SIGNIFICANT MAIDEN MOLYBDENUM RESOURCE DEFINED ADJACENT TO THE TUNGSTEN OREBODY AT SANGDONG MINE IN SOUTH KOREA

PROVIDES POTENTIAL FOR MATERIAL INCREASE IN SHAREHOLDER VALUE GIVEN SYNERGIES THAT EXIST WITH SANGDONG MINE, CURRENTLY UNDER CONSTRUCTION

Highlights

- **Maiden Independent Inferred Molybdenum Mineral Resource Estimate of 21.48Mt @ 0.26% MoS_2 at the 0.19% MoS_2 reporting cut-off.**
- **Molybdenum Resource is located adjacent to the Tungsten Resource at the Sangdong Tungsten project, on a fully permitted, mining lease.**
- **Company will investigate integration into the Sangdong Tungsten Mine which is currently under construction.**
- **Previous drilling has indicated that the deposit is open in several directions and that higher grade zone may be delineated. Both factors will be assessed with further drilling in the future.**

Toronto – July 18, 2022 **-** Almonty Industries Inc. ("**Almonty**" or the "**Company**") (TSX: AII / ASX: AII / OTCQX: ALMTF / Frankfurt: ALI) is pleased to announce a maiden JORC 2012-compliant Inferred Mineral Resource Estimate (**MRE**) of 21.48Mt @ 0.26% MoS2 at the 0.19% MoS_2 reporting cut-off for the Almonty Korea Moly Project (**AKM Project**), which is located on the existing Sangdong Tungsten Mine, which is currently under construction in South Korea.

Almonty's Chairman, President and CEO Lewis Black commented:

"The AKM Project is a major growth plank for Almonty and is conveniently located immediately adjacent to the tungsten mine, on our fully permitted, under construction Sangdong Tungsten Mine. We are pleased to report our maiden Mineral Resource Estimate which could be a globally relevant project in its own right.

We are pleased to note that based on a review of previous exploration work, the MRE has significant upside, given the deposit appears to be open in multiple directions and further that potential exists to delineate a high grade zone within the current orebody.

We are also excited to formulate a robust mining plan so that this project will run alongside our tungsten mine simultaneously given that both can share the same existing mining infrastructure and the dramatic development cost savings it presents. Being LME traded, it is also pleasing to note the hedging and pricing transparency of molybdenum. We look forward continuing further exploration works to integrating the AKM Project into the Sangdong Tungsten Mine."

The MRE has been independently estimated by Adam Wheeler, an independent mining consultant, was prepared according to the guidelines of the JORC Code dated 2012 and 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 Resource estimate was based on a drillhole database stemming from underground drilling, and some surface drilling, completed prior to 1992 by the Korea Tungsten Mining Company Ltd. (**KTMC**), as well by Oriental Minerals OTL during 2006-2008. The KTMC drilling covers 14,300m over 27 holes.

Almonty notes that, based on a review of historical drilling, the molybdenum zone may continue to the northeast and northwest, where significant MoS2 was intersected in historical exploration drilling.

The molybdenum deposit of the AKM Project is located adjacent to the tungsten mine of Sangdong and appears to be hydrothermal and with two different mineralisation stages.

Further, it was noted that sections with zones of higher grade do occur, but insufficient drilling has been carried out to properly assess the grade distribution. The company will further assess both the full size and scale and higher-grade zones in future exploration work.

Mineral Resource Estimate

The current evaluation work has been carried out and prepared according to the guidelines of the JORC Code (2012). The current resource estimation is shown below, for a cut-off of 0.19%MoS_2. This cut-off level was derived from a molybdenum price of 14.25$/lb Mo. The resource model uses a maximum lateral extrapolation of 100m.

AKM Project – Inferred Mineral Resource Estimate

Host Rock Type	Tonnes Mt	MoS2 %
Slate	4.34	0.28
Quartzite	17.14	0.26
Total	**21.48**	**0.26**

Notes:

- As of 31st May, 2022
- Block Size 25m x25m x 5m
- Cut-off 0.19% MoS2
- All resources categorised as Inferred

Geology and geological interpretation

The Jangsan quartzite underlies the main tungsten skarn deposit of the Sangdong mine. This formation contains the Sangdong Molybdenum Stockwork (SMS), a zone of quartz veins hosting predominantly molybdenum mineralisation (Kuehnbaum, 2006 and Le, 2001). The mineralisation appears to be hydrothermal in nature and with two stages of mineral deposition; the first molybdenum-poor scheelite mineralisation was related to skarn alteration, which was followed by quartz-scheelite-molybdenite-bismuthenite vein emplacement. It is currently considered that the deep molybdenum mineralisation is likely to comprise a system of sheeted or stockwork veins.

In previous evaluation work, a mineralised envelope had been defined which terminated upwards at the top of the quartzite. However, it is clear that the MoS_2 mineralisation continues up into the overlying slates. The upper part of the overall MoS_2 mineralisation overlaps with the tungsten-bearing beds and underground mine workings. The current interpretation has been based on capturing the majority of the +0.1%MoS_2 assays.

Drilling Database

The drillhole database stems from underground drilling, and some surface drilling, completed prior to 1992 by the Korea Tungsten Mining Company Ltd. ("KTMC"), as well by Oriental Minerals OTL during 2006-2008. The KTMC drilling covers 14,300m over 27 holes. The OTL drilling which intersected the area of molybdenum mineralisation, covers 4,000m over 6 holes. The sample database is in the form of an Excel spreadsheets.

The majority of the holes are vertical with an average lateral spacing of approximately 100m. Once within the overall extents of the molybdenum zone, most of the holes exhibit marked alternating nature of high and low grade assays, consistent with an overall stockwork interpretation. The nature and dip of the higher grade intersections is not clear. The upper 25% of the overall MoS2 mineralisation continues is hosted in slates. The lower 75% of the overall MoS2 mineralisation is hosted in quartzite.

Mineral Resource Estimation Methodology

An updated mineral resource estimation was completed by the Competent Person. This estimation employed a three-dimensional block modelling approach, using Datamine software. The block model was set up with a 25m x 25m x 5m parent cell size and a cutoff grade of 0.19% MoS_2. Grade estimation was done using ordinary kriging (OK) for the waste/mineralisation fractions, as well as low and high MoS2 grade portions. These estimated values were combined to give overall MoS2 grades for each parent block.

All of these modelled resources were classified with an Inferred category, reflecting the spacing and quality of available data, as well as the geological understanding of the deposit.

Drilling Techniques, Sampling and assaying

The following information was based on the Wardrop. "Sangdong Project Scoping Study" published in April 2010.

Sample Preparation

Sample preparation from core to pulps for analysis was completed on-site. Core was sawn in half, half placed in a plastic sample bag and half replaced in the core box for archival storage. Sample tags were placed in the core box and in the sample bag and the sample number was written on the sample bag as well. Standards were placed into the sample stream at this point in the sampling process, in accordance with a sample list that had been drawn up by the geologist responsible for logging the hole. Core samples were dried, split, crushed and pulverized on-site by WMC personnel in a preparation lab that was purchased as a modular unit. Equipment was 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.

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. All quantities are reported in parts per million (ppm).

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.

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 included an appropriate proportion of control samples (pulp duplicates, CRMs and fine blanks).

The Competent Person considers that the sample preparation, security, analytical procedures and supporting QA/QC results, relating to the 2006- 2008 drilling campaign, were collected in line with industry good practice.

Data Verification

Data verification procedures were applied by at the Sangdong Project since 2006. The Competent Person last 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 (2016 drilling) 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. It is not known what quality control procedures were applied to data derived prior to 2006.

Bulk Density

In the current resource estimation work, global average density values (t/m3) were applied, of 2.63 t/m3 for Quartzite and 2.7 t/m3 for Slate. It is considered that the density values applied do take adequate account of void spaces. There is no basis for any particular relationship between density and MoS2 grade values.

Classification

All of these modelled resources were classified with an Inferred category, reflecting the spacing and quality of available data, as well as the geological understanding of the deposit.

Mining factors or Assumptions

A minimum thickness of 5m was applied in the Mineral Resource estimation, as being a realistic minimum height for underground mining.

Metallurgical Testing

No metallurgical test work has been completed on the AKM Project by Almonty to date.

Environmental Permitting

The AKM Project is located on the Sangdong Tungsten Mine which is fully permitted, with all environmental requirements for the current development of the Sangdong Tungsten Mine have been met. There are no areas requiring special protection or significant natural environmental resources or wildlife habitats in the area surrounding the Project site.

About Almonty

The principal business of Toronto, Canada-based Almonty Industries Inc. is the mining, processing and shipping of tungsten concentrate from its Los Santos Mine in western Spain and its Panasqueira mine in Portugal as well as the development of its Sangdong tungsten mine in Gangwon Province, South Korea and the development of the Valtreixal tin/tungsten project in north western Spain. The Los Santos Mine

was acquired by Almonty in September 2011 and is located approximately 50 kilometres from Salamanca in western Spain and produces tungsten concentrate. The Panasqueira mine, which has been in production since 1896, is located approximately 260 kilometres northeast of Lisbon, Portugal, was acquired in January 2016 and produces tungsten concentrate. 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 Mining Corp. Almonty owns 100% of the Valtreixal tin-tungsten project in north-western Spain. Further information about Almonty's activities may be found at www.almonty.com and under Almonty's profile at www.sedar.com.

Competent Person's Statement

The information in this report/ press release that relates to Mineral Resources is based on and fairly represents information prepared by Mr. Adam Wheeler, an Independent Mining Consultant. Mr. Wheeler, a Fellow of the Institute of Materials, Minerals and Mining, has sufficient experience relevant to the style of mineralisation under consideration and to the activity being reported to be qualified as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets and Mineral Resources. Mr. Wheeler does not hold any interest in Almonty Industries Inc, its related parties or in any of the properties that are the subject of this announcement. Mr. Wheeler consents to the inclusion in this report/ ASX release of the matters based on information in the form and context in which it appears. Additionally, Mr. Wheeler confirms that he is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

For further information, please contact:

Lewis Black
Chairman, President and CEO
Telephone: +1 647 438-9766
Email: info@almonty.com

Legal Notice

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

Disclaimer for Forward-Looking Information

When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. These statements and information are based on management's beliefs, estimates and opinions on the date that statements are made and reflect Almonty's current expectations.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Almonty to be materially different from those expressed or implied by such forward-looking statements, including but

not limited to: any specific risks relating to fluctuations in the price of ammonium para tungstate ("APT") from which the sale price of Almonty's tungsten concentrate is derived, actual results of mining and exploration activities, environmental, economic and political risks of the jurisdictions in which Almonty's operations are located and changes in project parameters as plans continue to be refined, forecasts and assessments relating to Almonty's business, credit and liquidity risks, hedging risk, competition in the mining industry, risks related to the market price of Almonty's shares, the ability of Almonty to retain key management employees or procure the services of skilled and experienced personnel, risks related to claims and legal proceedings against Almonty and any of its operating mines, risks relating to unknown defects and impairments, risks related to the adequacy of internal control over financial reporting, risks related to governmental regulations, including environmental regulations, risks related to international operations of Almonty, risks relating to exploration, development and operations at Almonty's tungsten mines, the ability of Almonty to obtain and maintain necessary permits, the ability of Almonty to comply with applicable laws, regulations and permitting requirements, lack of suitable infrastructure and employees to support Almonty's mining operations, uncertainty in the accuracy of mineral reserves and mineral resources estimates, production estimates from Almonty's mining operations, inability to replace and expand mineral reserves, uncertainties related to title and indigenous rights with respect to mineral properties owned directly or indirectly by Almonty, the ability of Almonty to obtain adequate financing, the ability of Almonty to complete permitting, construction, development and expansion, challenges related to global financial conditions, risks related to future sales or issuance of equity securities, differences in the interpretation or application of tax laws and regulations or accounting policies and rules and acceptance of the TSX of the listing of Almonty shares on the TSX.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to, no material adverse change in the market price of ammonium para tungstate (APT), the continuing ability to fund or obtain funding for outstanding commitments, expectations regarding the resolution of legal and tax matters, no negative change to applicable laws, the ability to secure local contractors, employees and assistance as and when required and on

reasonable terms, and such other assumptions and factors as are set out herein. Although Almonty has attempted to identify important factors that could cause actual results, level of activity, performance or achievements to differ materially from those contained in forward-looking statements, there may be other factors that cause results, level of activity, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate and even if events or results described in the forward-looking statements are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Almonty. Accordingly, readers should not place undue reliance on forward-looking statements and are cautioned that actual outcomes may vary.

Investors are cautioned against attributing undue certainty to forward-looking statements. Almonty cautions that the foregoing list of material factors is not exhaustive. When relying on Almonty's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

Almonty has also assumed that material factors will not cause any forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF ALMONTY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD- LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE ALMONTY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

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, from surface and underground.
	Measures for representivity and calibration of tools/systems	Drilling was oriented as far as possible to be perpendicular to the mineralised structures, allowing 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. Underground drilling details from pre-2006 are not well documented.
Drill sample recovery	Method of measurement and recording drill recovery	Recovery derived from measured lengths. The overall core recovery, including historical drilling in the database, are not consistently good in the recorded recovery data. 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. Over 75% of the holes from post-2006 drilling have had a recovery of over 90%. No core recovery data available for pre-2006 drilling.
	Measures for recovery and representivity	Recovery monitored during 2006-2008 campaign.
	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 from the 2006-2008 campaign 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 for 2006-2008 campaign. 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.
	Total length and % of relevant intersections logged	In the current overall drillhole database for the SMS evaluation, 4,079m of the drilling has a lithological log, representing 22% of the total drilled length.
Sub-sampling techniques and sample preparation	Core sawing details	For the 2006-2008 drilling campaign, 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	QC procedures described in Section **Error! Reference source not found.** of the Technical Report.
	Measures to ensure sampling representative of material	Many of the drilling intersections represent complete intersections of the overall mineralised, starting and ending in external waste rock.
	Samples sizes information	It is considered that the sample sizes used are appropriate for the mineralisation within the Sangdong molybdenum zone.
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.

Criteria	JORC Explanation	Commentary
	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 **Error! Reference source not found.**. These results showed acceptable precision and lack of bias.
Verification of sampling and assaying	Verification of key intersections - independent personnel	Core from the 2006-2008 drilling campaign is not available, therefore it is not possible to verify these physical intersections. However, in 2010, the drilling was inspected by Wardrop, and fully reported in their 2010 scoping study report. The sample database was reviewed and during the current resource estimation, aspects of the drillhole data were checked by communication with the Sangdong geologists.
	Use of twinned holes	There have been no specific twin holes associated with the drilling into the SDM zone. However, one of old KTMC holes (81_2) is located within 25m of one of the more recent OTL holes (SD_29). These show similar MoS_2 average grades over 250m long intersections.
	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. 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.
	Specification of grid system	The grid system now being used is the Universal Transverse Mercator (UTM) 52 system.
	Quality and adequacy of topographic control	There is almost no quality control information available for the pre-2006 drilling. 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 available surface and underground drillholes, over more recent and historical drilling campaigns. Most of the surface holes are sub-vertical, as are the very deep underground holes. The average lateral spacing of the drillhole is approximately 100m.
	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	The samples were converted into 1m composites. A 1m composite length was applied. The composites were split into two groups, a low grade (OWCODE=0) group for <0.1% MoS2, and a high grade (OWCODE=1) group for >=0.1% MoS2 grades. Two further grade fields were set up for these low/high grade fractions, Mo_Lo and Mo_Hi.
Orientation of data in relation to geological structure	Sampling orientation	The surface holes from the 2006 – 2008 programme were drilled at a dip of approximately 70°. The older underground holes are all vertical.
	Assessment of orientation	It is not considered that the drilling orientations have introduced any sampling bias.
Sample security	Measures for sample security	No sample material is available from the pre-2006 drilling campaigns, or the 2006-2008 drilling program.
Audits or reviews	Results of any audits or reviews	The Competent Person has reviewed the sampling techniques and data and considers them adequate for the resource estimation presented in this report.

Section 2. Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>JORC Explanation</th><th>Commentary</th></tr>
<tr><td>Mineral Tenement and Land Tenure Status</td><td>License information and data, including royalites</td><td>Described in Section 2, along with information in Error! Reference source not found., Error! Reference source not found. and Error! Reference source not found. in the Technical Report.</td></tr>
<tr><td></td><td>Security of tenure</td><td>Described in Section 2 of the Technical Report.</td></tr>
<tr><td>Exploration Done by Other Parties</td><td>Other parties</td><td>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).</td></tr>
<tr><td>Geology</td><td>Deposit type, setting and mineralisation</td><td>Described in Sections 5 and Error! Reference source not found. of the Technical Report.</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>Drillhole Information</td><td>Drillhole Information</td><td>In connection with the SDM resource estimation, the drilling can be summarised as follows:
<table>
<tr><th>Phase</th><th>Holes</th><th>Length</th><th>Length/ Hole</th><th>Samples</th></tr>
<tr><td></td><td></td><td>m</td><td>m</td><td></td></tr>
<tr><td>KTMC</td><td>27</td><td>14,288</td><td>529</td><td>796</td></tr>
<tr><td>OTL</td><td>6</td><td>4,079</td><td>680</td><td>2,694</td></tr>
<tr><td>Total</td><td>33</td><td>18,366</td><td>557</td><td>3,490</td></tr>
</table>
The database has separate tables for drillhole collars, survey data, assay data, lithology data, drillhole recovery, density measurements, structural orientation and mineralised intersections.</td></tr>
<tr><td></td><td>Explain any excluded data</td><td>No information has been excluded.</td></tr>
<tr><td>Data Aggregation Methods</td><td>Averaging techniques/truncations</td><td>Exploration results not being reported.</td></tr>
<tr><td></td><td>Aggregation methods</td><td>Drillholes composited (as described in Section Error! Reference source not found. of the Technical Report), from which 3D block models were developed.</td></tr>
<tr><td></td><td>Assumptions for any metal equivalents</td><td>Metal Equivalents not used</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>Geometry of mineralisation with respect to drilling</td><td>Holes inclined so as to get as near to perpendicular intersections as possible.</td></tr>
<tr><td></td><td>Statement related to true width</td><td>No downhole lengths or individual intersections being reported. Not applicable for type of deposit being evaluated.</td></tr>
<tr><td>Diagrams</td><td>Maps/sections - discoveries, collars</td><td>Refer to Error! Reference source not found. and Error! Reference source not found. of the Technical Report.</td></tr>
<tr><td>Balanced Reporting</td><td>High/low grades and widths</td><td>Exploration results not being reported.</td></tr>
<tr><td>Other Substantive Exploration Data</td><td>Other exploration data.</td><td>No meaningful and material exploration data, apart from the borehole database sampling results, have been included in the report.</td></tr>
<tr><td>Further Work</td><td>Planned further work</td><td>The very large Inferred resource base represents a significant location of future exploration drilling. More drilling is planned to increase the quantity of high quality drillhole data and to better understand the deposit geology.</td></tr>
<tr><td></td><td>Diagrams of extensions, interpretations and future drilling</td><td>Twenty new drillholes are being planned, covering approximately 10,000m, for the purposes of verification and improving the resource classification.</td></tr>
</table>

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 (from the 2006 campaign) against original assay certificates. Collar coordinates were checked against the original survey forms. Results from the data checks showed zero error rate. For the 2006-2008 drilling campaign, industry standard practices were followed and the quality of the Sangdong data from this campaign meets best practice guidelines. It is not possible to check the data associated with the pre-2006 drilling campaign.
	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 limited due to the use of historic drillholes, which were not thoroughly reported. However the overall extent of the molybdenum mineralisation is supported by the 2006-2008 surface drilling campaign.
	Nature of data, assumptions	Underground and surface drillholes. The main part of the molybdenum mineralisation, in the underlying quartzite, is not intersected by any underground workings.
	Effect of alternative interpretations on MRE	Effects of alternative geologic models were not tested.
	Use of geology in controlling MRE	The assumption of a stockwork-type mineralisation has been used in developing the resource estimation methodology.
	Factors affecting continuity of grade and geology	Described in Section 6 of the Technical Report.
Dimensions	Extent and variability	Summarised in **Error! Reference source not found.** of the Technical Report.
Estimation and modelling techniques	Estimation techniques: assumptions, software, parameters	The estimation employed a three-dimensional block modelling approach, using Datamine software. A block model was set up, using a 25m x 25m x 5m parent cell size. Grade estimation was done based on the waste/mineralisation fractions, as well as low and high MoS_2 grade portions. These estimated values were combined to give overall MoS_2 grades for each parent block. .
	Check/previous estimates	Check estimates were compared with available historical estimates.
	Assumption with respect to recovery of by-products	No by-products considered.
	Deleterious elements	No particular elements exist, and have therefore not been estimated.
	Block size with respect to sample spacing	The lateral block size is 25m x 25m, which is approximately a quarter of the nominal 100m drillhole spacing.
	Assumption with respect to selective mining units	A parent block height of 5m has been applied, 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 stockwork interpretation of mineralisation has been used in the indicator approach used in mineralisation modelling and grade estimation.
	Grade capping	Grade capping was applied, so as to prevent outlier high grade values from over-estimation of grades, as described in Section **Error! Reference source not found.** of the Technical Report.
	Validation process	Model validation steps are described in Section **Error! Reference source not found.** of the Technical Report.
Moisture	Method of determination	Tonnages are estimated on a dry basis
Cut-off parameters	Basis and parameters	The main reference cut-off used for resource estimation were: 0.19% MoS_2. This was derived from the assumptions shown in Table 12. 11 of the Technical Report.

Criteria	JORC Explanation	Information Required
Mining factors/assumptions	Mining methods: dimensions, assumptions extraction prospects	A minimum thickness of 5m was applied in the resource estimation, as being a realistic minimum height for underground mining.
Metallurgical factors/assumptions	Assumptions re processes and parameters	Based on other similar operations processing primary molybdenite ore, good recoveries of over 80% would not appear unlikely. No metallurgical testwork have yet been completed on the Sangdong molybdenite resource material.
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. All environmental requirements for the current development of the Sangdong underground tungsten mine have been met.
Bulk Density	Basis and application	In the current resource estimation work, global average density values (t/m3) were applied, of 2.63 t/m^3 for Quartzite and 2.7 t/m^3 for Slate.
	Void spaces	It is considered that the density values applied do take adequate account of void spaces.
	Assumptions with respect to the evaluation process	There is no basis for any particular relationship between density and MoS_2 grade values.
Classification	Basis for MRE, with varying confidence categories	The basis for resource classification criteria have been described in Section 12.8 of the Technical Report.
	Factors: tonnes, grades, input data, geology; quality, quantity and distribution	All of these modelled resources were classified with an Inferred category, reflecting the spacing and quality of available data, as well as the geological understanding of the deposit.
	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	Not applicable.