

Almonty Industries Inc.

ARBN 648 673 714

Cleansing Prospectus

For the offer by the Company of 100 CDIs at an issue price of \$2.70 each to remove trading restrictions on CDIs issued on or before the Closing Date (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of CDIs issued by the Company prior to the Closing Date.

Important: This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. If you are in any doubt or have any questions about this document, you should promptly consult your stockbroker, accountant or other professional adviser.

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Important Information

General

This Prospectus is issued by Almonty Industries Inc. (ARBN 648 673 714) (**Company**), a public company incorporated in Canada.

The Prospectus is dated 3 June 2025, and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC or ASX take responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No CDIs will be issued pursuant to this Prospectus later than 13 months after the Prospectus Date.

This Prospectus is a transaction-specific prospectus for an offer to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers that potential investors may consult.

Persons wishing to apply for CDIs pursuant to the Offer must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for CDIs, investors should carefully read this Prospectus.

Any investment in the Company should be considered highly speculative. Investors who are in any doubt or have any questions about this document should promptly consult their stockbroker, accountant or other professional adviser before deciding to apply for CDIs under the Offer.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Company.

Prospectus availability

A copy of this Prospectus can be downloaded from the Company's website at www.almonty.com.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is

attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company at info@almonty.com or on +61 (8) 6555 2950.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including at www.asx.com.au). The contents of any website, or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in the Company or its securities.

No cooling-off rights

Cooling-off rights do not apply to an investment in securities offered under this Prospectus. This means that, except where permitted by the Corporations Act, you cannot withdraw your Application once it has been accepted.

Foreign investor restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the offering of CDIs in any jurisdiction outside Australia.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and tax issues). See section 3 for further information.

Regulation of the Company

The Company is registered under the *Canada Business Corporations Act (CBCA)* and is registered as a foreign company under the Corporations Act. As the Company is not incorporated in Australia, its general activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC, but instead by the CBCA.

Forward-looking statements

Some of the statements appearing in this Prospectus are in the nature of forward-looking statements, including statements of intention, opinion and belief and predictions as to possible future events. Such statements are not statements of fact and are subject inherent risks and uncertainties (both known and unknown) which may or may not be within the control of the Company. You can identify such statements by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and are predictions or indicative of future events.

Although the Directors believe these forward-looking statements (including the assumptions on which they are based) are reasonable as at the date of this Prospectus, no assurance can be given that such expectations or assumptions will prove to be correct. Actual outcomes, events and results may differ, including due to risks set out in section 3 of this Prospectus.

The Company and its Directors, officers, employees and advisors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking

statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Financial amounts

In this Prospectus, references to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency, references to "\$C" or "CAD" are references to Canadian currency, references to "€" or "EUR" are references to the Euro currency and references to "\$US" or "USD" are references to United States currency. All currency conversions from A\$ to C\$ in this Prospectus have been converted at a rate of C\$1 to A\$1.12. Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in the Definitions section of this Prospectus. All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Key Numbers and Dates

Key Number	Amount
Offer¹	
CDIs offered under the Offer	100
Issue price of CDIs offered under the Offer	\$2.70

Notes:

1 See section 1.1 for further details of the Offer.

Key Event	Date
Prospectus lodged with ASIC and ASX	Tuesday, 3 June 2025
Opening Date (8:00am (AWST))	Wednesday, 4 June 2025
Closing Date (5:00pm (AWST))	Thursday, 5 June 2025
Expected date for quotation of CDIs issued under the Offer on ASX	Friday, 6 June 2025

Notes:

1 The above timetable is indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date of the Offer or accepting late acceptances, either generally or in particular cases, without notice.

1 Offer Details

1.1 Overview

1.1.1 Background and Offer

Under the Offer, the Company is offering 100 CDIs to investors identified by the Directors at an issue price of \$2.70 per CDI, to raise \$270 (before costs). An Application Form for the Offer will only be provided to these persons, together with a copy of the Prospectus.

All CDIs offered under this Prospectus will rank equally in all respects with other CDIs on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to the CDIs is set out in section 4.7.

1.1.2 Purpose

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to CDIs or Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). In particular, the Company has identified certain CDIs issued upon exercise of CDI Options in May 2025 where the Company did not issue a cleansing notice within 5 Business Days of issue of the relevant Shares and CDIs, as required by section 708A(6) of the Corporations Act. As at the date of this Prospectus, the relevant CDIs have not been on-sold.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities that are quoted securities of the body;
- either:
 - a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

1.1.3 Use of funds

The Company will raise approximately \$270 (before costs) from the issue of the CDIs under the Offer. The funds raised under the Offer are intended to be applied towards the Company's working capital.

The above is a statement of the Board's current intention at the Prospectus Date. However, investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including operational and development activities, regulatory developments, market and general economic conditions and environmental factors. The Company reserves the right to alter the way the funds are applied.

1.1.4 Offer period

The Offer will open on the Opening Date and close on the Closing Date.

1.1.5 Minimum subscription

The Offer has no minimum subscription.

1.1.6 Oversubscriptions

No oversubscriptions will be accepted by the Company.

1.1.7 Underwriting

The Offer is not underwritten.

1.1.8 Issue date

Any issue of CDIs under the Offer is anticipated to occur in accordance with the timetable set out in this Prospectus. Following this, holding statements will be sent to investors as required by ASX.

1.1.9 Quotation

Application for Official Quotation of the CDIs offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the CDIs offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any CDIs and will repay all Application monies for the CDIs within the time prescribed under the Corporations Act, without interest. The fact that ASX may grant Official Quotation to the CDIs is not to be taken in any way as an indication of the merits of the Company or the CDIs now offered for subscription.

1.1.10 Foreign investor restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the offering of CDIs in any jurisdiction outside Australia.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant laws and regulations for the issue to them of CDIs offered under this Prospectus. The return of an Application Form will constitute a representation and warranty that there has been no breach of such laws and regulations.

1.2 Applications

1.2.1 Application monies

Application monies received by applicants under the Offer will be held in a trust account on behalf of the Company until the CDIs are issued. Any interest earned on application monies will be for the benefit of, and will remain the sole property of, the Company, and will be retained by the Company whether or not the allotment and issue of the CDIs takes place. Applications and application monies may not be withdrawn once they have been received by the Company.

1.2.2 Application Forms

An application under the Offer may only be made by investors identified by the Directors using the relevant Application Form attached or made available to them with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form. If the number of CDIs subscribed for under the Offer is more than the number of CDIs to which the Applicant is entitled under the Offer, the Company reserves the right to return the Application Form and not issue any CDIs to the Applicant or to accept it in respect of a lesser number of CDIs. If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of CDIs accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of CDIs under an Offer. If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

1.3 Investor representations

Sending an Application Form to the Company or otherwise applying for CDIs under the Offer (including via an intermediary) will be taken by the Company to constitute a representation by the investor that it (as applicable):

- has received a printed or electronic copy of this Prospectus accompanying the Application Form and has read it in full;
- agrees to be bound by the terms of this Prospectus, the Articles and the By-Laws;
- has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of section 1.1.10 (to the extent that they are applicable) and confirms its eligibility in respect of the offer of CDIs under the Offer;
- declares that all details and statements in the Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- acknowledges that its application may not be withdrawn once received by the Company;
- agrees to being issued the number of CDIs that it applies for (or such other number issued in accordance with this Prospectus);
- authorises the Company to register it as the holder of the CDIs issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the CDIs are suitable for it, given its investment objectives, financial situation or particular needs; and

- authorises the Company and its officers or agents to do anything on its behalf necessary for the CDIs to be issued to it, including correcting any errors in the Application Form or other form sent by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

1.4 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of CDIs.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be sent to security holders as soon as practicable after the issue date. Holding statements will be sent either by CHESS (for security holders who elect to hold CDIs on the CHESS sub-register) or by the Share Registry (for security holders who elect to hold CDIs on the issuer sponsored sub-register). The statements will set out the number of CDIs issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold the CDIs on the CHESS sub-register) or Holder Reference Number (for security holders who elect to hold CDIs on the issuer sponsored sub-register). An updated holding statement will also be sent to the security holder following the month in which the balance of its security holding changes, and otherwise as required by the Listing Rules and the Corporations Act.

1.5 Privacy

Persons who apply for CDIs under this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for CDIs, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for CDIs will not be processed.

In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.6 Tax

It is the responsibility of all investors to satisfy themselves of the particular tax treatment that applies to them in relation to the Offer by consulting their own professional tax advisers. Neither the Company or its Directors accept any liability or responsibility in respect of any tax consequences to an investor relating to this Prospectus.

1.7 Enquiries

Enquiries relating to this Prospectus can be directed to the Company by email at info@almonty.com or by telephone on +61 (8) 6555 2950.

2 Effect of the Offer

2.1 Capital structure

2.1.1 Overview

The capital structure of the Company at the Prospectus Date, and its anticipated capital structure upon completion of the Offer, is set out below.

Security	Existing	Completion
Shares/CDIs ¹	288,691,994	288,691,994
CDIs to be issued under the Offer	-	100
Total Shares	288,691,994	288,692,094
CDI Options ²	15,154,458	15,154,458
Warrants ³	17,154,557	17,154,557
Incentive Stock Options ⁴	23,947,000	23,947,000
Convertible Debentures ⁵	40,406,635	40,406,635
Restricted Share Units ⁶	4,950,000	4,950,000
Total other securities	101,612,650	101,612,650
Fully diluted share capital	390,304,644	390,304,744

Notes:

1 This includes all Shares and CDIs on issue. The rights and liabilities attaching to the Shares / CDIs and the rights held by CDI Holders are summarised in sections 4.7 and 4.8 respectively.

2 Comprising:

- (a) 1,200,000 CDI Options with an exercise price of A\$0.84 each and expiry date of 28 March 2026;
- (b) 2,479,000 CDI Options with an exercise price of A\$0.84 each and expiry date of 17 May 2026;
- (c) 67,500 CDI Options with an exercise price of A\$0.84 each and expiry date of 31 May 2026; and
- (d) 588,236 CDI Options with an exercise price of A\$0.69 each and expiry date of 30 October 2026;
- (e) 4,258,334 CDI Options with an exercise price of A\$1.25 each and expiry date of 31 December 2027;
- (f) 5,450,278 CDI Options with an exercise price of A\$1.25 each and expiry date of 15 January 2028;
- (g) 1,111,110 CDI Options with an exercise price of A\$1.25 each and expiry date of 5 February 2028;

3 Comprising:

- (a) 700,000 Warrants with an exercise price of C\$0.75 and expiry date of 19 February 2026
- (b) 2,668,000 Warrants with an exercise price of C\$0.74 and expiry date of March 15, 2026;
- (c) 1,367,863 Warrants with an exercise price of \$0.74 and expiry date of March 28, 2026;
- (d) 227,400 Warrants with an exercise price of C\$0.74 each and expiry date of 19 April 2026;
- (e) 1,090,909 Warrants with an exercise price of C\$0.74 each and expiry date of 23 May 2026

- (f) 1,795,608 warrants with an exercise price of €0.767 and expiry date of 7 June 2026
 - (g) 1,555,555 Warrants with an exercise price of C\$0.60 each and expiry date of 27 October 2026;
 - (h) 2,222,222 Warrants with an exercise price of US\$0.45 each and expiry date of 27 October 2026; and
 - (i) 1,000,000 Warrants with an exercise price of C\$0.60 each and expiry date of 16 November 2026;
 - (j) 2,000,000 Warrants with an exercise price of C\$1.14 each and expiry date of 23 December 2027;
 - (k) 2,527,000 Warrants with an exercise price of C\$1.14 each and expiry date of 31 January 2028; and
- 4 A summary of the number, exercise prices (including currency) and expiry dates of the other Options is summarised in section 2.1.2.
- 5 Comprising:
- (a) 4,137,931 Common Shares issuable on the conversion of a \$6,000,000 convertible debenture at \$1.45 per Common Share;
 - (b) 3,184,713 Common Shares issuable on the conversion of a \$2,000,000 convertible debenture at \$0.628 per Common Share;
 - (c) 4,675,356 Common Shares issuable on the conversion of a US\$2,000,000 convertible debenture plus accrued interest thereon at US\$0.50 per Common Share;
 - (d) 1,373,731 Common Shares issuable on the conversion of a US\$1,000,000 convertible debenture at US\$0.85 per Common Share;
 - (e) 148,000 Common Shares issuable on the conversion of a €100,000 convertible debenture at \$1.05 per Common Share (based on an exchange ratio of CAD\$1.495 for each €1.00);
 - (f) 3,000,000 Common Shares issuable on the conversion of US\$1,500,000 convertible debenture plus accrued interest thereon at US\$0.50 per Common Share;
 - (g) 1,315,476 Common Shares issuable on the conversion of US\$1,000,000 convertible debenture plus accrued interest thereon at US\$0.84 per Common Share; and
 - (h) 22,571,428 Common Shares issuable on the conversion of the principal amount of a €7,900,000 convertible debenture at €0.35 per Common Share plus up to 507,857 Common Shares on the conversion of any interest accrued thereon at a price per Common Share equal to the greater of (i) €0.35 per Common Share, and (ii) the volume weighted average price of the Common Shares on the TSX, or such other stock exchange where the majority of the trading volume and value of the Common Shares occurs, for the five trading days immediately preceding the conversion, converted into Euros at the noon rate published by the Bank of Canada.
- 6 The Restricted Share Units vest in thirds at the end of each year from the date of grant.

2.1.2 Incentive Stock Options

The below table provides a summary of the Incentive Stock Options currently on issue at the Prospectus Date, including the number of Incentive Stock Options, exercise price and expiry date.

Number	Exercise Price	Expiry
250,000	C\$1.195	4/02/2030
150,000	C\$2.57	23/04/2030
2,275,000	C\$2.50	30/04/2030
2,350,000	C\$0.52	16/11/2028
2,800,000	C\$0.66	4/07/2029
200,000	C\$1.915	24/02/2030

150,000	C\$1.62	14/03/2030
850,000	C\$0.94	18/08/2026
300,000	C\$0.98	24/08/2026
100,000	C\$0.98	26/06/2025
100,000	C\$0.64	23/06/2025
900,000	C\$0.80	23/12/2025
1,600,000	C\$0.33	17/08/2027
1,025,000	C\$0.87	28/06/2028
200,000	C\$0.87	26/06/2025
500,000	C\$0.49	7/01/2030
6,350,000	C\$0.87	21/07/2027
100,000	C\$0.87	26/06/2025
500,000	C\$0.70	27/10/2030
100,000	C\$0.70	26/06/2025
1,000,000	C\$0.56	9/01/2029
1,000,000	C\$0.63	30/04/2029
25,000	C\$0.72	14/05/2029
200,000	C\$0.63	14/05/2029
200,000	C\$0.685	15/08/2029
200,000	C\$0.81	17/11/2029
522,000	C\$1.89	7/03/2030
Total	23,947,000	

2.2 Control

The Offer is not anticipated to have a material impact on control (as defined in section 50AA of the Corporations Act) of the Company. In particular, no person is expected to have a voting power greater than 20% as a result of the Offer.

There will be no change to any Shareholder's voting power as a result of the issue of CDIs.

2.3 Cash reserves

After paying expense of the offer of A\$19,706, there will be no net proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves.

2.4 Financial effect of the Offer

The Offer will not have a material impact on the financial position of the Company. The minor reduction in cash reserves described in section 2.3 will have a correspondingly minor impact on the asset and equity balances of the Company's statement of financial position.

As the issue of the 100 CDIs under this Prospectus will not have a material impact on the Company's financial position, a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

3 Risk Factors

3.1 Overview

The Company operates in the mining industry, which is subject to numerous significant risks that can influence profitability. Investing in CDIs involves a high degree of risk. The risks and uncertainties set out in this section 3, which are not exhaustive, represent some of the major risk factors which investors need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. If any of the following risks actually occur, the Company's business, financial condition, financial performance and prospects could materially suffer. As a result, the trading price of CDIs and Shares could decline, and investors may lose all or part of their investment.

Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

3.2 Financial Risks

3.2.1 Ability to Continue as a Going Concern

The Company faces risks related to its ability to continue as a going concern. The Company's financial stability is contingent upon its ability to manage substantial long-term debt, secure additional financing, and generate sufficient cash flows from its operations. Notably, the Company's operations and development projects, including the Sangdong Mine, are capital-intensive and subject to various risks, including delays, cost overruns, and regulatory challenges. Any adverse developments in these projects could impact the Company's cash flow and ability to meet its financial obligations. While the Company has been actively managing its financial position and securing necessary financing to support its operations and its current forecast indicates that it will have sufficient cash flows from operations and from financings to continue as a going concern and settle obligations as they come due, any changes in these estimates or adverse developments in the Company's operations or financing activities could materially impact its ability to continue as a going concern.

3.2.2 Negative Cash Flows From Operations

The Company anticipates increased cash flow from operating activities once production begins at the Sangdong Mine, which is expected to occur by the end of 2026. The Company may, in the future, seek further financing through long-term debt from financial institutions, debt or equity financing through capital markets, or private placements. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company's projects and there can be no assurance that additional capital or financing will be available if needed or that, if available, the terms of such financings will be acceptable to the Company.

3.2.3 Price of Metals

The Company's earnings are directly related to commodity prices, as revenues are derived from the sale of tungsten. In common with other commodities, tungsten markets are cyclical and may be volatile.

Almonty's policy is to maintain exposure to commodity price movements at its mining operations. The Company sells tungsten trioxide ("WO₃") concentrate that is denominated in US\$ per metric tonne unit ("MTU"). Every +/- US\$10.00 movement in the average price of one (1) MTU of

European ammonium para tungstate (“APT”) as quoted on the Metal Bulletin of London exchange impacts the Company’s revenue by +/- approximately US\$8.00 per MTU of WO3 concentrate.

Tungsten prices fluctuate and are affected by factors including demand from industrial sectors such as aerospace, energy, and defense, international economic and political trends, expectations of inflation, expectations of economic activity, the exchange rate of the U.S. dollar to other major currencies, political and economic conditions including international trade disputes and the imposition of tariffs, interest rates, global or regional consumption and demand patterns, speculative activities and increased production due to improved mining and production methods, production costs in major tungsten-producing regions, speculative positions taken by investors or traders in tungsten, wars and other conflicts, changes in supply and changing investor or consumer sentiment (including in connection with the transition to a low-carbon economy, investor interest in cryptocurrencies and other investment alternatives) as well as competition from alternative materials, all of which are beyond the Company’s control. Tungsten prices may also be negatively affected by any slowing of the global economy, increases in exports from one market economy countries, notably China, unfavourable shifts in tungsten demand in key markets such as Asia, Europe, and North America, and the release of tungsten concentrate onto the market from the U.S. National Defence Stockpile. The aggregate effect of these factors is impossible to predict with accuracy. There is thus no assurance that a profitable market will continue to exist for the sale of tungsten. Fluctuations in tungsten prices may materially adversely affect the Company’s financial performance or results of operations. If the market price of tungsten concentrate falls below the Company’s realized or anticipated all-in sustaining costs per MTU of production at one or more of its mines, projects or other properties and remains so for any sustained period, the Company may experience losses and/or may curtail or suspend some or all of its mining, exploration or development activities at such mines, projects or other property or at other mines or projects. A fall in the market price of tungsten concentrate may affect the Company’s ability to generate positive cash flow from operations. If the price of tungsten falls below such levels, the mines may be rendered uneconomic and production may be suspended. In addition, lower tungsten prices may require the mine plans to be changed, which may result in reduced production, higher costs than anticipated, or both, and estimates of mineral reserves and mineral resources may be reduced. Also, increased volatility in the price of tungsten may result in the Company delaying or abandoning some of its growth projects.

From time to time, the Company enters into contracts to fix the price of the product its sells for periods of time it deems appropriate.

3.2.4 Currency Risk

Fluctuations in foreign currency exchange rates may adversely affect the Company’s results of operations.

The Company’s operating results and cash flow are significantly affected by changes in exchange rates. Beralt operates in Portugal, which uses Euros (€) as its functional currency. Its output is a commodity that is primarily priced in U.S. dollars which is different than the functional currency of the Company and its subsidiaries, and the Company and its subsidiaries may also incur costs or obtain indebtedness in a currency that is different from their functional currency. Almonty’s functional currency is the Canadian dollar but it advances funds to subsidiaries in the functional currency of the subsidiary to which funds are advanced. As such, the Company’s financial performance can be significantly affected by movements in various currencies (CAD\$, US\$, € and KRW).

The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2020 to December 31, 2024, the U.S. dollar/Canadian dollar exchange rate

(as reported by the Bank of Canada) fluctuated from a high of C\$1.45 per \$1.00 to a low of C\$1.20 per \$1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations.

In addition, the majority of the Company's operating costs at the Panasqueira Mine as well as the care and maintenance costs at the Los Santos Mine are incurred in euros, and a significant portion of development costs at the Sangdong Mine are incurred in Korean won. Each of these currencies has also fluctuated significantly against the U.S. dollar over the past several years. The Company may engage in mitigating transactions to limit its exposure to such risks, but there can be no assurance that any mitigating strategy will, if entered into, be successful. There can be no assurance that foreign exchange fluctuations will not materially adversely affect the Company's financial performance and results of operations.

3.2.5 Fluctuation in Interest Rates

Almonty's exposure to the risk of changes in market interest rates relates to cash at banks and long-term debt with a floating interest rate. Of its long-term debt, C\$130,986,000 is subject to floating interest rates and C\$37,608,000 is subject to fixed interest rates. A portion of its floating rate debt totalling C\$24,110,000 is subject to a fixed spread over the 6- and 12-month Euro Interbank Offered Rate (Euribor) rates. A change of 100 basis points (1%) in the rates would result in a C\$241 change in annual interest costs. The remaining floating rate debt of C\$106,876,000 is based on a fixed spread over the 3-month secured overnight financing rate (SOFR). A change of 100 basis point (1.0%) in the 3-month SOFR rate would result in a C\$1,069,000 change in annual interest costs. All figures are provided in this risk factor are as at December 31, 2024.

The Company may in the future become a borrower of an additional material amount of funds or repay its existing outstanding long-term debt at any time without penalty. The Company's primary operations are located in South Korea, Spain, and Portugal. The ongoing uncertainty in the financial markets may have a negative impact on both the Company's future borrowing costs and its ability to obtain debt financing.

3.2.6 Inflation

The Company is also affected by inflationary pressures. Inflation rates in the jurisdictions in which the Company operates have increased significantly since 2021. A significant portion of the upward pressure on prices has been attributed to the rising costs of labour and energy. These inflationary pressures have affected the Company's labour, commodity and other input costs and such pressures may or may not be transitory. Any continued inflation or increase in the inflation rate for the Company's inputs, including as a result of increased tariffs affecting countries in which the Company operates or that are part of the Company's supply chains may have a material adverse effect on the Company's operating costs, capital expenditures for the development of its projects as well as its financial condition and results of operations.

3.2.7 Tax-Related Risks

The Company operates in multiple jurisdictions with varying tax regimes, and its global operations may expose it to changes in tax laws and interpretations that could adversely affect profitability. The effective tax rate may change from year to year based on a multitude of factors. Changes to international, regional, or local tax regulations, including transfer pricing, withholding taxes, and corporate tax rates, may result in higher effective tax rates or unexpected tax liabilities. Furthermore, the classification of income from foreign jurisdictions, such as South Korea, Spain, and Portugal, could impact the Company's cash flow and financial reporting.

The Company also enters into transactions and arrangements in the ordinary course of business in which the tax treatment is not entirely certain. The Company must therefore make estimates and judgments in determining its consolidated tax provision. The final outcome of any audits by taxation authorities may differ from estimates and assumptions used in determining the consolidated tax provisions and accruals. This could result in a material effect on income tax provision, financial position and the net income/loss for the period in which such determinations are made.

3.2.8 Default Risk

The Company's term loans and convertible debentures include various positive and negative covenants as well as cross-default clauses. Events beyond the Company's control, including changes in general economic and business conditions and global health crisis or pandemics may affect the Company's ability to satisfy these covenants, which could cause several defaults in the event the Company is in default on any of its loan agreements.

In addition, as of the date of this prospectus, the Company has pledged certain of its assets as security in order to obtain additional capital through loans.

Should Almonty fail to comply with its covenants, pay any outstanding amount or remedy an event of default (as defined under the loan agreements), the lender may, among other things, have the right to demand immediate repayment of the outstanding debt or to seize and dispose of the secured assets.

3.2.9 Future Financing

The success of exploration programs, development programs and other transactions related to concessions could have a significant impact on the need for capital. If Almonty decides to develop one of its properties, it must ensure that it has access to the required capital. The Company could finance its need for capital by using working capital, by arranging partnerships or other arrangements with other companies, through equity financing, by taking on long-term debt or any combination thereof. To fund its future growth plans, the Company may become dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company's projects and there can be no assurance that additional capital or financing will be available if needed or that, if available, the terms of such financings will be acceptable to the Company. To facilitate the availability of capital, the Company maintains an investor relations program to inform all shareholders and potential investors of the Company's developments.

3.2.10 Economic Dependency

Although the Company sells its tungsten concentrate to Japanese, European and North American customers, the majority of the revenue earned by the Company's operations are derived from sales to the Company's customer (the "Customer") under the long-term supply agreements dated September 23, 2011 and September 22, 2014 (each as subsequently amended) (and to which our indirect wholly-owned subsidiaries, Daytal Resources Spain, S.L. ("Daytal") and Beralt Tin & Wolfram (Portugal), S.A. ("Beralt"), respectively, are also parties). Almonty is economically dependent on the revenue received from the Customer in order to be able to meet its current obligations. There is no guarantee that Almonty would be able to find an alternative customer or customers on terms similarly advantageous in the future should the Customer cease operations or become unable to pay Almonty, nor that the additional customers will be able to absorb the anticipated additional production from the Sangdong Mine.

3.2.11 Foreign Subsidiaries

All of Almonty's business is carried on through its foreign subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, including restrictions or costs on dividends or repatriation of earnings under applicable local law or any tax obligations, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which the subsidiaries operate or are incorporated, could restrict the Company's ability to fund its operations and projects efficiently and the Company's growth may be inhibited unless it is able to obtain additional equity or debt financing on acceptable terms. In the event of a subsidiary's liquidation, the Company may lose all or a portion of its investment in that subsidiary. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Almonty's valuation and stock price.

3.2.12 Liquidity and Level of Indebtedness

As of December 31, 2024, Almonty had cash and cash equivalents of approximately C\$7.8 million (including C\$2.8 million of restricted cash solely for use on the Sangdong Mine development project) and total liabilities of approximately C\$217.2 million. Although Almonty has been successful in repaying liabilities in the past and issuing new debt securities, there can be no assurance that it can continue to do so. In addition, Almonty may assume additional liability in future periods or reduce its holdings of cash and cash equivalents in connection with funding future acquisitions, existing operations, capital expenditures, dividends or in pursuing other business opportunities.

The Company's level of indebtedness could have important consequences for its operations, including:

- Almonty may need to use a large portion of its cash flow to repay the principal and pay interest on its debt, which will reduce the amount of funds available to finance its operations and other business activities; and
- Almonty's debt level may limit its ability to pursue other business opportunities, borrow money for operations or capital expenditures in the future or implement its business strategy.

As of December 31, 2024, Almonty had approximately C\$21.8 million in long-term debt maturing by the end of 2025. This amount excludes C\$52,000 in capital lease payments expected in 2025.

In addition to future cash flow from operations, potential divestment and the creation of new joint ventures and partnerships, Almonty's potential other sources of liquidity for the payment of its expenses and principal and interest payable on its debt in 2025 include issuing additional equity or unsecured debt. Almonty's ability to reduce its indebtedness and meet its payment obligations will depend on its future financial performance, which will be impacted by financial, business, economic and other factors. Almonty will not be able to control many of these factors, such as economic conditions in the markets in which it operates. Almonty cannot be certain that its existing capital resources and future cash flow from operations will be sufficient to allow it to pay principal and interest on Almonty's debt and meet its other obligations. If these amounts are insufficient or if there is a contravention of its debt covenants, Almonty may be required to refinance all or part of its existing debt, sell assets, borrow more money or issue additional equity. The ability of Almonty to access the bank, public debt or equity capital markets on an efficient basis may be constrained by a dislocation in the credit markets and/or capital and/or liquidity constraints in the banking, debt and/or equity markets at the time of issuance.

Almonty is also exposed to liquidity and various counterparty risks including, but not limited to: (i) Almonty's lenders and other banking counterparties; (ii) Almonty's insurance providers; (iii) financial institutions that hold Almonty's cash; (iv) companies that have payables to Almonty; and (v) companies that have received deposits from Almonty for the future delivery of equipment.

3.3 Risks Relating to the Development of the Sangdong Mine

3.3.1 Uncertainties and Risks Relating to the Start-Up of the Sangdong Mine

The Company's ability to maintain current, or achieve forecast, tungsten production levels is dependent on the successful development and potential expansion of the Sangdong Mine. There are many risks and unknowns inherent in all projects. For example, the economic feasibility of projects is based upon many factors, including:

- the accuracy of reserve estimates;
- metallurgical recoveries;
- capital and operating costs of such projects;
- the timetables for the construction, commissioning and ramp-up of such projects and any delays or interruptions;
- the reliability of construction designs and accuracy of engineering;
- changes in scope;
- the ability to manage large-scale construction; and
- the future prices of commodities.

Unforeseen circumstances, including those related to the amount and nature of the mineralization at the development site, technological impediments to extraction and processing, legal requirements, governmental intervention, infrastructure limitations, transport issues, environmental issues, local community relations or other events, could result in the development of the Sangdong Mine becoming impractical or uneconomic. Further, actual costs and economic returns may differ materially from the Company's estimates, or the Company may fail or be delayed in obtaining the governmental permits and approvals necessary in connection with the project, in which case, the project may not proceed either on its anticipated timing or at all.

Frequently, new and/or expanded mining operations experience unexpected problems during the start-up phase, and delays can often occur prior to production reaching its expected steady state levels. The Company may also experience actual capital and operating costs and operating results that differ materially from those anticipated. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at the Sangdong Mine.

3.3.2 Financing Risk

The development of the Sangdong Mine is heavily reliant on a US\$75.1 million senior secured term loan facility from KfW IPEX-Bank (**KfW**). Any delays or complications in obtaining drawdown approval from KfW could negatively impact the project's timeline and completion. The loan bears

interest at the rate of SOFR plus 2.3%, capitalized quarterly, with repayment of principal quarterly over a 6.25-year period commencing six months subsequent to the commencement of the mine's ramp-up period.

Any delays in the achievement of production at the Sangdong Mine could impact the Company's ability to comply with its repayment obligations under the KfW loan facility. The Company may also be unable to comply with its repayment obligations in the event of lower-than-expected metallurgical recoveries or future commodity prices.

3.3.3 Construction Risks

As a result of the substantial expenditures involved in development projects, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project.

Construction costs and timelines can be impacted by a wide variety of factors, many of which are beyond the control of the Company. It is common in new mining operations to experience such unexpected costs, problems and delays during construction, development and mine start-up. These include, but are not limited to, weather conditions, ground conditions, performance of the mining fleet, availability of appropriate material required for construction, availability and performance of contractors and suppliers, delivery and installation of equipment, design changes, accuracy of estimates and availability of accommodations for the workforce.

Project development schedules are also dependent on obtaining the governmental approvals necessary for the operation of a project. The timeline to obtain these government approvals is often beyond the control of the Company. A delay in start-up or commercial production would increase capital costs and delay receipt of revenues.

3.3.4 Off-Take Agreement

The Company has entered into an amended off-take agreement, originally dated March 12, 2018, (the **Amended Off-Take Agreement**) with the Customer for the tungsten concentrate to be mined and processed at the Sangdong Mine. The Amended Off-Take Agreement has a term of 10 years and, based upon current pricing models and subject to the terms and conditions of the agreement, the Amended Off-Take Agreement calls for revenues for the Company for a minimum of US\$385 million over a 10-year period (subsequently amended to increase the term to 15 years for a minimum of US\$577 million over a 15-year period). The realization of the benefits of the Amended Off-Take Agreement is contingent upon Almonty's ability to meet its obligations to deliver tungsten concentrate in accordance with the terms of the agreement. Any failure to deliver the required quantities or quality of tungsten concentrate could result in penalties, reduced revenues, or the termination of the agreement. The variable costs of shipping and production over the term of the contract may also affect the profitability of the agreement. Fluctuations in these costs may be influenced by factors such as fuel prices, labour costs, and regulatory changes. The Customer's failure to purchase the tungsten concentrate as agreed may also have a material impact on Almonty's revenue. As a result, there is no guarantee that the Company will realize the revenues contemplated under the terms of the Amended Off-Take Agreement.

3.3.5 Availability of Infrastructure

The continued development of the Sangdong Mine will require access to and an ability to maintain adequate and reliable infrastructure, including roads, power sources and water systems. If the required infrastructure is not readily available, it may have to be built, and there is no assurance that it can be built in a timely manner or at all. There is no assurance that the Company can access

and maintain the infrastructure needed, or, where necessary, obtain rights of way, government authorizations and permits to construct, or upgrade the same at a reasonable cost, in a timely manner, or at all. Access to infrastructure may also be interrupted by natural causes, such as drought, floods, earthquakes and other weather phenomena, or man-made causes, such as blockades, sabotage, conflicts, government issues, political events, protests, rationing or competing uses, as well as global pandemics.

Inadequate, inconsistent or costly infrastructure could compromise many aspects of the project's feasibility, viability and profitability, including, but not limited to the construction schedule, capital and operating costs.

3.3.6 Availability of Skilled Labour

The continued development of the Sangdong Mine will depend on the availability of a skilled workforce, including, but not limited to, mining and mineral, metallurgical and geological engineers, geologists, environmental and safety specialists, and mining operators to explore and develop the project. Inadequate access to an available skilled workforce could compromise many aspects of the project's feasibility, viability and profitability, including, but not limited to, the construction and production schedules, capital and operating costs.

3.3.7 Technological and Innovation Risk

The development and operation of the Sangdong Mine involve advanced technologies, such as the Mine Safety DX technology developed with Korea Telecom (**KT**). The successful implementation of this technology relies on the integration of advanced communication infrastructure. Any technical issues or delays in installation and operation could hinder communication and monitoring capabilities. This could lead to operational disruptions, increased costs, and production delays, negatively impacting the profitability of the Sangdong Mine.

3.4 Operational risks

3.4.1 Production

Almonty prepares estimates of future production, total cash costs and capital costs of production for particular operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on Almonty's future cash flows, profitability, results of operations and financial condition.

Almonty's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to mineral or ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; unusual or unexpected ore body formations; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, increased incidence of extreme weather events, water availability, floods, and earthquakes; and unexpected labour shortages or strikes. Production may also be impacted by delays or inefficiencies in the commissioning or operation of the flotation and chemical processing plant at the Sangdong Mine. Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, the cost of commodities, general inflationary pressures and currency exchange rates.

3.4.2 Accuracy of Mineral Reserve and Mineral Resource Estimates

The mineral reserves and mineral resources published by the Company are estimates and no assurance can be given that the anticipated production will be achieved or that the indicated level of recovery of tungsten will be realized. Because Almonty prepared this prospectus in accordance with the disclosure requirements of Canadian securities laws, it contains resource estimates, which are required by NI 43-101. Mineral reserve and mineral resource estimates are often based on tungsten recoveries in small-scale laboratory tests and may not be indicative of the mineralization in the entire orebody and the Company may not be able to achieve similar results in larger scale tests under on-site conditions or during production. Large-scale continuity and character of the Company's deposits will only be determined once significant additional drilling and sampling have been completed and analyzed. Actual mineralization or formations may be different from those predicted. No assurance can be given that any part or all of Almonty's mineral resources constitute or will be converted into reserves. The ore grade actually recovered by the Company may also differ from the estimated grades of the mineral reserves and mineral resources.

Reserve and resource estimates are materially dependent on prevailing metal prices and the cost of recovering and processing minerals at the individual mine sites.

Prolonged declines in the market price of tungsten may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should such reductions occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. The Company estimates the recoverable amount of long-lived assets and goodwill using assumptions and if the carrying value of an asset or goodwill is then determined to be greater than its actual recoverable amount, an impairment would be recognized by reducing the Company's earnings. Market price fluctuations of tungsten, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to the mineral reserve, such as the need for orderly development of ore bodies or the processing of new or different grades, the technical complexity of orebody, unusual or unexpected orebody formations, ore dilution or varying metallurgical and other ore characteristics may impair the profitability of a mine in any particular period. Failure to obtain or maintain necessary permits or government approvals, or changes to applicable tax and customs regimes or applicable legislation, could also cause the Company to reduce its mineral reserves.

Mineral resource estimates for properties that have not commenced production or at deposits that have not yet been exploited are based, in most instances, on very limited and widely spaced drill hole information, which is not necessarily indicative of conditions between and around the drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as production experience is gained.

The estimated mineral resources and mineral reserves described in this prospectus should thus not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. Investors are cautioned not to place undue reliance on these estimates.

3.4.3 Competition

The mineral exploration, development and production industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other

financial resources, newer or more efficient equipment, lower-cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses.

There is also a limited supply of desirable mineral properties available for claim staking, leasing, exploration or acquisition in the areas where the Company contemplates conducting activities. Many companies and individuals are engaged in the mining business and, as a result, the competition for these properties is intense. The Company may be at a competitive disadvantage in acquiring ore, talent or mining properties, as it must compete with these companies and individuals, some of which may have greater financial resources and larger technical staff than the Company or be able to leverage synergies that are not available to the Company.

The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

As global efforts to reduce dependency on Chinese tungsten increase, competition among non-Chinese producers may also intensify. This could impact pricing dynamics, market share, and long-term profitability. Failure to maintain cost competitiveness or secure strategic partnerships may adversely affect the Company's market position.

3.4.4 Risks Related to Property Titles

The acquisition of title to mineral properties is a very precise and time-consuming process. Although the Company has taken reasonable measures to ensure that all of its property titles are valid, there is no certainty that the property titles will not be challenged or questioned. Third parties may have valid claims on underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including land claims to the lands immediately adjacent to the Company's leased lands, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct its operations on one or more of its properties as currently anticipated or permitted or to enforce its rights in respect of its properties.

3.4.5 Impairment of Assets

The Company conducts annual impairment assessments of goodwill and, at the end of each reporting period, the Company assesses whether there is any indication that long-lived assets (such as mining properties and plant and equipment) may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. Testing for impairment involves a comparison of the recoverable amount of the cash-generating unit to its carrying value. An impairment charge is recognized for any excess of the carrying amount of the asset group or reporting unit over its recoverable amount. For example, during fiscal 2019, the Company completed the mining of the remaining ore and commenced reprocessing the tailings inventory at the Los Santos Mine. During the period in which tailings were reprocessed, the Company achieved WO3 recovery rates below those previously estimated and, as a result, recorded an impairment of tailings inventory of C\$5.8 million, representing an adjustment to the lower of cost and net realizable value. As a result of the impairment test performed for fiscal 2019, impairments of C\$3.3 million and C\$1 million were recorded to property, plant, and equipment and mineral property acquisition and development, respectively, based on the estimated fair value fewer costs to sell off the remaining property, plant, and equipment at the Los Santos Mine. In addition, As a result of an impairment test performed for fiscal 2021, the Company

also recognized an impairment reversal of C\$4.1 million to tailings inventory related to the Los Santos Mine, based on the estimated lower of cost and net realizable value.

The assessment for impairment is subjective and requires management to make estimates and assumptions for a number of factors including estimates of production levels, mineral reserves and mineral resources, operating costs and capital expenditures reflected in the Company's life-of-mine plans, as well as economic factors beyond management's control, such as tungsten prices and observable net asset value multiples. Should management's estimates and assumptions regarding these factors be incorrect, the Company may be required to realize impairment charges, which will reduce the Company's earnings. The timing and amount of such impairment charges is difficult to predict.

3.4.6 Dependence on Key Personnel and Employees

Recruiting and retaining appropriately qualified personnel is critical to the Company's success. The number of persons skilled in the construction, operation, development and exploration of mining properties is limited and competition for such persons is intense. The Company competes with mining and other companies on a global basis to attract and retain employees at all levels with appropriate technical skills and operating experience necessary to operate its mines. Relationships between the Company and its employees may be affected by changes in the scheme of employee relations that may be introduced by relevant government authorities in the jurisdictions that the Company operates. Changes in applicable legislation or in the relationship between the Company and its employees or contractors may have a material adverse effect on the Company's business, results of operations and financial condition.

The loss of the services of one or more of such key management personnel, including Lewis Black, the Company's Chairman, President and Chief Executive Officer, could have a material adverse effect on the Company. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals.

The Company believes that it has been successful in recruiting the necessary personnel to meet its corporate objectives but, as the Company's business activity grows, it will require additional key financial, operational, technical, mining and management personnel, as well as additional staff on the operations side. There can be no assurance that the Company will be able to continue to attract and retain such personnel.

3.4.7 Laws and Regulations

The Company's mining and mineral processing operations, exploration activities and properties are subject to the laws and regulations of federal, provincial, territorial, state and local governments in the jurisdictions in which the Company operates and the receipt of, and compliance with, applicable permits. These laws, regulations and permits are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal and tailings management, toxic substances, environmental protection, mine safety, reporting of payments to governments and other matters. Compliance with such laws, regulations and permits can be extremely time consuming, and may increase the costs of planning, designing, drilling, developing, constructing, operating, managing, closing, reclaiming and rehabilitating mines and other facilities.

The Company receives regulatory infraction or compliance notices in respect of various aspects of its operations from time to time. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective

measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The Company cannot give any assurances that such notices, notices received in the future or other regulatory actions will not result in material fines or require or otherwise result in the Company taking actions that have a material effect on its business, financial conditions or results of operations.

Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse effect on Almonty and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

In addition, current laws and regulations are subject to change from time to time. Any change in laws and government regulations or the implementation of new regulations or the modification of existing regulations affecting the tungsten and the mining industry more generally could require significant expenditures, cause a reduction in the levels of production, or reduce demand for tungsten and other minerals and increase Almonty's costs, any of which may have a material adverse effect on Almonty's business, financial condition and results of operations. Changes in these regulations or in their application are beyond the control of Almonty and could adversely affect its operations, business and results of operations.

3.4.8 Licenses and Permits

The Company's current and anticipated future operations, including further exploration, development and production activities on the Company's properties, require permits from various national, state/provincial and local governmental authorities. The Company may not be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at their projects. In addition, the grant of required licenses and permits may be delayed for reasons outside the Company's control. Failure to obtain such licenses and permits on a timely basis, or failure to comply with the terms of any such licenses and permits that the Company do obtain, may adversely affect their respective business as the Company would be unable to legally conduct their intended exploration, development, production of a commercially viable material, processing facility construction or mining work, which may result in increased costs, delay in activities or the Company losing its interest in its mineral properties.

Mining companies must obtain numerous permits, licenses and approvals that strictly regulate environmental, health, safety, access and other matters in connection with mining. Regulatory authorities exercise considerable discretion in whether or not to issue permits, licenses and approvals and the timing of such issuances. Almonty believes it (or its subsidiaries) presently holds all necessary licenses and permits to carry on the activities at its mineral properties, and that it is presently complying in all material respects with the terms of such licenses and permits. Almonty's properties may be held in the form of permits, licences and leases and working interests in permits, licences and leases. There can be no guarantee, however, that Almonty or its subsidiaries will be able to obtain and maintain, at all times, all necessary licences and permits required in connection with its mineral properties or any exploration or development activity or to place its properties into commercial production and to operate mining facilities thereon. If Almonty or the holder of any such permit, licence or lease fails to meet the specific requirement of such permit, licence or lease, the permit, licence or lease, as applicable, may terminate or expire. There can be no assurance that any of the obligations required to maintain each permit, licence or lease will be met. The termination or expiration of such permits, licences or leases or the working interests relating to a permit, licence or lease may have a material adverse effect on Almonty's results of operations and business.

Private individuals and the public at large often possess rights to comment on and otherwise engage in the permitting, licensing and approval processes, including through intervention in the courts. Accordingly, new permits, licenses and approvals required by Almonty to fully exploit its properties may not be issued, or if issued, may not be issued in a timely fashion, or may contain requirements which restrict Almonty's ability to conduct its mining operations or to do so in a profitable manner.

There is a restoration provision of C\$3,161 (December 31, 2023 - C\$1,205) with respect to the Sangdong Mine based on the amount assessed by the relevant local government authorities. Actual costs may exceed the provision amount due to unforeseen circumstances, changes in regulatory requirements, or inaccuracies in the local government authorities' initial assessment.

In addition to authorizations required in connection with its mineral properties, other mines that may be acquired by Almonty will require governmental authorizations and permits before these properties can be developed and brought into production. Access to such lands for mining purposes may be restricted by present or future legislation. Accordingly, there can be no assurance that Almonty will be able to obtain the necessary authorizations to further develop its mineral properties or other resource properties that it may acquire in the future. To the extent such authorizations are required and not obtained, Almonty may be restricted or prohibited from proceeding with planned exploration, development and production activities.

3.4.9 Geopolitical Risks in Key Operating Regions

The Company's operations are subject to political and geopolitical risks that could adversely affect its business, financial condition, and results of operations. These risks include changes in government policies, political instability, civil unrest, trade restrictions, expropriation, and the outbreak of war or other hostilities in the regions where the Company operates, including South Korea, Spain, and Portugal are beyond the Company's control and may adversely affect our operations. Additionally, shifts in political attitudes or changes in mining or investment policies in these regions could impact the Company's profitability and ability to meet its strategic objectives. This could include disruptions to supply chains, regulatory challenges, or increased costs. In particular, relations between the Republic of Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase or change abruptly because of current and future events. In recent years, there have been heightened security concerns stemming from North Korea's nuclear weapons and long-range missile programs and increased uncertainty regarding North Korea's actions, particularly considering the recent leadership change, and possible responses from the international community. Tensions have escalated on the Korean peninsula, and there can be no assurance that the level of tension will not escalate further in the future. Any further increase in tensions, which may occur, for example, if military hostilities occur or North Korea experiences a leadership or economic crisis, could have a material adverse effect on the Company's operations and the market value of its Shares.

Furthermore, there can be no assurance that the political and economic policies of neighbouring countries, including China, Russia and North Korea, in relation to South Korea will not have adverse economic effects on the development of the Company's mining projects, including its ability to access power, transport (including across borders) and sell its products and access construction labour, supplies and materials.

Failure to comply strictly with applicable laws, regulations, and local practices relating to mineral rights applications and tenure could also result in substantial fines, loss, reduction, or expropriation of entitlements. While we operate in politically stable regions, the mining industry is inherently exposed to these risks, which could impact profitability or delay projects.

3.4.10 Trade Risks

Geopolitical tensions and trade disputes, particularly those affecting China, Europe, and the United States, may impact the availability and pricing of tungsten. With China accounting for a significant share of global tungsten supply, any changes in laws and regulations, export restrictions, tariffs, or sanctions could create volatility in the market and limit the Company's ability to source materials or compete effectively.

Since the inauguration of Donald J. Trump as President of the United States of America on January 20, 2025, tariffs have been announced on goods imported to the United States from a lengthy list of countries around the world, including Canada, South Korea, Spain, and Portugal, which have been postponed since their initial implementation. Almonty has determined that its tungsten ore, concentrates, oxide, and related materials are not subject to these tariffs. The imposition of any tariff on tungsten ore, concentrates, oxide, and related materials produced and sold by the Company and its subsidiaries may adversely affect our business, financial condition and results of operations.

In addition, the eventuality, timing and rates of potential US tariffs, the countries on which they are levied and the responses from such countries are difficult to predict at this time, however, US tariffs are likely to be met with retaliatory tariffs and a multi-country trade war against the US may develop. The economic impact of tariffs or a broader trade war on the Canadian economy, the US economy and the global economy could negatively impact capital markets, commodity prices and our ability to raise funds to undertake capital expenditures. A Canada-US or a broader trade war also has the potential to adversely impact global supply chains and make supplies that are required for the conduct of the Company's activities more expensive, harder to obtain or unavailable. Scarcity in the global supply chain would likely increase the cost of supplies required generally, which could impair our ability to operate. The indirect effects of tariffs imposed by the US or by counter tariffs in response are difficult to assess, but the potential for tariffs represents a risk and may adversely affect our business, financial condition and results of operations.

3.4.11 Public Allegations, Regulatory Investigations or Litigation

The Company at one time conducted exploration and mining operations in a number of jurisdictions and, as a result of such activities and operations or current or future activities and operations, including, without limitation, jurisdictions subject to various sanctions regimes, may be subject to governmental or regulatory investigations and claims in or regarding those jurisdictions, including jurisdictions in which it is not currently active. A serious allegation, formal investigation by regulatory authorities or other legal claim (in each case, regardless of the ultimate decision) could have a material adverse impact on the Company, its reputation and its share price.

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company has in the past and may in the future be involved in various legal proceedings. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure or alleged failure to comply with disclosure obligations. The Company may be required to defend against any such public allegations, regulatory investigations or other claims that are asserted against it, or may deem it necessary or advisable to initiate legal proceedings to protect its rights. The expense and distraction of any such public allegations, regulatory investigations or other claims or proceedings, even with respect to claims that have no merit and whether or not resolved in the Company's favour, could materially and adversely affect its business, operating results, and financial condition. There may also be considerable cost and disruption in responding to allegations, investigations or claims and taking any remedial action. Further, if an investigation, claim or proceeding were resolved against the Company or if it were to settle any such dispute, the Company may be required to pay damages

and costs or refrain from certain activities, any of which could have a material adverse impact on the Company's business, operating results, and financial condition.

The results of litigation cannot be predicted with certainty. While the Company is not aware of any possible legal proceeding that could have a material adverse effect on its financial position, future cash flow or results of operations of the Company. If the Company cannot resolve disputes favourably, or if there is significant reputational damage as a result of any real or frivolous claim, the Company may face increased costs or liabilities to third parties, impairment of assets, lost revenues and the Company's activities and operations, financial condition, results of operations, future prospects and share price may be adversely affected.

3.4.12 Supply Chain Disruptions

Natural resource exploration, development, processing and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. Prolonged disruptions to the procurement of equipment, or the flow of materials, supplies and services to the Company could have an adverse impact on its operating costs, capital expenditures and construction and production schedules. These disruptions may be the result of matters outside of the Company's control or ability to mitigate, such as from natural disasters, trade disputes, imposition of tariffs, transportation disruptions, economic instability, global pandemics or other health emergencies, international sanctions, including those imposed in the context of the invasion of Ukraine by Russia, and geopolitical concerns, such as the conflicts in the Middle East and ongoing conflict in Ukraine. Supply chain disruptions may also be manifested as rising costs or shortages of certain commodities.

3.4.13 Raw Materials Cost

Unexpected increases in raw material costs could significantly impair Almonty's profitability. Almonty's mining operations use significant amounts of steel, petroleum products and other raw materials in various pieces of mining equipment, supplies and materials. If the price of steel, petroleum products or other input materials increase, Almonty's operational expenses will increase, which could have a significant negative impact on its profitability.

3.4.14 Energy Supply and Power Grid Reliability

Mining operations are highly dependent on reliable and cost-effective energy supplies. Disruptions to the power grid, including outages, price volatility, or infrastructure failures, could significantly impact production timelines and increase operating costs. Additionally, reliance on regional energy sources may expose the Company to regulatory changes or shortages in energy supply. Any significant disruption to energy availability or cost increases could adversely affect operational efficiency and profitability.

3.4.15 Mining Risks and Insurance Limitations

Almonty's exploration, development and mining operations are subject to significant risks beyond the control of management that can delay tungsten mining or delivery, or increase the cost of mining. Such risks include environmental hazards (including relating to regulated substances), industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, seismicity, cave-ins, rock bursts, rock falls, pit wall failures, flooding and ore losses (from theft or otherwise). Such risks could result in, among other things, damage to, or destruction of, mineral properties or production infrastructures and facilities, personal injury or death, environmental damage, delays in mining, monetary losses and legal liability. As well, risks may arise with respect to the management of tailings and waste rock, mine closure, rehabilitation and

management of closed mine sites (whether the Company operated the mine site or acquired it after operations were conducted by others).

In the course of exploration, development, and production of mineral properties, several risks may be encountered, particularly those involving unexpected or unusual geological or operating conditions. It is not always possible to fully insure against such risks, and Almonty may decide not to take out insurance against certain risks due to high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of Almonty's securities.

While the Company maintains insurance coverage against various risks, including operational and environmental hazards, such coverage may not adequately protect against all potential liabilities. Certain risks, including rock bursts, slides, fires, earthquakes or other adverse environmental occurrences, industrial accidents, labour disputes, political and social instability, technical difficulties due to unusual or unexpected geological formations, failures of pit walls, shafts, head frames, and/or underground workings, flooding and periodic interruptions due to inclement or hazardous weather conditions; and geopolitical events, may not be fully insurable (if at all) or may result in coverage limits being exceeded. In these circumstances, the Company may incur significant costs that could have a material adverse effect on its financial performance and results of operations. Financial assurances may also be required with respect to closure and rehabilitation costs, may increase significantly over time and reserved amounts may not be sufficient to address actual obligations at the time of decommissioning and rehabilitation. Insurance against certain risks may not be available to Almonty at reasonable economic rates or at all. To the extent that Almonty is subject to liabilities that are not economically or otherwise insurable, the payment of such liabilities would reduce the funds available to Almonty.

3.4.16 Reserve and Resource Depletion

The Company's mineral reserves must be replaced to maintain production levels over the long-term. Mineral reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature and identifying new ore bodies is difficult. The Company's exploration projects involve many risks and may be unsuccessful. Mineral exploration and development involve substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that additional commercial quantities of ore will be discovered on any of the Company's properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection.

In addition, assuming the discovery of a commercial ore body, depending on the type of mining operation involved, it may take a substantial amount of time from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves. As a result, there is no assurance that current or future exploration programs will be successful or that new commercially viable deposit or extensions of deposits will be discovered or developed. Depletion of mineral reserves may not be offset by discoveries or acquisitions and divestitures of assets may lead to lower mineral reserves. Reserves estimated in accordance with NI 43-101 may also decrease due to economic factors such as the use of lower metal price assumptions or

increased costs assumptions. The Company's future profitability may be affected if mineral reserves are mined without adequate replacement and the Company may not be able to sustain production to or beyond the currently contemplated mine lives based on current production rates.

3.4.17 Technological Obsolescence

Our ability to remain competitive depends on the adoption of advanced mining and processing technologies. Failure to innovate or integrate new technologies could lead to inefficiencies, higher costs, and diminished competitiveness. The capital-intensive nature of technological upgrades poses additional financial risks, especially if investments do not yield the expected returns.

3.4.18 Management of Growth

Almonty may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Almonty to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Almonty to deal with this growth could have a material adverse effect on its business, operations and prospects.

3.4.19 Cybersecurity and Data Protection

The Company relies on its information technology systems, including its networks, equipment, hardware, software, telecommunications and other information technology (collectively, "IT Systems"), and the IT Systems of its vendors and third-party service providers, to operate its business. IT Systems are subject to an increasing threat of risks from sources including computer viruses, cyber-attacks, ransom ware, malware, security breaches, power loss, system disruptions, natural disasters, defects in design and other manipulation or improper use. These risks are evolving as IT Systems and cybersecurity attacks or breaches become more sophisticated and prevalent. These disruptions may also occur for non-malicious reasons, such as the widespread server-related outages caused by CrowdStrike's defective software update in July 2024. Any of these occurrences may result in, among other things, unauthorized access or damage to, or temporary or permanent disruption or failure of, one or more of the Company's IT Systems (collectively, "IT Disruptions").

The Company's operations depend on the timely maintenance, upgrade and replacement of its IT Systems, as well as expenditures to mitigate cybersecurity risks and the possibility of IT Disruptions. Increasingly, the operating and control systems at the Company's mines and projects rely on IT Systems to monitor and optimize performance, as the Company continues to adopt remotely controlled mining techniques and electrify its equipment. The Company's financial control and accounting systems depend on its IT Systems and its workforce increasingly works remotely, which has further increased the Company's reliance on its IT Systems and associated risks. Adoption of new technology that promotes operational efficiency, such as the use of artificial intelligence, fleet electrification and autonomous vehicles, may further expose the Company's IT Systems to risk. As the Company's use of IT Systems increases and evolves and cybersecurity attacks become more sophisticated or pervasive, the Company may have to incur significant costs to upgrade its IT Systems to protect against IT Disruptions. New or improved IT Systems that the Company procures may have defects, not be installed properly or not integrate with its other IT Systems.

Third-party vendors and service providers (including information technology service providers) may themselves be victims of IT Disruptions which may have an adverse consequential impact on the Company and its operations. For example, in July 2024, many companies experienced significant operational issues as a result of server-related outages caused the CrowdStrike's defective software update.

The occurrence of one or more IT Disruptions could have effects including: damage to the Company's equipment, including mining equipment; production downtimes; operational delays; loss or corruption of data; compromise of confidential or otherwise protected information; delay in the delivery of supplies and services; increased health and safety risks; increases in capital expenditures; loss of production, accidental discharge of regulated materials; expensive remediation efforts; distraction of management; damage to the Company's reputation; events of non-compliance, which could lead to regulatory fines or penalties, ransom payments. Any of the foregoing could have a material adverse effect on the Company's results of operations and financial performance. There can be no assurance that the Company will not incur losses related to IT Disruptions in the future.

3.4.20 Environmental and Global Climate Change Risks

Almonty's operations are subject to numerous environmental laws and regulations, all of which can impose substantial costs and liabilities on the Company. Violations of environmental requirements or permits may result in fines, sanctions, orders to install pollution control equipment, or even suspension of operations. These regulations, often mandating standards for waste disposal, emissions, and land reclamation, can increase operational costs and complexity. Frequent amendments or new legislation may adversely affect the Company's operations, financial condition, or competitive position. The Company may face costly claims and lawsuits by authorities and third parties relating to environmental matters.

Additionally, the potential impacts of global climate change amplify many of these environmental risks. Various governments have adopted or are considering regulations to mitigate climate change. These regulations may impose stricter emission limits, carbon taxes, or other measures that could require Almonty to incur substantial additional costs. The resulting increase in expenditures for pollution control, monitoring systems, and compliance reporting could harm the Company's cost competitiveness. Inconsistent regulatory frameworks may complicate compliance efforts and impact the Company's financial performance.

Heightened public awareness of climate change may generate more intense scrutiny of Almonty's activities. Even in the absence of formal mandates, stakeholders such as investors, customers, and local communities may expect the Company to demonstrate robust sustainability practices. Failure to meet expectations or negative publicity could harm the Company's reputation, limit financing, or reduce marketability. Physical effects of climate change, such as extreme weather, changing rainfall, water shortages, or wildfires, could disrupt operations, damage equipment, and introduce safety risks. Geographical vulnerabilities at each site compound these uncertainties and may require adaptation measures. Costs for insurance, repairs, shutdowns, and slower production cycles could increase, eroding earnings and investor confidence.

These environmental and climate-related uncertainties, regulations, and compliance efforts could negatively impact the Company's production, operating results, and financial condition. Evolving environmental obligations and climate change challenges may require Almonty to revise strategies, allocate resources to compliance, and adopt new technologies. Inability to anticipate or respond to changes, obtain regulatory approvals, or maintain community support could affect Almonty's access to resources, output levels, and long-term competitiveness.

3.4.21 Health and Pandemic Risks

Global health crises, such as pandemics or epidemics, can disrupt the Company's operations by impacting employee availability, supply chains, and demand for end products. Restrictions on movement, mandatory quarantines, or other government-imposed measures may delay project timelines, increase costs, or limit access to critical infrastructure. Additionally, health crises could

expose the Company to unforeseen liabilities or require additional expenditures to ensure workplace safety.

In addition, the actual or threatened spread of a pandemic or other health emergency globally, and responses of governments and others to such actual or threatened consequences, could also have a material adverse effect on the global economy, could negatively affect financial markets, including the price of tungsten and the trading price of the Company's shares, could adversely affect the Company's ability to raise capital, and could cause interest rate volatility and movements that could make obtaining financing or refinancing debt obligations more challenging or more expensive. If the price of tungsten declines, the Company's revenues from its operations will also decline. Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations.

3.4.22 Risks Related to Underground Stope Stability

The stability of underground stopes is a critical factor in ensuring the safety and efficiency of mining operations. Stope collapses or ground failures could lead to operational delays, equipment damage, safety hazards, or loss of access to ore bodies. Factors such as unexpected geological conditions, inadequate ground support systems, or seismic activity may increase the risk of collapse. The occurrence of such events could result in significant operational disruptions and financial losses.

3.4.23 Water Supply and Management

Water is a critical input to the Company's present and planned mining operations, and amount of water resources in the regions in which the Company operates requires the Company to consider current and future conditions in its management of water resources. Current and long-term risks include those that arise as a result of the Company's operations and events that are out of the Company's control such as extreme weather and other physical risks associated with climate change such as changes in rainfall and water availability.

Changes in the quantity of water in regions where the Company operates, whether excessive or deficient amounts, may affect exploration and development activities, mining and processing operations, water management and treatment facilities, tailings storage facilities, closure and reclamation efforts, and may increase levels of dust in dry conditions and land erosion and slope stability in case of prolonged wet conditions.

Water shortages may also result from environmental and climate events that are out of the Company's control and ability to manage. For example, inadequate rainfall or the occurrence of drought may stop operations, which could materially affect production. Conversely, excessive rainfall or flooding may also result in operational difficulties, including geotechnical instability, increased dewatering demands, and additional water management requirements. In addition, the Company cannot predict the potential outcome of pending or future legal proceedings or negotiations related to water rights, claims, contracts and uses, which may impact the Company's operations. The loss of water rights for any of the Company's mines, in whole or in part, or shortages of water to which the Company has established rights, could impact existing operations or prevent future exploration. Further, laws and regulations may be introduced in the jurisdictions in which the Company operates which could limit its access to sufficient water resources. Additionally, failure to manage water discharge or contamination risks could lead to environmental liabilities and reputational damage.

Any of the foregoing could have a material adverse effect on the Company's results of operations and financial performance.

3.4.24 Opposition to Mining

Almonty's business may be affected by environmental activists who engage in activities intended to disrupt Almonty's business operations. As a result, there could be delays or losses in transportation and deliveries of minerals to Almonty's customers, decreased sales of Almonty's minerals and extension of time for payment of accounts receivable from Almonty's customers, which could have a material adverse effect on Almonty's business, financial condition and results of operations.

3.4.25 Costs and Compliance Risks as a Result of Being a Public Company

Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in the past few years. Almonty anticipates that general and administrative costs associated with regulatory compliance will continue to increase with recently adopted or amended corporate governance requirements. The additional demands associated with being a public company may also disrupt regular operations of our business by diverting the attention of some of its senior management team away from revenue producing activities to management and administrative oversight, adversely affecting our ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing our businesses. In addition, failure to comply with any laws or regulations applicable to us as a public company may result in legal proceedings and/or regulatory investigations, and may cause reputational damage. Any of these effects could harm our business, financial condition and results of operations.

3.4.26 Legal Systems

As civil law jurisdictions, South Korea, Spain, and Portugal have legal systems which are different from the common law jurisdictions of Canada and Australia. Standard legal practices in civil law jurisdictions may result in risks such as (i) a higher degree of discretion on the part of governmental authorities; (ii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, particularly where those rules and regulations are the result of recent legislative changes or have been recently adopted; (iii) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (iv) relative inexperience of the judiciary and courts in such matters. In the case of foreign entities such as the Company doing business in civil law jurisdictions, effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation or in an ownership dispute, may be more difficult to obtain. As well, legislation and regulations may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by changes in governments, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

3.4.27 Acquisitions and Synergies

The Company is always actively pursuing the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, it may also acquire securities of, or other interests in, companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;

- diversion of management attention from existing business;
- potential loss of its key employees or the key employees of any business that the Company acquires;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause the Company not to realize the benefits anticipated to result from the acquisition of properties or companies and could have a material adverse effect on its ability to grow and on its financial condition.

An important factor in the success of an acquisition is the ability of the acquirer's management in managing the Company's business and that of the acquired company and, if appropriate, integrating all or part of that company's business with that of the acquirer. The integration of two businesses can result in unanticipated operational problems and interruptions, expenses and liabilities, the diversion of management attention and the loss of key employees and their knowledge.

There can be no assurance that a business integration will be successful or that it will not adversely affect the business, results of operations, financial condition or operating results of the acquirer and, as a result, the price of the Company's publicly traded securities. In addition, the Company may incur charges related to the acquisition of the acquired company and related to integrating the two companies. There can be no assurance that the Company, in the case of its recent acquisitions, will not incur additional material charges in the future to reflect additional costs associated with the acquisition or that all of the benefits expected from the acquisitions will be realized.

While the Company continues to seek acquisition opportunities consistent with its acquisition and growth strategy, it cannot be certain that it will be able to identify additional suitable acquisition candidates available for sale at reasonable prices, to consummate any acquisition or to integrate any acquired business into its operations successfully. Acquisitions may involve a number of special risks, circumstances or legal liabilities. These and other risks related to acquiring and to operating acquired properties and companies could have a material adverse effect on results of operations and financial condition. In addition, to acquire properties and companies, the Company may need to use available cash, incur debt, and issue Shares or other securities, or a combination of any one or more of these. This could limit its flexibility to raise capital, to operate, explore and develop its properties and to make additional acquisitions, and could further dilute and decrease the trading price of the Shares. When evaluating an acquisition opportunity, the Company cannot be certain that it will have correctly identified and managed the risks and costs inherent in the business that it is acquiring.

While at the present time the Company has no binding agreements, it is always actively pursuing potential acquisitions. The Company can provide no assurance that any potential transaction will be successfully completed, and, if completed, that the business acquired will be successfully integrated into its operations. The Company also cannot provide any assurance that if it issues equity securities in connection with an acquisition, such issuance will not be dilutive. If the Company fails to manage its acquisition and growth strategy successfully, it could have a material adverse effect on its business, results of operations and financial condition.

3.4.28 Ukraine Conflict

The conflict between Russia and Ukraine, which began in early 2022, remains ongoing and has contributed to heightened geopolitical instability and global economic uncertainty. A wide range of sanctions, trade restrictions, and other measures have been imposed on Russia by the international community, and many businesses have withdrawn from the Russian market. The continuation or potential escalation of the conflict may further disrupt global supply chains, impact commodity markets, create inflationary pressures, and affect financial markets.

While the Company does not maintain direct operations in Russia or Ukraine, it may be indirectly affected by broader economic consequences arising from the conflict, including changes in the availability and cost of materials, transportation disruptions, and potential shifts in customer demand. The extent and duration of these impacts remain uncertain.

Management has taken measures intended to support the ongoing sustainability of the Company's operations. However, given the evolving nature of the conflict and the uncertainty regarding future developments, including the potential for further sanctions, regulatory changes, or economic disruption, the conflict could adversely affect the Company's business, financial condition, and results of operations in ways that cannot currently be predicted.

3.4.29 Reputational Risk

Damage to the Company's reputation can be the result of its actual or perceived actions or inactions and a variety of events and circumstances, and could result in negative publicity, whether or not true. Occurrences that may have an adverse effect on the Company's reputation include, the Company's handling of matters relating to the environment (including tailings and tailings failures), employee relations, mine safety and security and dealings with local community organizations or individuals.

The Company may not be able to resolve such matters before they become public knowledge or become the subject of legal or regulatory proceedings. The growing use of social media to generate, publish and discuss community news and issues and to connect with others has made it significantly easier, among other things, for individuals and groups to share their opinions of the Company and its activities, whether true or not. The Company does not have direct control over how it is perceived by others. In the future, certain matters may affect the Company's reputation in the view of its stakeholders. Such matters, once publicized, may negatively affect the Company's reputation. Any damage to the Company's reputation could result in, among other things, a decrease to the trading price of the Shares, decreased investor confidence, challenges in maintaining positive relationships with the communities in which it operates and other important stakeholders, and increased risks in obtaining permits, financing or social license for our operations, any of which could have a material adverse effect on the Company's earnings, cash flows, financial condition or results of operations.

3.4.30 Anti-Corruption and Anti-Bribery Laws

The Company's operations are governed by, and involve interactions with, various levels of government in numerous countries. The Company is required to comply with anti-corruption, anti-bribery and sanctions laws, including the *Corruption of Foreign Public Officials Act* (Canada), as well as similar laws in the countries in which the Company or its contractual counterparties conduct their business. There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment of companies convicted of violating these laws. The Company may be found liable for violations by not only its employees, but also by its third-party agents. Measures that the Company has adopted attempt to mitigate

these risks may not be effective in ensuring that the Company, its employees or third-party agents will comply strictly with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company which could result in a material adverse effect on the Company's reputation, financial performance and results of operations. If the Company chooses to operate in additional foreign jurisdictions in the future, it may become subject to additional anti-corruption, anti-bribery and sanctions laws in such jurisdictions.

3.4.31 Canada's Extractive Sector Transparency Measures Act

The *Extractive Sector Transparency Measures Act* (Canada) (**ESTMA**) requires public disclosure of certain payments to governments by companies engaged in the commercial development of minerals which are publicly listed in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments, including aboriginal groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure reporting or structuring payments to avoid reporting. If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties or sanctions which may also have a material adverse effect on the Company's reputation.

3.4.32 Infrastructure and Operational Risks

The Company's operations depend on the effective maintenance and operation of its mining infrastructure, much of which, in Portugal and Spain, has been in service for many years. Aging infrastructure may result in increased maintenance costs, unexpected equipment failures, or operational disruptions. Additionally, delays or interruptions in the transportation of tungsten concentrate to global markets, whether caused by logistical bottlenecks, weather-related events, or third-party disruptions, could adversely affect operations.

3.4.33 Risks Related to Almonty's proposed redomiciling to the United States

As disclosed previously, Almonty announced its plans to change its jurisdiction of incorporation from Canada to the State of Delaware. There are certain risks related to such redomiciling and the arrangement pursuant to which the redomiciling will be accomplished (the **Arrangement**).

3.4.34 Canadian Corporate Tax Risk

For Canadian tax purposes, on the date of the Arrangement we will be deemed to have a year end and to have disposed of all of our property for proceeds equal to the fair market value of that property. We will also be subject to an additional corporate emigration tax imposed on the amount, if any, by which the fair market value of our property, net of certain liabilities, exceeds the paid-up capital of our issued and outstanding Shares.

The quantum of tax payable, if any, by the Company upon the Arrangement will depend upon a number of considerations including whether the Company reorganizes and/or winds up one or more of its subsidiaries prior to the Arrangement becoming effective, the valuation of the Company's assets, the amount of its liabilities, its shareholder composition, as well as certain Canadian tax amounts, accounts and balances of the Company, each as of the time of the Arrangement. There can be no assurances that material adverse tax consequences will not result from the Arrangement or the transactions completed in relation to the Arrangement in Canada. In addition, it is possible that following the Arrangement, the Canada Revenue Agency may disagree with the Company's determination of the fair market value of its properties at the relevant time and/or the Company's determination of any of its tax accounts or tax attributes. As a result, the quantum of Canadian tax payable by the Company may materially exceed the Company's

estimates. Any such adverse tax consequences could materially adversely affect the Company and its share price. For additional information on the Canadian federal income tax consequences of the Arrangement, see the section entitled “Certain Canadian Federal Income Tax Considerations Related To The Arrangement” of the management information circular of the Company dated January 31, 2025 and filed on February 4, 2025, prepared for the purposes of the special meeting of the shareholders of the Company held on February 27, 2025.

3.5 General risks

3.5.1 Liquidity of CDIs

Shareholders of the Company may be unable to sell significant quantities of Shares into the public trading markets without a significant reduction in the price of their Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSX and ASX, or the trading requirements of the FSE and OTCQX, or achieve listing on any other public listing exchange.

3.5.2 Economic factors

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

3.5.3 Market conditions

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- fear of global pandemics; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or its Directors warrant the future performance of the Company or any return on an investment in the Company.

3.5.4 Security investments

Investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the price of the Company's securities, regardless of its performance.

3.5.5 Payment of Dividends

The Company has not paid any dividends on its Shares to date, nor does it contemplate a declaration of payment of dividends until its operations generate sufficient excess cash flow for distribution as it anticipates that it will reinvest the majority of, if not all, future earnings, if any, in the development and growth of its business. Therefore, investors may not receive any funds unless they sell their Shares, and investors may be unable to sell their Shares on favourable terms or at all. The Company cannot give any assurance of a positive return on investment or that investors will not lose the entire amount of their investment in Shares. Prospective investors seeking or needing dividend income or liquidity are discouraged from purchasing Shares.

3.5.6 Securities or Industry Analysts' Research

The trading market for the Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover the Company downgrade our Shares or publish inaccurate or unfavourable research about its business, the Shares price would likely decline. In addition, if the operating results fail to meet the forecast of analysts, the Shares price would likely decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on regularly, demand for the Shares could decrease, which might cause the Shares price and trading volume to decline.

3.5.7 Force majeure

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its securities. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

3.5.8 Tax

The acquisition and disposal of securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for securities under this Prospectus.

3.6 Other risks

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. Investors should consider an investment in the Company as highly speculative and should consult their professional advisers before deciding whether to participate in the Offer. The securities offered under this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or their market value.

4 Additional Information

4.1 Continuous disclosure

Being admitted to the official list of ASX, the Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed entities, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to CDIs being issued under the Offer. To do so, please refer to the Company's ASX announcements platform via www.asx.com.au.

4.2 Transaction-specific prospectus

Under section 713 of the Corporations Act the Company is entitled to issue a transaction-specific prospectus in respect of the Offer.

A transaction-specific prospectus is only required to contain information about the effect of the Offer on the Company and the rights and liabilities attaching to the CDIs being issued under the Offer. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the Company.

As a disclosing entity under the Corporations Act, the Company states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - the annual information form of the Company for the financial year ended 31 December 2024; and
 - all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are encouraged to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX by the Company since the Company lodged its annual information form for the financial year ended 31 December 2024 on 24 March 2025.

Date	Title
02/06/2025	Initial Director's Interest Notice
02/06/2025	Almonty Appoints US National Security Alan Estevez to Board
30/05/2025	Change of Director's Interest Notice
29/05/2025	Cleansing Statement
29/05/2025	Application for quotation of securities - All
22/05/2025	Cleansing Statement
22/05/2025	Application for quotation of securities - All
21/05/2025	Almonty Joins DARPA Funded Critical Minerals Forum
19/05/2025	Cleansing Statement
19/05/2025	Notification regarding unquoted securities - All
19/05/2025	Almonty Reports Q1 Financial Results
16/05/2025	Almonty Q1 MD&A
16/05/2025	Almonty Q1 Financial Statements
9/05/2025	Application for quotation of securities - All
9/05/2025	Cleansing Statement
7/05/2025	Almonty Enters Offtake Agreement to Supply Tungsten Oxide
2/05/2025	Change of Director's Interest Notice x 6
2/05/2025	Notification regarding unquoted securities - All
1/05/2025	Statement of CDIs on issue - All
1/05/2025	Results of Meeting
24/04/2025	Cleansing Statement
24/04/2025	Notification regarding unquoted securities - All
24/04/2025	Application for quotation of securities - All
22/04/2025	Almonty to Participate in Planet MicroCap Showcase

Date	Title
17/04/2025	Change of Director's Interest Notice
17/04/2025	Cleansing Statement
17/04/2025	Notification regarding unquoted securities - All
17/04/2025	Notification of cessation of securities - All
14/04/2025	Cleansing Statement
14/04/2025	Application for quotation of securities - All
14/04/2025	Non-Compliance with Conditions of ASX Listing Rule Waivers
14/04/2025	Details Regarding ASX Waivers
8/04/2025	Cleansing Statement
8/04/2025	Application for quotation of securities - All
7/04/2025	Change of Director's Interest Notice
7/04/2025	Notification regarding unquoted securities - All
7/04/2025	Almonty Confirms No Impact from Recent US Reciprocal Tariffs
4/04/2025	Statement of CDIs on issue - All
2/04/2025	Cleansing Statement
2/04/2025	Change of Director's Interest Notice x 3
2/04/2025	Notification regarding unquoted securities - All
2/04/2025	Notification regarding unquoted securities - All
2/04/2025	Notification of cessation of securities - All
2/04/2025	Notification of cessation of securities - All
2/04/2025	Notification regarding unquoted securities - All
2/04/2025	Application for quotation of securities - All
28/03/2025	Cleansing Statement
28/03/2025	Application for quotation of securities - All
28/03/2025	Notification regarding unquoted securities - All
27/03/2025	Notice of Annual General Meeting/Proxy Form

Date	Title
26/03/2025	Addendum to Financial Statements - ASX Confirmation
25/03/2025	Notification regarding unquoted securities - All

4.3 Excluded information

In accordance with section 713(5) of the Corporations Act, information must be included in this Prospectus if the information:

- has been excluded from a continuous disclosure notice in accordance with the Listing Rules;
- is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
 - the rights and liabilities attaching to the CDIs being offered; and
 - would reasonably expect to find in this Prospectus.

As at the Prospectus Date, the Company is reviewing and considering a potential NASDAQ listing if market conditions prevail. There is no certainty of any such NASDAQ listing proceeding and the Company will update the market in accordance with its continuous disclosure obligations.

Other than as set out above, based on the Directors' knowledge as at the Prospectus Date, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules.

4.4 ASIC determinations

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing CDIs under this Prospectus.

4.5 Dividend Policy

The Company has not paid any dividends for the past three most recently completed fiscal years. The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.6 Market price of CDIs

The highest and lowest closing prices of CDIs on the ASX during the 3 months before the Prospectus Date, and the closing price on the trading day before the Prospectus Date, are set out below.

Shares	Price	Date
High	\$2.99	2 June 2025
Low	\$1.71	18 March 2025

Last	\$2.99	2 June 2025
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Note: The table above purely represents the market price of CDIs, and not any other security of the Company such as CDIs (for which no tradable market currently exists given they will be a newly formed class of security).

4.7 Rights and liabilities attaching to CDIs

A summary of the rights and liabilities attaching to CDIs is set out below. This summary is qualified by statute, the Listing Rules and the full terms of the Articles and By-Laws (a full copy of which is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders.

These rights and liabilities can involve complex questions of law arising from an interaction of the Articles and By-Laws with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Each Shareholder is entitled to receive notice of, attend, and vote at, annual general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the By-Laws, the CBCA and the Listing Rules.

Every Shareholder must be given notice of an annual general meeting of the Company not less than 21 days before the time when the meeting is to be held. Shareholders are also entitled to receive all notices, accounts and other documents required to be sent to Company Shareholders under the By-Laws, the CBCA and the Listing Rules.

Shareholders of not less than 5% of the issued capital of the Company that carry the right to vote at a general meeting may requisition the directors of the Company to call a general meeting of Shareholders for the purposes stated in the requisition so long as such purposes are permitted under the CBCA.

- **Voting rights**

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every fully paid up Share held by them.

- **Dividend rights**

Subject to insolvency tests prescribed by the CBCA, the Board may declare and the Company may pay dividends.

The Directors may declare and authorise the distribution from the profits of the Company of dividends, to be distributed to Shareholders according to their rights and interests.. Each Shareholder is entitled to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, any such dividends declared by the Company.

The Company may establish a dividend reinvestment plan to provide to its shareholders the option to use cash dividends paid on Shares held by them to acquire additional Shares.

- **Winding-up**

In the event of a winding up, once all the liabilities of the Company have been met subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, Shareholders shall receive the remaining property of the Company in equal rank with the holders of all other Shares in the Company.

- **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

- **Transfer of shares**

Generally, CDIs are freely transferable, subject to formal requirements and to the registration of the transfer not resulting in a contravention of or failure to observe the provisions of applicable law, including the CBCA. Applicable securities laws and rules of any stock exchange on which the CDIs may be quoted may also impose hold periods on such shares and certain shareholders or other restrictions on transfer.

- **Sale of non-marketable holdings**

Subject to certain restrictions and procedures, the Company may, after giving written notice to a CDI Holder, sell a CDI Holder's CDIs if the CDI Holder holds less than a non-marketable parcel (a parcel of securities that is less than a marketable parcel within the meaning of the ASX Operating Rules Procedures). These rights exist only under the ASX Settlement Operating Rules.

- **Future increase in capital**

Subject to the CBCA and the By-Laws, and without affecting the special rights of any holders of securities, the Board may decide to issue and allot, or dispose of, CDIs on terms determined from time to time by the Directors at an issue price that the Directors determine from time to time and to Shareholders whether in proportion to their existing owners or otherwise, or to such other persons as the Directors may determine from time to time.

The Company is authorised to issue an unlimited number of CDIs without par value for such consideration determined by the Directors.

- **Future reduction in capital**

Subject to certain exceptions, under the CBCA, a corporation may, with the approval of its shareholders by special resolution, reduce its stated capital for any purpose including, to extinguish or reduce a liability in respect of an amount unpaid on any share, to distribute to a Shareholder an amount not exceeding the stated capital of the Shares, or, to declare its stated capital to be reduced by an amount that is not represented by realisable assets.

- **Variation of rights**

The CBCA provides that rights attaching to a class of shares may only be varied by an amendment to the Articles approved by special resolution and if there is more than one class, by a special separate resolution of such class.

- **Alteration of the By-Laws**

The By-Laws may only be amended in accordance with the CBCA, which requires approval by the Directors, subject to confirmation by Shareholders by ordinary resolution passed at the next meeting of Shareholders.

4.8 Rights of CDI Holders

The Company participates in ASX's CHESS system and is subject to the Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in electronic form such as CDIs.

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

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

The Shares underlying the CDIs are registered in the name of CDN on the Canadian share register and are held on behalf of and for the benefit of the CDI Holder. CDN will receive no fees for acting as the depository for the CDIs. CDIs are CHESS-approved in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Further details about CDIs and the key differences between holding CDIs and holding the underlying Shares are set out below:

- **Who is the depository nominee and what do they do?**

The Company has appointed CDN, a subsidiary of the ASX, and an approved general participant of ASX Settlement to act as its Australian depository.

CDN holds legal title to the Shares on behalf of CDI Holders. CDN does not receive any fees for acting as the depository for the CDIs.

- **What registers are maintained to record the interests of CDI Holders?**

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

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

- **How is local and international trading in CDIs effected?**

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

- **How do CDI Holders convert from a CDI holding to a direct holding of Shares?**

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

- by contacting the Share Registry directly, if the CDIs are held though the issuer sponsored sub-register upon which, the CDI Holder will then receive an applicable request form; or
- if the CDIs are held on the CHESS sub-register, by contacting their sponsoring participant (usually a stockbroker) who will arrange for the request form to be completed. Upon the receipt of a request form, the CDIs subject to the form will be cancelled, Shares will be transferred on the Canadian Share Register from CDN to the CDI Holder and the Shares registered in the name of the former CDI Holder, either in book-entry (i.e. uncertified) or certificate form in accordance with the requests. Trading on the ASX will no longer be possible.

Holders of Shares are also able to convert their Shares into CDIs, should they wish to do so. Shareholders can contact their stockbroker if the Shares are held within the Canadian Central Securities Depository, or if they are a registered shareholder they can contact the Canadian Share Registry. The Shares will then be transferred from the Shareholder's name to CDN, CDIs issued and a holding statement will be despatched to the holder's registered address. The CDIs will be tradeable on the ASX.

- **What are the voting rights of a CDI Holder?**

If CDI Holders wish to attend and vote at the Company's general meetings, they will be able to do so. Under the Listing Rules and the ASX Settlement Operating Rules, any CDI Holder must be allowed to attend meetings of the holders of Shares unless relevant Canadian laws at the time of the meeting prevents CDI Holders from attending those meetings.

CDI Holders will be available to vote at the Company's general meetings by:

- instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI Holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the CDI voting close off for the meeting; or
- informing the Company, on the voting instruction form, that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or
- converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI Holder wishes to sell their investment on the

ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken. As each CDI represents one Share, a CDI Holder will be entitled to one vote for every CDI they hold.

CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI Holders by the Company. Since CDN is the legal holder of the applicable Shares and the CDI Holders are not themselves the legal holder of their applicable Shares, the holders of CDIs do not have any directly enforceable rights under the Company's By-Laws.

- **What dividend and other distribution entitlements do CDI Holders have?**

Despite legal title to the Shares being vested in CDN, ASX Settlement Operating Rules provide that CDI Holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares, these include dividends and other entitlements which attach to the underlying Shares. These rights exist only under ASX Settlement Operating Rules.

If the Company declares dividends, it will declare any dividends in Canadian dollars as that is its main functional currency, with holders on the CDI register paid in Australian dollars. As such, an investor whose principle currency is not Canadian dollars will be exposed to foreign currency exchange rate risk.

- **What corporate action entitlement (such as rights issues and bonus issues) do CDI Holders have?**

CDI Holders receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include entitlement to participate in rights issues, bonus issues and capital reductions. These rights exist only under ASX Settlement Operating Rules.

- **What rights do CDI Holders have in the event of a takeover?**

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI Holder if such CDI Holder instructs CDN to do so. These rights exist only under ASX Settlement Operating Rules.

- **What notices and announcements will CDI Holders receive?**

CDI Holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company. These rights exist under the ASX Settlement Operating Rules and the Company's By-Laws, rather than under the CBCA.

- **What rights do CDI Holders have on liquidation or winding up?**

In the event of the Company's liquidation, dissolution or winding up, a CDI Holder will be entitled to the same economic benefit on their CDIs as holders of Shares. These rights exist only under ASX Settlement Operating Rules, rather than under the CBCA.

- **Will CDI Holders incur any additional ASX or ASX settlement fees or charges as a result of holding CDIs?**

A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.

- **Further information about transferring CDIs**

The transfer of CDIs may be effected by a proper transfer (defined as a Proper ASTC Transfer in the ASX Listing Rules). Upon receipt of a proper transfer and subject to ASX Listing Rules and ASX Settlement Operating Rules, the Company will approve registration of a transferee named in the transfer as a CDI Holder. The transferor will be deemed to remain the holder of the CDIs until a proper transfer has been effected or the name of the transferee is entered in the CHES sub-register or the issuer sponsored sub-register (as applicable) as the holder of the CDIs.

The Company may suspend the registration of transfers of CDIs at the times and for the periods they determine, but only as permitted by ASX Settlement Operating Rules.

- **Divestment of non-marketable parcels of CDIs**

Subject to certain restrictions and procedures, the Company may, after giving written notice to a CDI Holder, sell a CDI Holder's CDIs if the CDI Holder holds less than a marketable parcel within the meaning of the ASX Operating Rules Procedures.

- **Where can further information be obtained?**

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled:

- “Understanding CHES Depositary Interests” at:
http://www.asx.com.au/documents/settlement/CHES_Depositary_Interests.pdf
- ASX Guidance Note 5 at:
http://www.asx.com.au/documents/rules/gn05_ches_depositary_interests.pdf

4.9 Regulation of the Company

The Company is a public company incorporated under the federal laws of Canada. The Company's Shares are currently quoted on ASX (in the form of CDIs), TSX, FRA and OTCQX. The Company is subject to the relevant provisions of the CBCA and is registered as a foreign company in Australia pursuant to the Corporations Act. Accordingly, the Company general corporate activities, including the rights of Shareholders in respect of its Shares (and CDIs) (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the CBCA, Articles and By-Laws, Canadian securities laws and Canadian common law, as may be applicable.

4.10 Substantial holders

Under applicable Canadian securities law, a person who acquires beneficial ownership and control, directly or indirectly, of more than 10% of the outstanding shares will be required to publicly disclose their holdings, and to file an early warning report with the applicable Canadian securities regulator. The early warning report discloses the person's name, address, and certain details of surrounding their ownership of shares and securities of a company convertible into or exercisable for shares. Once an early warning report has been filed by a person, they are required to file a news release and early warning report for every 2% (or more) increase or decrease in the voting or equity securities that the person acquires, or, when the person ceases to hold at least 10% of the outstanding shares in the company.

In addition to the above, all Company insiders must publicly disclose all transactions within 5 days.

Based on publicly available information at the Prospectus Date, those persons with a voting power in the Company of at least 10% are set out below.

Shareholder	Shares	Voting power
Global Tungsten & Powders Corp.	38,149,556	13.22%
Deutsche Rohstoffe AG	30,886,426	10.71%

4.11 Director interests

4.11.1 Overview

Other than as set out below or elsewhere in this Prospectus, no existing or proposed Director holds at the Prospectus Date, or has held in the 2 years before the Prospectus Date, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

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

4.11.2 Remuneration

The cash remuneration paid or to be paid to the Directors for the 2 years before the Prospectus Date is set out below.

Director	Position	12 Months to 26 May 2024 (C\$)	12 Months to 26 May 2025 (C\$)
Lewis Black	Executive Director, President and CEO	C\$897,908	C\$1,781,609

Daniel D'Amato	Non-Executive Director	C\$244,275	C\$259,860
Mark Trachuk	Non-Executive Director	-	-
Thomas Gutschlag	Non-Executive Director	-	-
Andrew Frazer	Non-Executive Director	-	-
David Hanick	Non-Executive Director	-	-
Gen. Gustave F Perna	Non-Executive Director	-	-
Alan Estevez	Non-Executive Director	-	-

4.11.3 Security holdings

Set out below are the relevant interests of the Directors (whether held directly or indirectly) in the securities of the Company as at the Prospectus Date.

Director	Shares	Voting power	CDI Options	Incentive Stock Options	Warrants	Restricted Share Units
Lewis Black	26,927,409 ¹	9.33% ³	Nil	10,400,000 ⁶	1,911,111 ¹²	3,900,000
Daniel D'Amato	17,370,614 ²	6.02% ³	Nil	1,950,000 ⁷	1,289,055 ¹³	750,000
Mark Trachuk	1,469,339	0.51%	Nil	2,500,000 ⁸	500,000 ¹⁴	100,000
Thomas Gutschlag	1,007,500 ⁴	0.35%	Nil	1,400,000 ⁹	150,000 ¹⁵	100,000
Andrew Frazer	106,000 ⁵	0.04%	Nil	2,325,000 ¹⁰	Nil	Nil
David Hanick	Nil	Nil	Nil	500,000 ¹¹	Nil	Nil
Gen. Gustave F Perna	Nil	Nil	Nil	Nil	Nil	100,000
Alan Estevez	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- 1 Mr Black holds 13,033,489 Shares directly and 13,893,920 Shares indirectly, through Almonty Partners LLC, a privately held company specialising in tungsten mining investments. Mr Black is a partner of Almonty Partners LLC.
- 2 Mr D'Amato holds 3,476,694 Shares directly and 13,893,920 Shares indirectly, through Almonty Partners LLC, a privately held company specialising in tungsten mining investments. Mr D'Amato is a partner of Almonty Partners LLC.
- 3 These percentages include the 13,893,920 Shares held indirectly by Mr Black and Mr D'Amato through their interest in Almonty Partners LLC.
- 4 Dr Gutschlag holds 965,000 Shares directly and 42,500 Shares indirectly through Kooiker Investment GmbH. Mr Gutschlag is the managing director of Kooiker Investment GmbH. The Company also notes that Mr. Gutschlag is a member of the Executive Board of Deutsche Rohstoff AG (which holds 38,149,556 Shares – see section 4.10

above), however Mr Gutschlag does not have direction or control over Deutsche Rohstoff AG's Shares and therefore Deutsche Rohstoff AG's shares are not included in the table above.

5 Mr Frazer holds 106,000 Shares indirectly through Verido Holdings Pty Ltd <The Frazer Super Fund A/C>. Mr Frazer is director and controlling shareholder of Verido Holdings Pty Ltd <The Frazer Super Fund A/C>.

6 Comprising the following Incentive Stock Options:

- (a) 300,000 unlisted Incentive Stock Options with an exercise price of C\$0.80 each and expiry date of 23 December 2025;
- (b) 500,000 unlisted Incentive Stock Options with an exercise price of C\$0.33 each and expiry date of 17 August 2027;
- (c) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 28 June 2028;
- (d) 250,000 unlisted Incentive Stock Options with an exercise price of C\$0.94 each and expiry date of 18 August 2026;
- (e) 5,500,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 21 July 2027;
- (f) 750,000 unlisted Incentive Stock Options with an exercise price of C\$0.52 each and expiry date of 16 November 2028;
- (g) 1,000,000 unlisted Incentive Stock Options with an exercise price of C\$0.63 each and expiry date of 30 April 2029;
- (h) 1,000,000 unlisted Incentive Stock Options with an exercise price of C\$0.66 each and expiry date of 4 July 2029; and
- (i) 1,000,000 unlisted Incentive Stock Options with an exercise price of C\$2.50 each and expiry date of 30 April 2030.

7 Comprising the following Incentive Stock Options:

- (a) 200,000 unlisted Incentive Stock Options with an exercise price of C\$0.33 each and expiry date of 17 August 2027;
- (b) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 28 June 2028;
- (c) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.70 each and expiry date of 27 October 2030;
- (d) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.94 each and expiry date of 18 August 2026;
- (e) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.98 each and expiry date of 24 August 2026;
- (f) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 21 July 2027;
- (g) 150,000 unlisted Incentive Stock Options with an exercise price of C\$0.52 each and expiry date of 16 November 2028;
- (h) 500,000 unlisted Incentive Stock Options with an exercise price of C\$0.80 each and expiry date of 23 December 2025;
- (i) 400,000 unlisted Incentive Stock Options with an exercise price of C\$0.66 each and expiry date of 4 July 2029; and
- (j) 200,000 unlisted Incentive Stock Options with an exercise price of C\$2.50 each and expiry date of 30 April 2030.

8 Comprising the following Incentive Stock Options:

- (a) 200,000 unlisted Incentive Stock Options with an exercise price of C\$0.33 each and expiry date of 17 August 2027;
- (b) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 28 June 2028;

- (c) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.70 each and expiry date of 27 October 2030;
 - (d) 550,000 unlisted Incentive Stock Options with an exercise price of C\$0.52 each and expiry date of 16 November 2028;
 - (e) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.94 each and expiry date of 18 August 2026;
 - (f) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.98 each and expiry date of 24 August 2026;
 - (g) 350,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 21 July 2027;
 - (h) 500,000 unlisted Incentive Stock Options with an exercise price of C\$0.66 each and expiry date of 4 July 2029; and
 - (i) 500,000 unlisted Incentive Stock Options with an exercise price of C\$2.50 each and expiry date of 30 April 2030.
- 9 Comprising the following Incentive Stock Options:
- (a) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.80 each and expiry date of 23 December 2025;
 - (b) 200,000 unlisted Incentive Stock Options with an exercise price of C\$0.33 each and expiry date of 17 August 2027;
 - (c) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 28 June 2028;
 - (d) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.70 each and expiry date of 27 October 2030;
 - (e) 100,000 unlisted Incentive Stock Options with an exercise price of C\$0.98 each and expiry date of 24 August 2026;
 - (f) 150,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 21 July 2027;
 - (g) 200,000 unlisted Incentive Stock Options with an exercise price of C\$0.52 each and expiry date of 16 November 2028; and
 - (h) 250,000 unlisted Incentive Stock Options with an exercise price of C\$0.66 each and expiry date of 4 July 2029; and
 - (i) 200,000 unlisted Incentive Stock Options with an exercise price of C\$2.50 each and expiry date of 30 April 2030.
- 10 Comprising the following Incentive Stock Options:
- (a) 200,000 unlisted Incentive Stock Options with an exercise price of C\$0.94 each and expiry date of 18 August 2026;
 - (b) 175,000 unlisted Incentive Stock Options with an exercise price of C\$0.87 each and expiry date of 21 July 2027;
 - (c) 400,000 unlisted Incentive Stock Options with an exercise price of C\$0.52 each and expiry date of 16 November 2028;
 - (d) 1,000,000 unlisted Incentive Stock Options with an exercise price of C\$0.56 each and expiry date of 9 January 2029;
 - (e) 400,000 unlisted Incentive Stock Options with an exercise price of C\$0.66 each and expiry date of 4 July 2029; and
 - (f) 150,000 unlisted Incentive Stock Options with an exercise price of C\$2.50 each and expiry date of 30 April 2030.
- 11 Comprising the following Incentive Stock Options:
- (a) 200,000 unlisted Incentive Stock Options with an exercise price of C\$0.52 each and expiry date of 16 November 2028;

- (b) 150,000 unlisted Incentive Stock Options with an exercise price of C\$0.66 each and expiry date of 4 July 2029; and
 - (c) 150,000 unlisted Incentive Stock Options with an exercise price of C\$2.50 each and expiry date of 30 April 2030.
- 12 Comprising the following Warrants:
- (a) 1,111,111 unlisted Warrants with an exercise price of C\$0.60 each and expiry date of 27 October 2026; and
 - (b) 550,000 unlisted Warrants with an exercise price of CAD\$0.75 each on or before 19 February 2026;
 - (c) 250,000 unlisted Warrants with an exercise price of C\$0.74 each and expiry date of 28 March 2026.
- 13 Comprising the following Warrants:
- (a) 1,111,111 unlisted Warrants with an exercise price of US\$0.45 each and expiry date of 27 October 2026; and
 - (b) 177,944 unlisted Warrants with an exercise price of C\$0.74 each and expiry date of 19 April 2026.
- 14 Comprising 500,000 unlisted Warrants with an exercise price of C\$0.74 each and expiry date of 28 March 2026.
- 15 Comprising 150,000 unlisted Warrants with an exercise price of CAD\$0.75 each on or before 19 February 2026.

4.12 Related party transactions

There are no related party transactions involved in the Offer that is not otherwise described in this Prospectus.

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

4.13 Expert and adviser interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, at the Prospectus Date, or has held in the 2 years before the Prospectus Date, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, CDIs, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer.

Dewhirst Legal has acted as the legal adviser to the Company in relation to the Offer. The estimated fees payable to Dewhirst Legal for these services are \$15,000 (excluding GST). Dewhirst Legal has received fees of approximately \$15,055 (excluding GST and disbursements) for legal services

provided to the Company in the 2 years before the Prospectus Date. Further amounts may be paid to Dewhirst Legal in accordance with its usual time based rates.

4.14 Consents

Each of the parties referred to below:

- does not make the Offer;
- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

Dewhirst Legal has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser to the Company in relation to the Offer in the form and context in which it is named. Dewhirst Legal has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

4.15 Costs

The estimated costs of the Offer (exclusive of GST) are set out below.

Item	Amount
Legal fees	\$15,000
ASIC lodgement fees	\$3,206
Printing, registry and other	\$1,500
Total	\$19,706

4.16 Litigation

At the Prospectus Date, other than as otherwise disclosed in this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

5 Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus and has not withdrawn that consent.

Signed for and on behalf of the Company.

A handwritten signature in black ink, appearing to be 'L Black', written over a light grey rectangular background.

Lewis Black
Director, President and Chief Executive Officer
Almonty Industries Inc.

Definitions

Application Form means a form accompanying this Prospectus (including any electronic form provided by an online application facility) in respect of an Offer (as applicable).

Articles means the articles of association of the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

By-Laws means the by-laws of the Company.

CBCA means the *Canada Business Corporations Act*.

CDI means a CHESS depository interest over an underlying Share.

CDI Option means an Option to acquire a CDI in the Company.

CDI Holder means a holder of a CDI.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer closes, being the date set out on page 3 of this Prospectus or any other time and date determined by the Company.

Company or Almonty means Almonty Industries Inc. (ARBN 648 673 714).

Convertible Debenture is a long term debt issued by the Company that can be converted into Shares.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

FY means a financial year of the Company, being a period from 1 January to 31 December.

Incentive Stock Option means an Option to acquire a Share in the Company.

Listing Rules means the official listing rules of ASX.

Los Santos Project means the tungsten mining project located near Salamanca, Spain, owned by the Company, including the associated mining tenements, information, plant and equipment.

Offer means the offer of 100 CDIs at an issue price of \$2.70 each being made under this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the date that the Offer opens, being the date set out on page 3 of this Prospectus or any other time and date determined by the Company.

Option means an option to acquire a CDI.

OTCQX means the premium tier over-the-counter market securities exchange operated by OTC Markets Group, Inc.

Panasqueira Project means the tin and tungsten mining project located in Covilha, Castelo Branco, Portugal owned by the Company, including the associated mining tenements, information, plant and equipment.

Project means the Los Santos Project, Panasqueira Project, Sangdong Project, Valtreixal Project or any other exploration or mining project that the Company has an interest in from time to time (as applicable).

Prospectus means this prospectus (including any supplementary or replacement prospectus relating to it).

Prospectus Date means the date of this Prospectus.

Restricted Share Unit means a restricted share unit.

Sangdong Project means the tungsten mining project, currently in development, located in the Gangwon Province, Republic of Korea, owned by the Company, including the associated mining tenements, information, plant and equipment.

Share means a common share in the capital of the Company traded on TSX.

Shareholder means a registered holder of one or more Shares (including CDIs).

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

TSX means the Toronto Stock Exchange.

Valtreixal Project means the tin and tungsten mining project located in the Zamora Province, Spain, owned by the Company, including the associated mining tenements, information, plant and equipment.

Warrant means a warrant to acquire a Share.

Corporate Directory

Directors

Lewis Black
Executive Director, President and CEO

Daniel D'Amato
Non-Executive Director

Mark Trachuk
Non- Executive Director

Thomas Gutschlag
Non-Executive Director

David Hanick
Non-Executive Director

Andrew Frazer
Non-Executive Director

Gen. Gustave F Perna
Non-Executive Director

Alan Estevez
Non-Executive Director

Chief Financial Officer

Mark Gelmon

Company Secretaries

Marion McGrath
Piers Lewis

Head Office

100 King Street West, Suite 5700, Toronto,
Ontario, Canada M5X 1C7

Telephone: +1 647 438-9766

Email: info@almonty.com

Australian Registered Office

Suite 1, 295 Rokeby Road, Subiaco WA 6008

Website

<https://almonty.com/>

ASX Code

All

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Tce
Perth WA 6000

Auditor*

Zeifmans LLP
201 Bridgeland Avenue,
Toronto, Ontario, M6A 1Y7

Australian Legal Adviser

Dewhurst Legal
Level 1, 1 Alvan Street
Subiaco WA 6008

**Included for information purposes only and was not involved in the preparation of this Prospectus.*