Almonty Industries Inc. Announces an End-of-Year Christmas Update

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Almonty Industries Inc. (“Almonty” or the “Company”) (TSX: AII / OTCQX: ALMTF / Frankfurt: 1MR) is pleased to announce an end-of-year update.

Almonty Korea Tungsten Sangdong project – After the previously announced execution of the loan agreements, the Company wishes to update the market on its current status. The Monty B portal has been completed on time and was increased from 120m to 131.1m. The office/Laboratory has also been completed on time. The phase 2 mine development of 600m will commence this week and the Company is now discussing with Metso the ordering procedure and protocols for the long lead time crushing equipment. Metso are currently with members of the Almonty team in Portugal concluding the lock cycle process tests which will then enable Metso to finalize their engineering study of the flotation plant. The crushing engineering study was finalized 6 months ago.

Los Santos mine - With the increasing Tungsten prices in the past couple of weeks and the expected aggressive price increases expected in 2021 due to replenishments of inventories and a supply deficit, the Company is now preparing Los Santos to reactivate the tailings processing section of the plant. A recent report by the head of global commodities research at Goldman Sachs, Mr. Jeffrey Currie, on December 8th has merely added to our confidence in pricing in 2021.

Panasqueira mine – Production rates will be maintained in 2021 and this mine will continue to produce the highest-grade Wolframite available in the market backed by the highest recovery rate of any Tungsten gravity plant in the world. The sheer depth of Tungsten and Tin understanding contained in this project’s fifth generational team makes them the global leader in Tungsten/Tin expertise. This depth of knowledge has enabled the Company to approach our Sangdong project with a high degree of successful certainty and this was a deciding factor in KFW/Plansee supporting the build so convincingly.

Valtreixal – The permit process is on going as foreseen, but regrettably the Covid crisis in Spain has slowed the progress. We now expect a further 3 months' delay until permits are finalized. However, given its low operational cost and extremely high tin content (30%), Valtreixal will be a much welcomed addition to our portfolio once operational.

Almonty Korea Moly project – Now that the financing has concluded for Almonty Korea Tungsten, the Company can turn its attention to converting the historical data of the resource into a 43-101 compliant instrument with drilling scheduled for early 2021. With only 150m separating the Moly deposit from our existing infrastructure, the drill program will be extremely cost-effective. Our reported numbers of 16.3mt at 0.40% Mo are quoted with a 40% reduction which is applied when confirmation drilling has not confirmed the historical data. The Company believes once confirmation drilling is concluded, it will clearly demonstrate one of SE Asia’s largest Moly deposits in both longevity of approx 50 years and grade, and is easily accessible from the existing infrastructure. It is worth noting that South Korea is one of the largest consumers of Moly in the world mainly related to the steel business, and currently the vast majority of Mo is imported. There is considerable local support to see this resource developed as quickly as possible. This will further solidify our position as South Korea’s largest mining company.

Almonty Corporate - During the run-up and closing of the KFW financing, the Company had to provide a snapshot of the Company to the lender. This meant that all previous strategies of growth through acquisition had to remain on hold. Normally, this is not an issue, but given how long the closing took, the Company has not been active for some time. Now that the KFW execution has occurred, the Company can resume its growth approach to continually increase our Tungsten/Moly footprint, as strategic metals continue to gain importance across the world with multiple private companies now looking to stockpile.

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

“With the successful execution of the KFW loan, we can now go back to our continuing growth not just from building the world’s largest Tungsten project but also to look at our 100% owned Moly deposit and if other viable acquisitions are matched to our strategy.

“We have received multiple inquiries from shareholders regarding the final makeup of the ownership structure and Board composition after financial close of the KFW US$75.1m debt financing. The Plansee group will not become a control person which is triggered at a 20% ownership and will have one seat of a six-person Board. The role of Chairman, President and CEO will remain unchanged and I will also remain the second largest shareholder, merely swapping places with GTP/Plansee from the largest to the second. Given the importance of the Sangdong project to the Plansee Group supply chain and, in turn, to their customers, it is important to both the Plansee Group and to Almonty that they sit on our Board.

“I wish all of our shareholders and customers a Happy Christmas and look forward to an incredible 2021.”

About Almonty

The principal business of Toronto, Canada-based Almonty Industries Inc. is the mining, processing and shipping of tungsten concentrate from its Los Santos mine in western Spain and its Panasqueira mine in Portugal as well as the development of its Sangdong tungsten mine in Gangwon Province, South Korea and the development of the Valtreixal tin/tungsten project in north western Spain. The Los Santos mine was acquired by Almonty in September 2011 and is located approximately 50 kilometres from Salamanca in western Spain and produces tungsten concentrate. The Panasqueira mine, which has been in production since 1896, located approximately 260 kilometres northeast of Lisbon, Portugal, was acquired in January 2016 and produces tungsten concentrate. The Sangdong mine, which was historically one of the largest tungsten mines in the world and one of the few long-life, high-grade tungsten deposits outside of China, was acquired in September 2015 through the acquisition of a 100% interest in Woulfe Mining Corp. Almonty owns 100% of the Valtreixal tin-tungsten project in north western Spain. Further information about Almonty’s activities may be found at www.almonty.com and under Almonty’s SEDAR profile at www.sedar.com.

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

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to, no material adverse change in the market price of ammonium para tungstate, the continuing ability to fund or obtain funding for outstanding commitments, expectations regarding the resolution of legal and tax matters, no negative change to applicable laws, the ability to secure local contractors, employees and assistance as and when required and on reasonable terms, and such other assumptions and factors as are set out herein. Although Almonty has attempted to identify important factors that could cause actual results, level of activity, performance or achievements to differ materially from those contained in forward-looking statements, there may be other factors that cause results, level of activity, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate and even if events or results described in the forward-looking statements are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Almonty. Accordingly, readers should not place undue reliance on forward-looking statements and are cautioned that actual outcomes may vary.

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

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

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