



29 July, 2021

## ASX Announcement

### Almonty Industries Inc. ARBN 648 673 714

#### Pre-quotation disclosure

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with:

- the initial public offering of CHESS Depositary Interests (**CDIs**) over fully paid ordinary shares in the capital of Almonty Industries Inc. (ARBN 648 673 714) (**Almonty** or the **Company**) by the Company pursuant to a prospectus (**Prospectus**) lodged with the Australian Securities & Investments Commission (**ASIC**) on 8 June 2021 (**Offer**); and
- the admission of the Company to the official list of ASX, official quotation of CDIs and commencement trading of CDIs on ASX.

Capitalised terms not defined in this document have the meaning given to them in the Prospectus.

#### 1. Confirmation of Completion of Offer and issue of CDIs under the Prospectus

- 1.1 The Company confirms the Offer has closed and the issue of 15,252,300 CDIs to investors at an issue price of A\$1.00 per CDI (**Offer Price**).
- 1.2 The Company confirms that it has received cleared funds for the complete amount of the issue price of every CDI issued to every successful Applicant for CDIs under the Prospectus.
- 1.3 The Company provides the following information for release to the market:
  - (a) The allocation of CDIs to Applicants under the Institutional Offer has been determined by agreement between the Company and the Lead Manager during the bookbuild and institutional investors have been notified of their allocations.
  - (b) The allocation of CDIs to Applicants under the Broker Offer has been determined by stockbrokers who allocated CDIs among their respective clients, and Applicants will be able to confirm their allocation through their stockbroker or by calling the Almonty Offer Information Line.
  - (c) The allocation of CDIs to Applicants under the Chairman's List Offer has been determined by agreement between the Company and the Lead Manager.
  - (d) The allocation of CDIs to Applicants under the General Offer has been determined by the Company, and Applicants will be able to confirm their allocation through their stockbroker or by calling the Almonty Offer Information Line.

#### 2. Refund money and despatch dates

- 2.1 All refund money related to the Offer was sent back to unsuccessful applicants on 16 July 2021.
- 2.2 The date of despatch of:





(a) in relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1; and

(b) in relation to all other holdings, issuer sponsored holding statements,

was 19 July 2021.

### 3. Capital structure

3.1 The company will have 207,704,554 ordinary shares (**Shares**) on issue at the commencement of trading on the ASX, of which 15,252,300 are held in the form of CDIs.

3.2 The company will have the following options on issue at the commencement of trading on the ASX:

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
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
<b>Total</b>	<b>8,075,000</b>	





- 3.3 The company will have the following warrants on issue at the commencement of trading on the ASX:

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
<b>Total</b>	<b>1,767,244</b>	<b>1,767,244</b>	

#### 4. ASX Waivers

The Company has been granted the following waivers from the ASX Listing Rules (**Listing Rules**) in connection with its application for admission to the official list of ASX:

##### 4.1 Listing Rule 1.1 condition 2

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 1.1 condition 2 to the extent necessary to permit the Company's By-laws not to comply with the Listing Rules insofar as:

- (a) the By-laws provides that the Company may do the following:
  - (i) issue preference shares on terms that are inconsistent with Listing Rules 6.3, 6.4, 6.7 and 6.9;
  - (ii) impose fees for registration of transfer of securities in a manner inconsistent with Listing Rule 8.14; and
  - (iii) permit the board to determine the remuneration of Almonty's directors and increase directors' fees in a manner inconsistent with Listing Rule 10.17; and
- (b) the By-laws do not provide required Listing Rule 7.26.2 provision that a former holder must remain liable (in the absence of the approval of the holder of ordinary shares) for any amount called but unpaid on shares despite that they have been forfeited,

on condition that the Company gives to ASX an undertaking (executed in the form of a deed) that it:

- (c) will not do any of the things referred to in 4.1(a) while they remain prohibited by the Listing Rules; and
- (d) will not issue any partly paid shares without first obtaining the written consent of ASX,

while it remains listed on ASX.





#### **4.2 Listing Rule 1.1 condition 6**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 1.1 condition 6 to the extent necessary to permit the Company to apply for quotation only of those fully paid common shares (to be settled on ASX in the form of CHESS Depositary Interests ('CDIs')) issued into the Australian market, subject to the condition that the Company releases details of this waiver as pre-quotation disclosure.

#### **4.3 Listing Rule 9.1**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 9.1 to the extent necessary to permit the Company not to apply the restrictions in clauses 1, 2, 3, 4, 7, 8 and 9 of Appendix 9B to its securities.

#### **4.4 Listing Rule 2.4**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 2.4 to the extent necessary to permit the Company to apply for quotation only of those fully paid common shares (to be settled on ASX in the form of CHESS Depositary Interests ('CDIs')) issued into the Australian market, subject to the condition that the Company releases details of this waiver as pre-quotation disclosure

#### **4.5 Listing Rule 2.8**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 2.8 to the extent necessary to permit the Company to apply for quotation only of those fully paid common shares (to be settled on ASX in the form of CHESS Depositary Interests ('CDIs')) issued into the Australian market, subject to the condition that the Company releases details of this waiver as pre-quotation disclosure.

#### **4.6 Listing Rule 4.2A**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 4.2A to the extent necessary to permit the Company not to lodge an Appendix 4D – Half Year Report, on condition that the Company lodges with ASX the half-year financial statements and interim Management's Discussion and Analysis ('MD&A') that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with its obligations under the relevant Canadian laws ('Canadian Reporting Requirements') at the same time that the Company lodges those documents with those Canadian securities regulatory authorities, and at the same time the Company gives ASX the MD&A it must also provide a cover sheet under the heading "Results for announcement to the Market" which contains the information required by paragraph 2 of Appendix 4D.

#### **4.7 Listing Rule 4.3A and 4.3B**

A waiver from listing rules 4.3A and 4.3B to the extent necessary to permit the Company not to lodge an Appendix 4E – Preliminary Final Report for each year on condition that the Company lodges with ASX the annual financial statements and annual MD&A that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with Canadian Reporting Requirements at the same time that the Company lodges those documents with those Canadian securities regulatory authorities.



**4.8 Listing Rule 4.10.9**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 4.10.9 to the extent necessary to permit the Company to not include in its annual report the names of the 20 largest holders of its quoted securities, the number of equity securities each holds, and the percentage of capital each holds.

**4.9 Listing Rule 5.1**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 5.1 to the extent necessary to permit the Company not to lodge quarterly activity and expenditure reports as required by the Listing Rules on condition that the Company lodges with ASX the quarterly Financial Statements and Management Discussion and Analysis that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with Canadian Reporting Requirements at the same time that the Company lodges those documents with those Canadian securities regulatory authorities.

**4.10 Listing Rule 6.10.3**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a 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 shareholders meeting in accordance with the requirements of the relevant Canadian legislation.

**4.11 Listing Rule 6.16**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 6.16 to the extent necessary to permit the Company to have on issue 8,225,000 options and 2,047,244 warrants, with varying exercise prices and expiry dates, issued under the Company's stock option plans ('Option Plans') that do not specifically comply with Listing Rule 6.16 on the following conditions:

- (a) That the full terms of Option Plans are released to the market as pre-quotation disclosure;
- (b) That the Company undertakes to obtain ASX approval for the implementation of any future option plan; and
- (c) The Company undertakes not to issue any further options that do not comply with Chapter 6 of the Listing Rules.

**4.12 Listing Rule 6.19**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 6.19 to the extent necessary to permit the Company to have on issue 8,225,000 options and 2,047,244 warrants, with varying exercise prices and expiry dates, issued under the Company's stock option plans ('Option Plans') that do not specifically comply with Listing Rule 6.19 on the following conditions:

- (a) That the full terms of Option Plans are released to the market as pre-quotation disclosure;



- (b) That the Company undertakes to obtain ASX approval for the implementation of any future option plan; and
- (c) The Company undertakes not to issue any further options that do not comply with Chapter 6 of the Listing Rules.

#### 4.13 **Listing Rule 6.21**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 6.21 to the extent necessary to permit the Company to have on issue 8,225,000 options and 2,047,244 warrants, with varying exercise prices and expiry dates, issued under the Company's stock option plans ('Option Plans') that do not specifically comply with Listing Rule 6.21 on the following conditions:

- (a) That the full terms of Option Plans are released to the market as pre-quotation disclosure;
- (b) That the Company undertakes to obtain ASX approval for the implementation of any future option plan; and
- (c) The Company undertakes not to issue any further options that do not comply with Chapter 6 of the Listing Rules.

#### 4.14 **Listing Rule 6.22**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 6.22 to the extent necessary to permit the Company to have on issue 8,225,000 options and 2,047,244 warrants, with varying exercise prices and expiry dates, issued under the Company's stock option plans ('Option Plans') that do not specifically comply with Listing Rule 6.22 on the following conditions:

- (a) That the full terms of Option Plans are released to the market as pre-quotation disclosure;
- (b) That the Company undertakes to obtain ASX approval for the implementation of any future option plan; and
- (c) The Company undertakes not to issue any further options under the Option Plan that do not comply with Chapter 6 of the Listing Rules.

#### 4.15 **Listing Rule 6.23.3**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 6.23.3 to the extent necessary to permit the Company to have on issue 8,225,000 options and 2,047,244 warrants, with varying exercise prices and expiry dates, issued under the Company's stock option plans ('Option Plans') that do not specifically comply with Listing Rule 6.23.3 on the following conditions:

- (a) That the full terms of Option Plans are released to the market as pre-quotation disclosure;
- (b) That the Company undertakes to obtain ASX approval for the implementation of any future option plan; and



- (c) The Company undertakes not to issue any further options that do not comply with Chapter 6 of the Listing Rules.

#### 4.16 **Listing Rule 6.23.4**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 6.23.4 to the extent necessary to permit the Company to have on issue 8,225,000 options and 2,047,244 warrants, with varying exercise prices and expiry dates, issued under the Company's stock option plans ('Option Plans') that do not specifically comply with Listing Rule 6.23.4 on the following conditions:

- (a) That the full terms of Option Plans are released to the market as pre-quotation disclosure;
- (b) That the Company undertakes to obtain ASX approval for the implementation of any future option plan; and
- (c) The Company undertakes not to issue any further options that do not comply with Chapter 6 of the Listing Rules.

#### 4.17 **Listing Rule 7.1**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 7.1 to the extent necessary to permit the Company to issue securities without security holder approval under Listing Rule 7.1, subject to the following conditions:

- (a) The Company remains subject to, and complies with, the rules of the Toronto Stock Exchange ("TSX") with respect to the issue of new securities.
- (b) The Company certifies to ASX on an annual basis (on or about 31 March each year) that it remains subject to, and continues to comply with, the requirements of the TSX with respect to the new issue of securities.
- (c) If the Company becomes aware of any change to the application of TSX rules with respect to the issue of new securities, or that the Company is no longer in compliance with the requirements of TSX with respect to the issue of new securities, it must immediately advise ASX.
- (d) The Company announces the waiver to the market as pre-quotation disclosure.

Without limiting ASX's right to vary or revoke these waivers pursuant to Listing Rule 18.3, ASX reserves the right to revoke these waivers if:

- (e) the Company fails to comply with any of the conditions referred to above in 4.17(a) to 4.17(d); or
- (f) there are changes to the TSX listing rules in respect of the issue of new securities such that, in ASX's opinion, the regulation of the issue of new securities under those TSX listing rules ceases to be comparable to the regulation of the issue of new securities under the ASX Listing Rules.

#### 4.18 **Listing Rule 10.11**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 10.11 to the







extent necessary to permit the Company to issue or agree to issue securities to a related party without shareholder approval on the following conditions:

- (a) The Company complies with the requirements imposed on the Company under TSX rules;
- (b) Where the Company seeks shareholder approval for the issue of securities to a related party, the votes of the related party (and its associates) not be counted and a voting exclusion statement be included in the notice of meeting;
- (c) The Company certifies to ASX on an annual basis (on or about 31 March each year) that it remains subject to, has complied with, and continues to comply with, the requirements of the TSX with respect to the issue of securities to related parties; and
- (d) if the Company becomes aware of any change to the application of the TSX rules with respect to the issue of securities to related parties, or that the Company is no longer in compliance with the requirements of TSX with respect to the issue of securities to related parties, it must immediately advise ASX.

#### 4.19 **Listing Rule 10.14**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 10.14 to the extent necessary to permit the Company to allow directors (and their associates) to acquire securities under an incentive employee scheme without shareholder approval under that rule on condition that:

- (a) The Company complies with the requirements imposed on the Company under TSX rules;
- (b) Where the Company seeks shareholder approval for the issue of securities to a related party, the votes of the related party (and its associates) not be counted and a voting exclusion statement be included in the notice of meeting;
- (c) The Company certifies to ASX on an annual basis (on or about 31 March each year) that it remains subject to, has complied with, and continues to comply with, the requirements of the TSX with respect to the issue of securities to related parties under employee incentive schemes; and
- (d) If the Company becomes aware of any change to the application of the TSX rules with respect to the issue of securities to related parties, or that the Company is no longer in compliance with the requirements of TSX with respect to the issue of securities to related parties, it must immediately advise ASX.

#### 4.20 **Listing Rule 10.18**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 10.18 to the extent necessary to permit the Company upon a change of control to pay termination benefits to an existing Company employee pursuant to the terms of the Company's existing employment contract.

#### 4.21 **Listing Rule 14.2.1**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 14.2.1 to the





extent necessary to permit the Company not to provide in its proxy form for holders of chess depository interests ('CDI') to vote against a resolution to elect a director or to appoint an auditor, on the following conditions:

- (a) The Company complies with the relevant Canadian laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor.
- (b) The notice given by the Company to CDI holders under ASX Settlement Operating Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case.
- (c) The Company releases details of the waiver to the market as pre-quotation disclosure and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs.
- (d) Without limiting ASX's right to vary or revoke its decision under Listing Rule 18.3, the waiver from Listing Rule 14.2.1 only applies for so long as the relevant Canadian laws prevent the Company from permitting shareholders to vote against a resolution to elect a director or appoint an auditor.

#### 4.22 **Listing Rule 14.3**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 14.3 to the extent necessary to permit the Company to accept nominations for the election of directors in accordance with its By-laws, on the following conditions:

- (a) The Company releases the terms of the waiver to the market as pre-quotation disclosure; and
- (b) The terms of the waiver are set out in the management proxy circular provided to all holders of CDIs.

#### 4.23 **Listing Rule 15.7**

Subject to any amendments to the Listing Rules or changes in the interpretation and administration of the Listing Rules and policies of ASX, a waiver from Listing Rule 15.7 to the extent necessary to permit the Company to provide announcements simultaneously to both ASX and TSX.

### 5. **Future Options Plans**

5.1 In respect of the waivers granted by ASX of Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4 (see paragraphs 4.11 - 4.16 above), the Company undertakes:

- (a) to obtain ASX approval for the implementation of any future option plan; and
- (b) not to issue any further options that do not comply with Chapter 6 of the Listing Rules.

### 6. **Sangdong Offtake Agreement**

6.1 ASX has requested the Company provide additional disclosure concerning the manner in which Material is priced under the Sangdong Offtake Agreement, referred to at Section 10.2(a) of the Prospectus (page 112). The Company notes the below information with respect to the pricing of Material under the agreement.





- 6.2 Under the agreement, the Material is priced in accordance with Option A or Option B (with the parties agreeing annually on the applicability of Option A or Option B) and the volume allocated to each pricing mechanism:
- (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, with the fixed price being subject to a floor price.

In the event the Buyer and Seller are unable to agree on Option B, the price shall be determined pursuant to Option A.

- 6.3 The Company is unable to disclose the floor price level under Option B due to the commercially sensitive nature of the information. The floor price level was determined between Almonty and its financier, KfW IPEX-Bank GmbH (**KfW**). The parties reached the floor price level with the assistance of an independent expert to determine a unit cost price, calculated the margin required to satisfy the principal and interest payments under the Sangdong Facility Agreement and included a further margin for a positive earnings cushion. The payment terms under the agreement are identical to all current and former offtake agreements entered into between Almonty and GTP over the past 10 years.
- 6.4 The Company believes the use of fixed prices under Option B are of particular importance in a bear market. Any fixed price under Option B will be mutually agreed on an annual basis by the Parties and must be above the floor price. Representatives of each Party under the agreement will meet in person annually (where possible) when seeking to agree on any fixed price under Option B. If the parties are unable to reach an agreement on fixed price under Option B, the price shall be determined pursuant to Option A. Any annual fixed price agreement under Option B will be securitised by the Board and, if any relevant concerns arise regarding such price, the Company will engage a third party for a fairness opinion to ensure transparency for its shareholders and KfW.
- 6.5 As disclosed in Section 5.2 (page 72) of the Prospectus, GTP is a substantial holder of shares in the Company and ordinarily undertaking the offtake arrangements would be subject to Listing Rule 10.1 requirements. As the agreement was entered into prior to the Company's listing on the ASX, the Company was not required to comply with security holder approval requirements under Listing Rule 10.1 prior to its entry into the agreement. The Company notes there is a risk that value can be extracted from the Company under the agreement. To mitigate the risk of this, the Company has adopted certain procedures to ensure that all dealings between the Company (including Sangdong Mining Corp) and GTP under the agreement take place on an arm's length basis. These procedures include relying on independent experts when determining pricing under Option B of the agreement, to ensure maximum value for the Company. Furthermore, the Company is subject to related party transaction requirements under Canadian securities laws which would require shareholder approval if the Almonty board determined that the transaction with GTP was not on arms length terms or otherwise required as part of the Almonty directors' fiduciary duties.

## 7. Impediments

- 7.1 The Company confirms there are no legal, regulatory, statutory or contractual impediments to the Company entering the tenements comprising the Los Santos Mine Project, Valtreixal Project, Sangdong Project and Panasqueira Mine and carrying out the activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).



**8. Offer Information Line**

- 8.1 The Company has also arranged for secure information centre lines to meet the reasonably anticipated demand for information about the Prospectus or the Offer. The Almonty Offer Information Line is 1300 219 448 (toll free within Australia) or +61 3 9415 4327 (from outside Australia). The Offer Information Line's hours of operation are 6:30 am to 3:00 pm AWST, Business Days.

**By order of the Board**

---

Lewis Black  
Director, President and Chief Executive Officer

29 July 2021