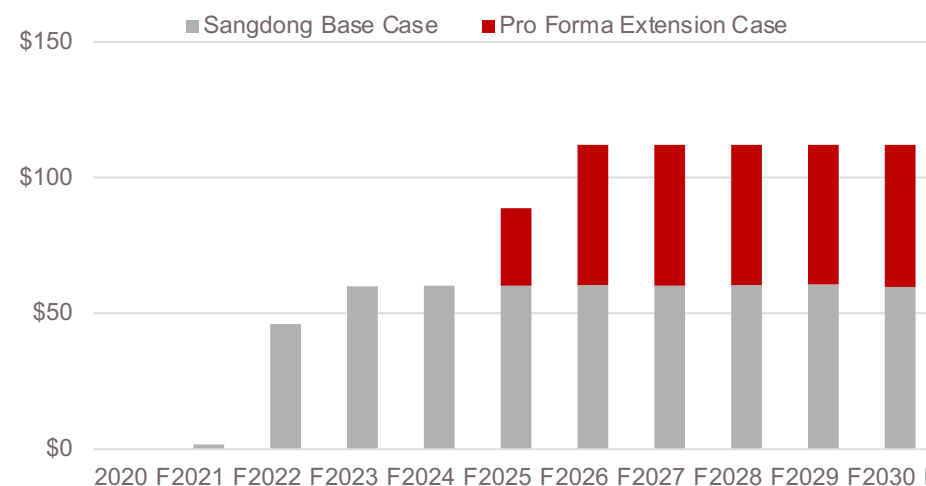
**Total Reserves & Resource of 58,000kt  
→ Potential 90+ years LOM at 640kt p.a.**

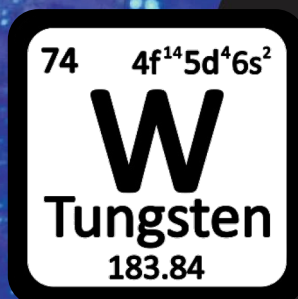
Additional Moly (Korea Tungsten Drill Data):  
17,500kt @ 0,39% Moly

### ANNUAL WO<sub>3</sub> PRODUCTION (in 000s MTUs)



### ANNUAL REVENUE (in US\$m)





## IV. The “Pride of Korea” is Returning

# Sangdong Project Summary (I/III)

What makes the Sangdong Project unique in the tungsten industry?

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## LONG MINE LIFE

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



## HIGHEST GRADE

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



## HIGHEST RECOVERY

Highest recovery and  $WO_3$  content in produced concentrate, proven by metallurgical tests conducted at a multitude of institutions



## LOWEST COST

Lowest production cost (USD110/MTU) by far; Almost 50% of China's cost\*. By-products (Moly, Bismuth, Au, Ag) to be extracted at no additional cost; Contributing 5~6% in additional revenue

### P&P Reserves

5.8

### Indicated Resource

8

### Inferred Resource

50.7

In Mt

### Sangdong

0.49%

### China avg.

0.19%

### World avg.

0.18%

### KIGAM I

85.8

69.6

### KIGAM II

89.6

69.1

### W. Armstrong

85.1

61.8

### $WO_3$ Stand-alone

110

### After by-products Credit

105

### State-owned Chinese

225



# Sangdong Project Summary (II/II)

## What makes the Sangdong Project unique in the tungsten industry?

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### HIGHLY DEVELOPED INFRASTRUCTURE

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

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



### GOVERNMENT & COMMUNITY SUPPORTS

Strong backing from permitting agencies Overwhelming community support  
Governmental subsidies, No NSR, Tax credits.

Mining sector spotlighted with 'mining friendly' policy



### DÉTENTE - TENSION IS OVER

Eased political tension and emerging opportunities

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

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



# Sangdong Project Summary (III/III)

## What makes the Sangdong Project unique in the tungsten industry?

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### LARGEST TUNGSTEN MINE OUTSIDE OF CHINA

**Sangdong's** yearly base **production** of ca. 2.3kt WO<sub>3</sub> equals 1.2x South Korea's yearly WO<sub>3</sub>-Imports → Extension case covers ca. **2.8x yearly WO<sub>3</sub>-Imports\***



### CREATION OF MORE THAN 1,100 JOBS

**Strong employer** in South Korea creates more than 1,100 jobs

**220** direct employees

**900** indirect employees



### POTENTIAL 95Y OF WO<sub>3</sub> PRODUCTION

Base mineplan includes only 5.8 million tons Reserves at 640kt p.a.  
→ Total Resource of **58 million tons** could extend **life-of-mine** to **95years**



### TAX PAYMENTS

**Yearly** tax payments in South Korea of **6-9 US\$m**



### FULLY PERMITTED

Sangdong Flagship is **fully permitted** and ready to **finalize construction**



### DERISKING / FINANCING IN PLACE

**Germany's state bank** KfW granted a senior secured loan of 76 US\$m in order to finance initial capital expenditures



### ENVIRONMENTAL ASPECTS

All facilities are to be built within the area classified as the Industrial Zone and are designed in compliance with **IFC/Equatorial Principle standards**



# Sangdong Orebody dimensions

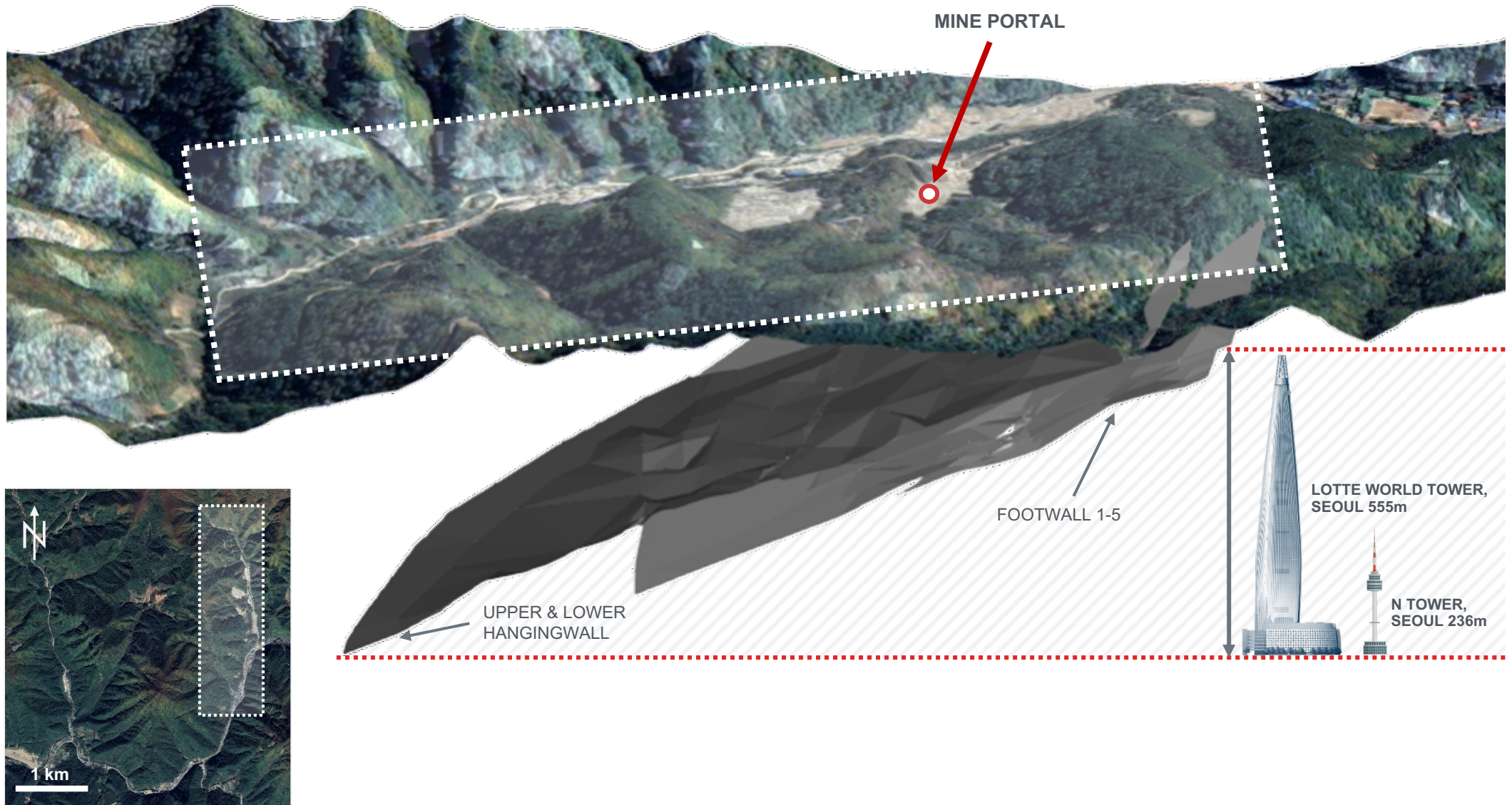
Massive orebody 187km SE of Seoul

23

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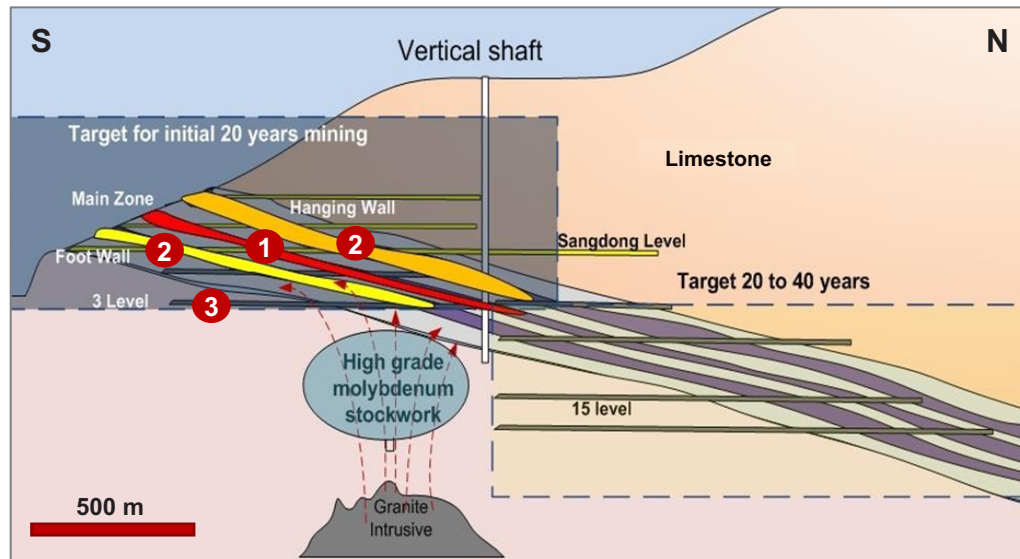
# Sangdong - Project Risks & Mitigation (I/III)

## Mineralisation Risk

24

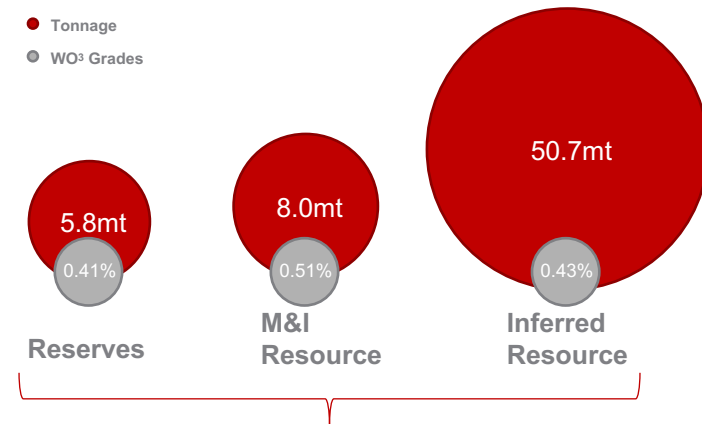
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LESS THAN 1/3 OF THE TUNGSTEN DEPOSIT IDENTIFIED HAD BEEN MINED OUT AT THE TIME OF CLOSURE IN 1992



- 1 Only the central part of the Main Vein had been exploited at a cut-off grade of 0.5% + Test mining of HW & FW in the last several years before its closure
- 2 Much thicker Hanging Wall (20~40m true width) and Foot Wall (avg. 13m true width) remain virtually untouched
- 3 One of a few underground tungsten mines that can employ cost-efficient modern mining methods (Cut & Fill, etc.)

LARGEST TUNGSTEN MINE OUTSIDE OF CHINA



Total Reserves & Resource of 58,000kt  
→ Potential 90+ years LOM at 640kt p.a.

- ▲ Conservative mine plan of 2018 only contains 5.8mt ore
- ▲ In addition to the 12.5 years of P&P Reserves, approx. **58 mt at 0.43~0.51% grade ore** are being classified as 'Indicated & Inferred' – **95 years of LOM at 640K tpa**
- ▲ **0.43~0.51% WO<sub>3</sub> grade is one of the highest in the world** (cf. 0.23~0.28% cut-off grade of Sangdong vs. 0.19% average grade of Chinese tungsten mines)
- ▲ Stable Supply of Conflict-Free Material to Offtaker(s) for Generations to Come

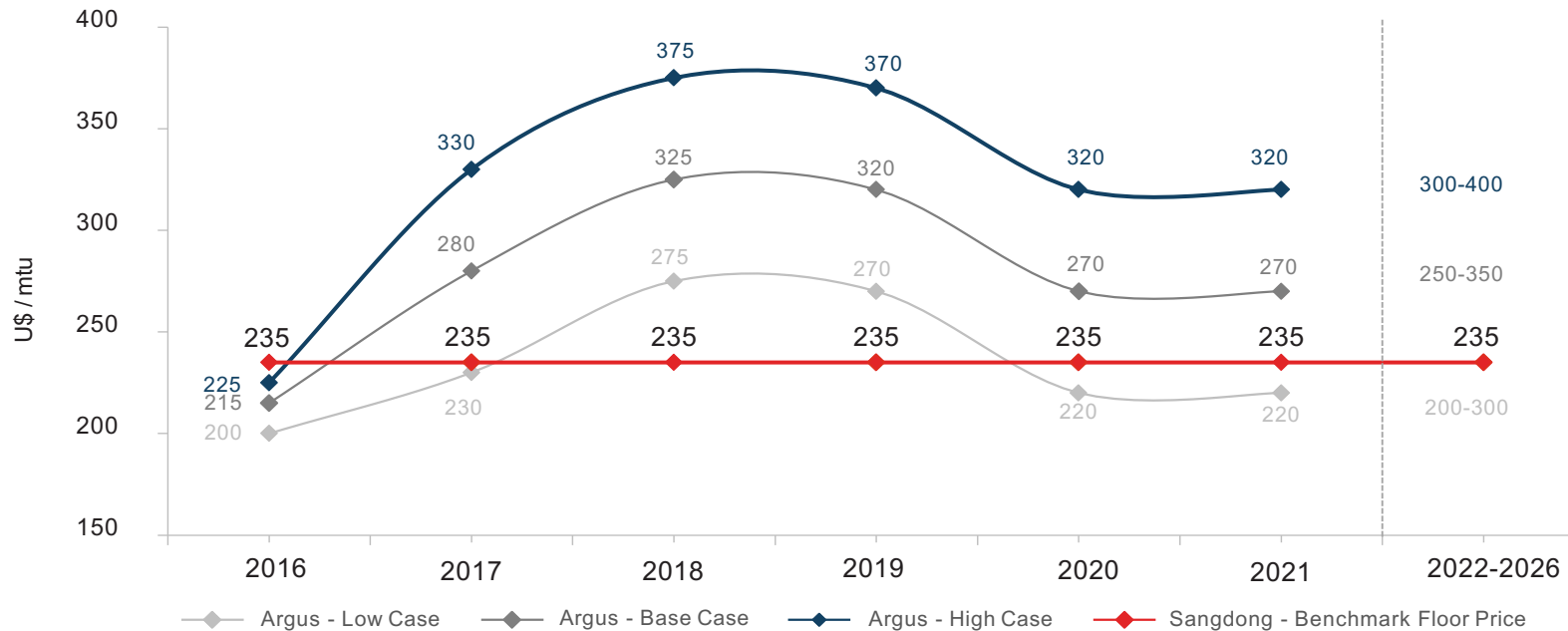


# Sangdong - Project Risks & Mitigation (II/III)

## Price risk

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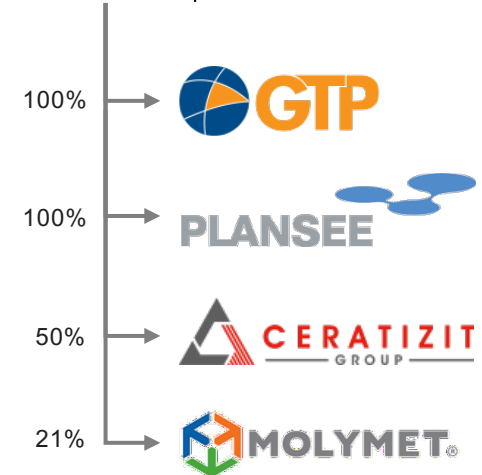
### PRICE SCENARIOS



### OFFTAKER GROUP STRUCTURE

#### PLANSEE

The Plansee Group



#### Floor Price (USD235/MTU, APT) Guarantee by a Global Tungsten Major – Plansee Group

- Translates to USD183/MTU, WO<sub>3</sub> 65% concentrate price
- Locked-in profits over USD106/MTU cash cost
- Equivalent to approx. 580 US\$m over 15 years at the prevailing price and with minimum offtake volume guaranteed – 750 C\$m



#### Factors behind the 'Unprecedented' Floor Price Guarantee

- Almonty's track record of honouring existing offtake agreements
- Market insiders' insight into tungsten prices and the understanding of the distorted LMB tungsten pricing caused by 'China's spoil' in the past



# Sangdong - Project Risks & Mitigation (III/III)

## Social, political and construction risks

26

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### ENVIRONMENTAL ASPECTS

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

FULLY PERMITTED



### LICENSES & PERMITS

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



### CONSTRUCTION RISKS

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

# Sangdong Project Management Team

## Strong & experienced team with capability to build a mine

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### **Lewis Black – Director, President and CEO**

Over 10 years experience in the tungsten mining industry  
Former Chairman and CEO of Primary Metals

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



### **Emil Corfu – Director of Plant Management**

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

Responsible for engineering, construction and operation of processing plants



### **Antonio Correa de Sa – Vice Chairman**

47 years experience in mining with 24 years in tungsten mines

CEO, Panasqueira Mine (Beralt)

Project Supervisor



### **Eduardo Crespo – Director of Metallurgy**

15+ years experience in scheelite floatation

Professor of Metallurgy at university

Orchestration of Metallurgy/Processing



### **Nuno Alves – Director of Mining**

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

Orchestration and supervision of mining plans



### **Paulo Ferraz – Director of Geology**

20+ years experience in geology

Supervision of Sangdong exploration and resource modeling



### **Miguel Pinto – Construction Supervision**

13 years experience in mine management and construction supervision

Site management of Los Santos/Panasqueira

# Sangdong Project – Recent Developments

## Key contracts signed

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DECEMBER, 2017

I

EPC  
Contract  
With

**posco**

Engineering-Procurement-  
Construction

MARCH 2018

II

Offtake  
Agreement

With a

  
**PLANSEE**  
*The Plansee Group*

15 Yrs, approx. U\$600 mil at  
a prevailing price and  
750 C\$m guaranteed volume  
with Floor price of U\$235  
(APT)

APRIL, 2018

III

Technical Licensing  
Agreement

With

**KIGAM**

on Flootation Technology  
& Pilot Plant Subsidy

JULY 2018

IV

Site Clearance Contract

With

Miso Industry CO., LTD.

Including demolition works  
Mine Development in  
Progress since November  
2018

MAY, 2019

V

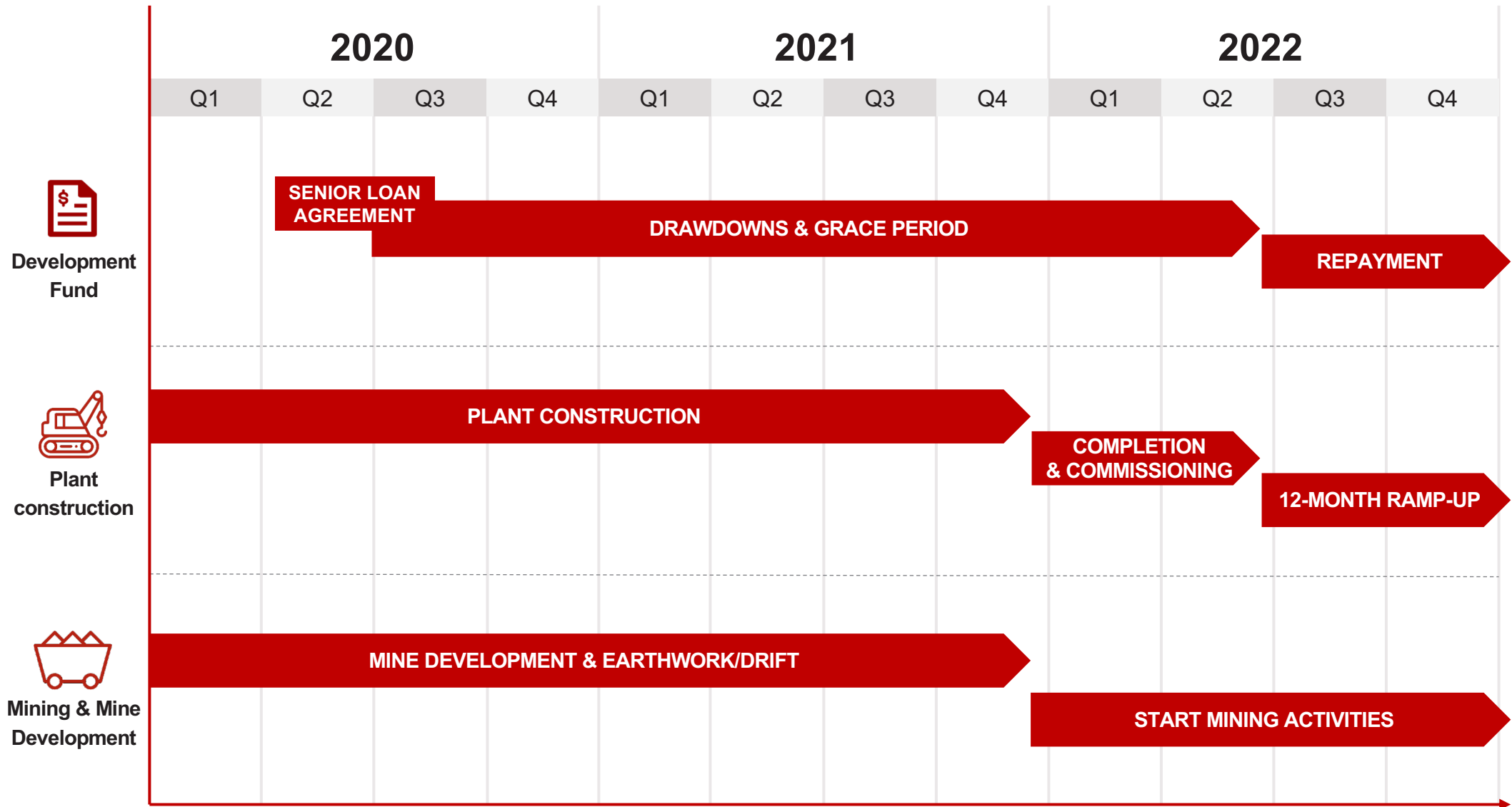
Power Supply Agreement

With

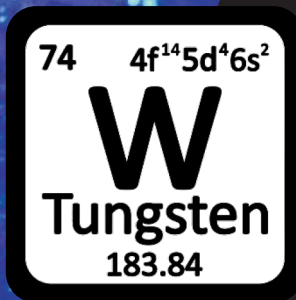
  
**KEPCO**

# Sangdong Project – Outlook

## Key milestones ahead



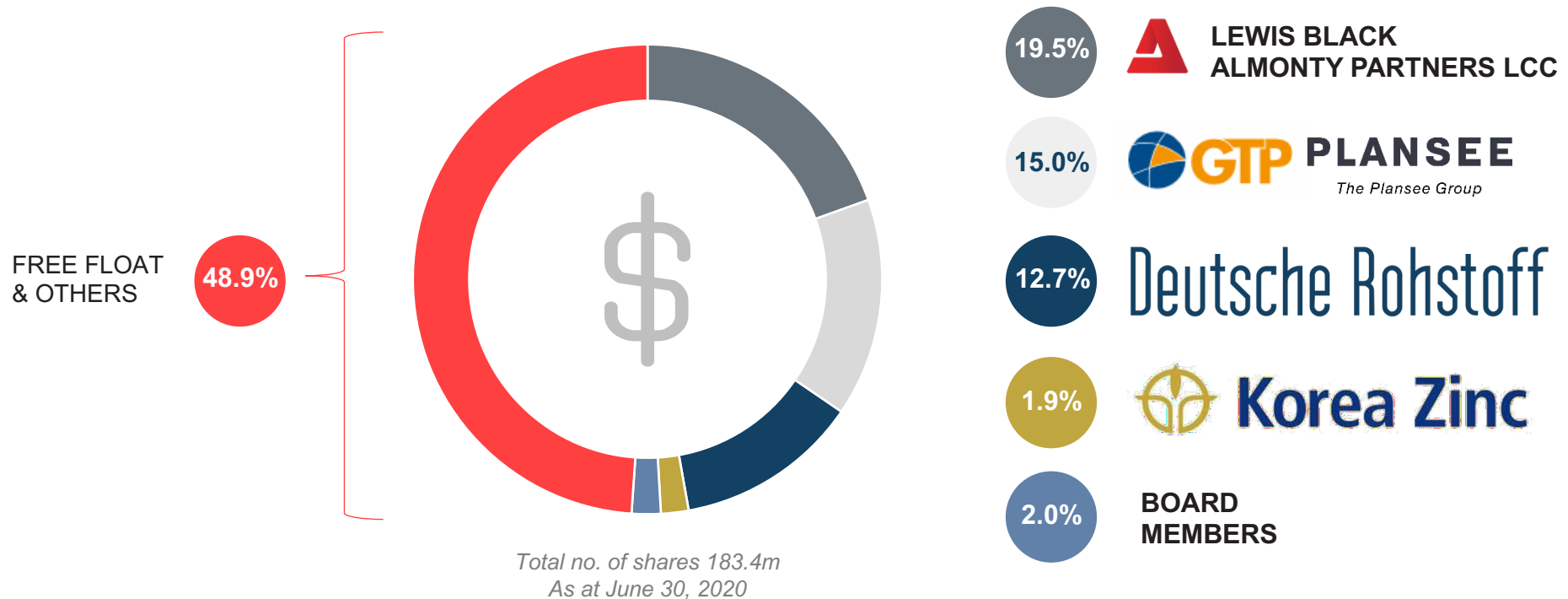




## V. Financing Structure and Financial Projection

# Shareholder Structure

Strategic tie-up & shareholder support with long-term commitments



## SHAREHOLDER INFORMATION

Listed on the **Toronto Stock Exchange**

Founded in **2009**

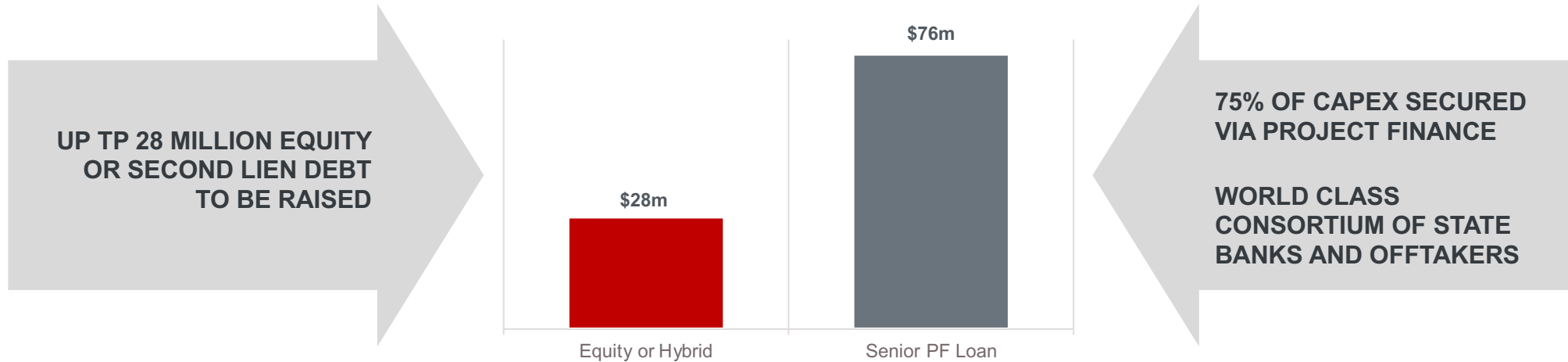
Traded as TSX: **AIL**

# KFW Financing & Offtaker Guarantee

## Partners highlight extraordinary quality of asset

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### 75% OF CAPEX FINANCED

- ▲ German state-fully owned development bank.
- ▲ Extremely high standards of environmental and commercial robustness for project
- ▲ Very low interest rate – all-in cost expected to be around 2-3%



### GOVERNMENT GUARANTEE

- ▲ KFW project finance guaranteed by OeKB via an Export Credit Agency (ECA) cover
- ▲ OeKB serves Austrian companies such as Plansee as a partner for export finance



### 15 YEAR OFFTAKE WITH FLOOR PRICE

- ▲ Plansee and its subsidiary GTP (Global Tungsten Powders) will take off material
- ▲ Unprecedented floor price guarantee underpins strategic importance of asset

# Sangdong Mine – State of Funding

## Further de-risking of a flagship project

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### SOURCE OF FUNDS

EQUITY OR HYBRID

~US\$28 m



~US\$28 m

SANGDONG  
PROJECT ACCOUNT

~US\$104 m

ALMONTY  
KOREA TUNGSTEN

US\$76 m

KfW IPEX-Bank

SENIOR PROJECT FINANCE  
LOAN

SIZE	76 US\$m
INTERESTS	3-M LIBOR + 2.5%
GRACE	2-Year Grace period
REPAYMENT	6.25 Year Installment payments

OeKB (ECA cover)

### FINANCING OVERVIEW

- ▲ KfW is a strong financier, only financing world class projects with strong technical, environmental & commercial robustness and overall low costs
- ▲ Senior Project Finance Loan (76US\$m) secured
- ▲ Commitment Letter issued and disclosed (January 23, 2020)
- ▲ ECA issued by OeKB (February 24, 2020)

Offtake Payment

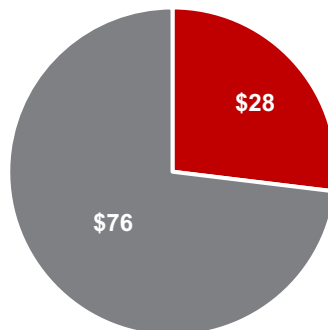
Offtake Agreement

PLANSEE  
The Plansee Group



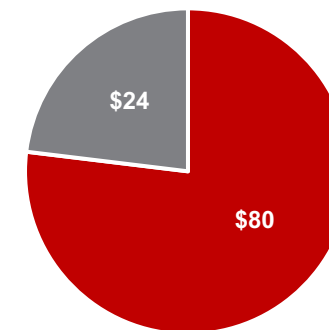
### SOURCE OF FUNDS (in US\$m)

- Equity or Hybrid
- Senior PF Loan



### USE OF FUNDS (in US\$m)

- Total Capex (Incl. Contingency)
- DSRA, IDC, ECA Premium & Financing Costs



CAPEX





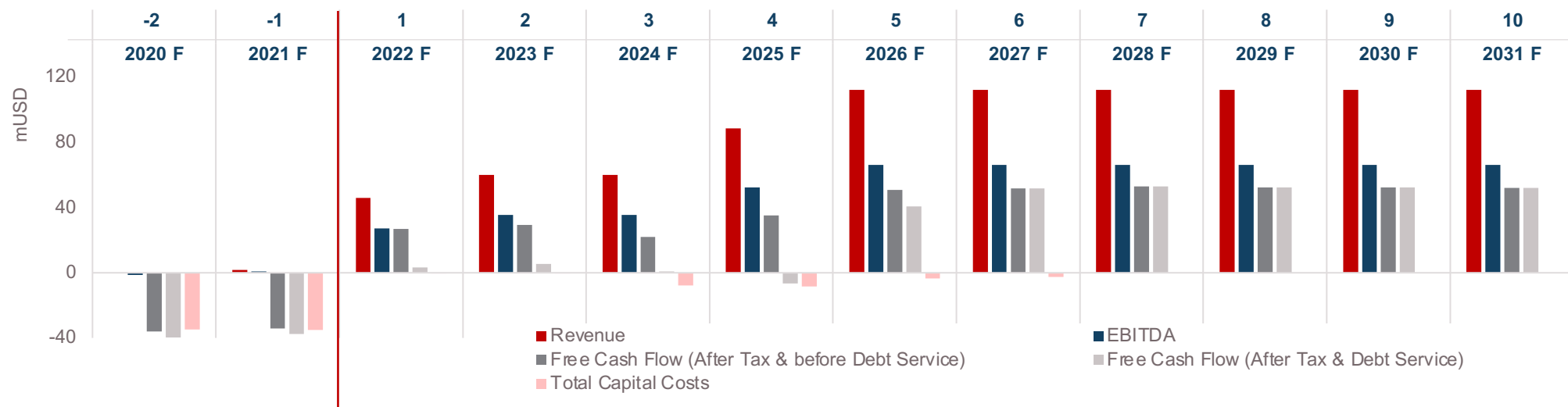
# Sangdong Project – Financial Projection

## Pro Forma Extension Case

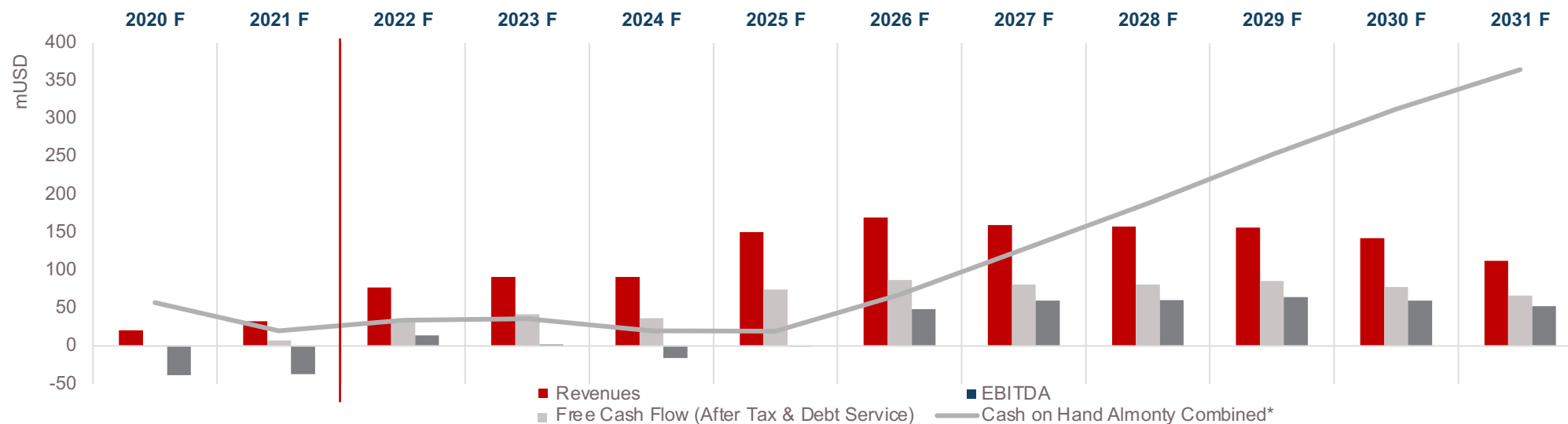
34

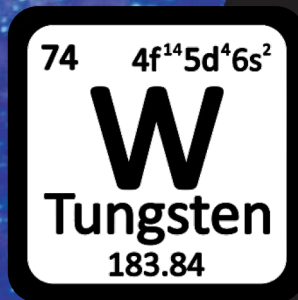
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### 10 YEAR PRO FORMA – SANGDONG MINE (1.2M TPA\_EXPANSION)



### 10 YEAR PRO FORMA – ALMONTY\* COMBINED





## VI. Conclusion

# Investment Highlights

## 5 reasons to invest in Almonty Industries

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### **Largest non-Chinese producer**

Almonty will become the largest tungsten producer outside of China with the completion of the Sangdong Mine and will therefore have enormous strategic importance as reflected in the financing structure and government guarantees

### **Elite team of tungsten miners**

Mining and processing tungsten is highly complex. Almonty's key to successfully operating several mines is a unique team of miners, geologists and metallurgists that have built and operated tungsten mines and have combined hundreds of years of tungsten experience

### **Sangdong Mine**

Building the largest mine outside of China with a potential mine life of 90+ years. Mine plan includes only 5.8 Mt Reserves → Potential 95 years of LOM at 640K tpa – approx. 58 million tons of 0.43~0.51% grade ore identified by Korea Tungsten are classified as 'Indicated & Inferred'

### **Tier 1 Project Finance**

Senior Project Finance Loan (76 US\$m) secured with German KfW-Ipex Bank. KfW is a high quality mining financier of exclusively world class projects with exceptional environmental, technical & commercial characteristics

### **Fully permitted**

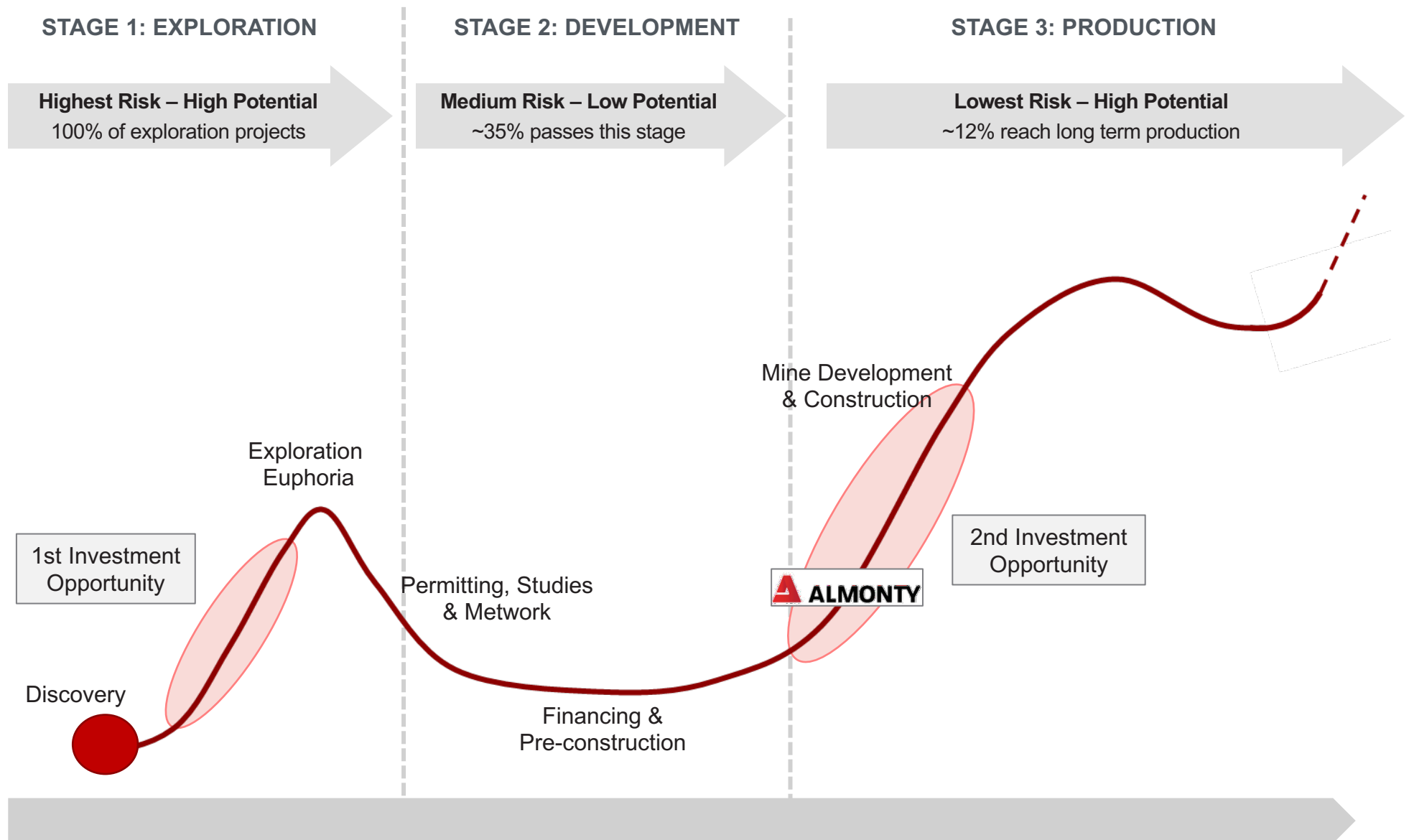
Sangdong Flagship is fully permitted and construction will be finalized in 2022

# Almonty's high potential

## Classic pattern of mining stocks

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## Almonty Industries Inc.

100 King Street West

Suite 5700

Toronto, ON Canada

M5X 1C7

Office: **+1 (647) 438.9766**

Fax: **+1 (416) 628.2516**

Email: [info@almonty.com](mailto:info@almonty.com)