



Initiation Report

Almonty Industries, Inc.

Please see last page for important disclosures

Almonty Industries, Inc. (TSX: AII) (ASX: AII) (FWB: ALI) (OTCQX: ALMTF)

Key Statistics

52 Week Range	C\$0.58 - C\$2.61
Avg. Volume (3 months)	530.64k
Shares Outstanding	280.67M
Market Capitalization	C\$561.35M
EV/Revenue	27.1x
Cash Balance*	C\$7.83
Analyst Coverage	3

*Cash balance as of December 2024

Revenue (in C\$mm)

Dec - FY	2024A	2025E	2026E
Q1	7.82	6.91	40.30
Q2	7.94	7.60	41.11
Q3	6.79	38.21	41.93
Q4	6.28	39.13	42.87
FY	28.83	91.85	166.21

EPS (in C\$)

Dec - FY	2024A	2025E	2026E
Q1	(0.02)	(0.01)	0.02
Q2	(0.01)	(0.01)	0.02
Q3	(0.02)	0.02	0.02
Q4	(0.02)	0.02	0.03
FY	(0.06)	0.02	0.09

Stock Price Chart (in C\$)



Hunter Diamond, CFA

research@diamondequityresearch.com

Almonty Industries, Inc. – Dominant Western Tungsten Producer Uniquely Positioned to Capitalize on Critical Supply Shortages and Geopolitical Realalignments, with High Cash Flow Visibility

Share Price

C\$2.00

Valuation

C\$4.00

Investment Highlights

Sangdong Mine Potentially Set to Become the World’s Largest Non-Chinese Tungsten Source:

Almonty’s flagship Sangdong Mine in South Korea is poised to transform the global tungsten landscape, with projected output exceeding 40% of non-China supply and 5% of global supply by 2027. In our view, Sangdong is not just Almonty’s crown jewel, but also a cornerstone asset for rebuilding Western tungsten supply chains, given its expected 90+ year mine life and strong by-product upside potential from molybdenum.

High-Grade Molybdenum Asset Adds Material Upside from Late 2026:

Located just below Sangdong’s skarn horizons, the AKM Molybdenum Project adds meaningful diversification. The project has a maiden inferred resource of 21.5 Mt @ 0.26% MoS₂ and is fully permitted within the existing Sangdong mining lease. A \$19/lb floor-price offtake agreement with SeAH M&S de-risks the development and ensures predictable cash flows. Production is targeted for late 2026/early 2027, with an anticipated 60-year mine life based on historical government data.

Strong and Visible Cash Flow Backed by Long-Term Contracts:

Almonty has secured a 15-year offtake agreement with a floor price of US\$235 per MTU, equating to approximately US\$580 million in guaranteed revenue over the contract life. This agreement, with no price cap, provides exceptional cash flow visibility and allows Almonty to benefit fully from market upside. The contract emphasizes the credibility of Sangdong as a reliable source of high-grade tungsten and reflects deep buyer confidence in Almonty’s long-term delivery capabilities and quality of asset.

Valuation:

Almonty Inc. presents a unique investment opportunity, offering exposure to a portfolio of high-grade tungsten and molybdenum assets with clear near-term production visibility. Key upcoming milestones, including the commencement of production at the Sangdong tungsten and molybdenum projects, downstream processing initiatives, and the Panasqueira expansion opportunity, are expected to potentially drive meaningful growth in revenues and profitability. Furthermore, the company operates in a low-risk, transparent jurisdiction and has secured long-term offtake agreements with global partners, providing additional stability and cash flow visibility. We have applied a Net Present Value (NPV) valuation using a Discounted Cash Flow (DCF) approach, incorporating expected production volumes, life-of-mine estimates, throughput capacities, ore grades, recovery rates, and commodity price forecasts. Using an 8% discount rate, we arrive at a valuation of C\$4.00 per share, contingent on successful execution by the company.

Company Description

Almonty Industries Inc. is a global leader in tungsten mining, with strategically positioned assets in geopolitically stable regions including South Korea, Portugal, and Spain. The company is set to become the largest tungsten producer outside China upon the commissioning of its flagship Sangdong Mine.

Resilient Tungsten and Molybdenum Outlook Driven by Structural Supply Shortages and Rising Strategic Demand: Tungsten and molybdenum markets are experiencing sustained upward pricing pressure due to structural supply constraints, geopolitical export restrictions, and robust industrial demand. Tungsten prices have rebounded strongly, with APT reaching near-decade highs. Similarly, molybdenum prices surged to historical peaks (\$40/lb in early 2023) due to critically low global inventories and supply disruptions. Given limited substitution possibilities, rising applications in defense, aerospace, infrastructure, and clean energy technologies, we believe these market dynamics could support elevated tungsten and molybdenum prices, benefiting producers like Almonty.

Critical Material Status, Export Bans, and NATO Mandates Drive Demand Shift: Tungsten has been designated a critical raw material by the U.S., EU, Australia, Canada, and South Korea due to its high economic importance and supply risk. The U.S. Department of Defense will ban Chinese, Russian, North Korean, and Iranian tungsten for military procurement starting in 2027, while the EU has extended anti-dumping tariffs on Chinese tungsten carbide. Almonty's Portuguese material is already commanding premiums of over 15% as Western buyers prioritize ESG-aligned sources. China's own export controls on tungsten and molybdenum, effective February 2025, further restrict global access. In our view, these developments create a powerful structural tailwind for Western-aligned producers like Almonty.

Robust Financing from State Banks and Strategic Partners De-risks Execution: Almonty has secured €75.1 million in project financing from Germany's KfW IPEX-Bank, with a 2.3% spread over LIBOR/SOFR, and a sovereign guarantee from Austria's OeKB. Plansee Group, a major tungsten consumer, has provided a US\$20 million cost overrun facility and a US\$9.8 million DRSA guarantee, demonstrating customer-level commitment. The company has achieved eight successful drawdowns to date, indicating strong execution and financial discipline. In our view, this level of institutional support is rare among peers and speaks to the strategic value of the project.

Proven Operational Track Record and Industry Trust Anchor the Business Model: Almonty has a 128-year history in tungsten mining and previously sold operations for 21x earnings during the 2007 supply squeeze. Its Panasqueira Mine in Portugal has been producing for over a century, while the Los Santos Mine is scheduled to restart in 2026. Management has consistently met all development milestones, raised AUD 18.45 million in 2024, and continues to co-invest alongside shareholders. We view this track record as a major differentiator, supporting the company's ability to win contracts, secure financing, and execute on scale.

Vertically Integrated, ESG-Aligned, and Ready to Scale: Almonty is building a vertically integrated tungsten operation, with material currently processed in Buffalo, NY, and plans to expand into Pennsylvania. The company adheres to high transparency and traceability standards—critical for defense, aerospace, and clean tech clients. With future nano-tungsten oxide production tied to battery and semiconductor applications, and strong ESG credentials, we believe Almonty is not only compliant but ahead of the curve in meeting customer and regulatory expectations.

Delaware Redomiciling Strengthens U.S. Market Access and Strategic Positioning: Almonty will complete its transition from Canada to Delaware, USA, in 2025, aligning with U.S. shareholders and positioning the company to benefit from federal critical mineral policies. With material already processed in Buffalo, NY, and additional plans for processing in Pennsylvania, this move cements Almonty's role as a Western strategic metals supplier. Given the increasing U.S. and NATO focus on securing domestic sources of tungsten, we believe the redomiciling significantly enhances long-term valuation and access to capital.

Company Overview

Almonty Industries Inc. is a global natural resources company primarily engaged in the acquisition, exploration, development, mining, and milling of tungsten ores and associated minerals. It specializes in acquiring and optimizing distressed and underperforming tungsten operations and assets. The Company strategically concentrates its operations within key markets of the Iberian Peninsula and South Korea, distinguished regions renowned for high-quality tungsten deposits and favorable mining jurisdictions. Almonty's principal business revolves around the extraction, processing, and shipment of tungsten concentrates from its mining assets, notably the Panasqueira tin and tungsten mine situated in Covilha, Castelo Branco, Portugal, and the Los Santos Mine located near Salamanca, Spain. Concurrently, the Company is progressing with the development of two strategically significant projects: the Sangdong Mine in Gangwon Province, South Korea, and the Valtreixal tin and tungsten project in the province of Zamora, Western Spain. We note that the Almonty Korea Tungsten deposit (Sangdong Mine) hosts one of the largest tungsten resources in the world.

Almonty Industries maintains a strategically diversified portfolio of tungsten mining operations and development projects across globally recognized mining regions

Asset Portfolio and Operational Status

Almonty's principal operations comprise two producing assets, one under construction, and one in the developmental stage:



Asset	Acquisition	Stage	Resource Estimates	Notes
Panasqueira Mine, Portugal	January 2016	Production	<p>Proven & Probable reserves (P&P): 3,056kt at a grade of 0.21% WO₃</p> <p>Measured & Indicated (M&I) resources: 11,855kt at 0.23% WO₃</p> <p>Inferred resources: 10,631kt at 0.24% WO₃</p>	Panasqueira has been in continuous operation since 1896, highlighting its longevity and economic significance in the region. Located roughly 260 km northeast of Lisbon, the mine is notable for its stable production of tungsten concentrate.
Sangdong Mine, South Korea	September 2015 (via Woulfe Mining Corp.)	Under Construction (Expected to be under production by Q3 2025)	<p>P&P: 7,896kt at a notable grade of 0.45% WO₃</p> <p>M&I: 8,029kt at 0.51% WO₃</p> <p>Inferred resources: 50,686kt at 0.43% WO₃</p>	Sangdong, historically recognized as one of the largest tungsten mines globally, offers a high-grade, long-life tungsten deposit uniquely positioned outside China, enhancing Almonty's competitive edge amid strategic geopolitical diversification.
Valtreixal Project, Spain	Between 2013 and 2016	Pre-Feasibility	<p>P&P: 2,577kt at 0.35% WO₃</p> <p>M&I: 2,833kt at 0.36% WO₃</p> <p>Inferred resources: 16,755kt at 0.18% WO₃</p>	Located in Zamora province, western Spain, Valtreixal's development would help Almonty increase its resource base and further strengthen its European asset portfolio.
Los Santos Tailings, Spain	September 2011	Care & Maintenance (since February 2020)	<p>P&P and M&I resources are both estimated at 3,767kt at a grade of 0.13% WO₃</p>	Operations were placed on care and maintenance to reassess processing strategies for tailings. Almonty anticipates resuming activity in 2026 following planned capital expenditures.

Exhibit 1: Almonty Industries' Asset Portfolio. Source: Investor Presentation, Diamond Equity Research

Almonty operates within a cyclical tungsten market, heavily influenced by global economic conditions and industrial demand fluctuations. Although the tungsten market is dominated by China, Almonty maintains its competitiveness through efficient operations, cost management, and strategic geographical positioning. Costs of production are influenced significantly by labor, power, and supply costs, as well as operational efficiency and the geological characteristics of its resource base. Strategically, Almonty differentiates itself through geographical diversification, notably owning high-grade assets like the Sangdong Mine in South Korea, which provides a critical competitive advantage given its scale, quality, and location outside China's predominant tungsten supply chain. In our view, Western consumers seeking secure tungsten supply chains are increasingly recognizing the strategic importance of non-Chinese producers like Almonty. Diversifying supply sources is essential for mitigating risks and ensuring long-term stability amid rising geopolitical tensions.

Corporate Structure

Almonty Industries Inc. is a corporation continued under the Canada Business Corporation Act (CBCA). Originally incorporated on September 28, 2009, in British Columbia as RCG Capital Inc., the Company underwent a significant transformation on September 23, 2011, when it completed its qualifying transaction by acquiring 7887523 Canada Inc. on a one-for-one basis and rebranding as Almonty Industries Inc. It subsequently continued to the CBCA on March 27, 2012. Today, its common shares trade on the Toronto Stock Exchange and Australian Securities Exchange under the symbol “All” and on the Frankfurt Stock Exchange under the symbol “ALI,” with its head and registered office located in Toronto, Ontario.

A series of strategic acquisitions has shaped Almonty’s diversified asset portfolio. The acquisition of Daytal Resources Spain, S.L. secured a 100% interest in the Los Santos tungsten project in Spain, while Valtreixal Resources Spain S.L., an indirect wholly-owned subsidiary, owns the Valtreixal tin and tungsten project. In 2014, the Company further expanded its portfolio by acquiring Wolfram Camp Mining Pty Ltd. and Tropical Metals Pty Ltd. to control the Wolfram Camp Mine in Australia, although these assets were later liquidated in fiscal 2023 following a decision to cease further refurbishment.

Further consolidation occurred with the acquisition of an 8% stake in Woulfe Mining Corp. in 2015, which ultimately led to 100% ownership of the company and control of the Sangdong tungsten mine project in South Korea. Shortly thereafter, in January 2016, Almonty acquired Beralt Ventures Inc., gaining full ownership of the Panasqueira tungsten mine in Portugal, an asset that has been in production since 1896.

In a significant corporate development in February 2025, Almonty announced that its shareholders have overwhelmingly approved the Company’s proposed continuance (US Domestication) from Canada to the State of Delaware, USA—a strategic decision driven by multiple key factors. The move aligns Almonty’s corporate structure with the United States’ robust regulatory framework for critical minerals, particularly tungsten and molybdenum, potentially simplifying future project development and financing. We believe that, given the substantial portion of Almonty’s shareholders located in the U.S., the domestication enhances the Company’s ability to meet investor expectations, comply with regulations, and access capital market opportunities. The relocation also proactively addresses growing geopolitical tensions and shifting global supply chain dynamics, reflecting governmental trends toward securing domestic sources for strategic minerals.

Business Model, Principal Markets, and Distribution Methods

Central to Almonty’s business model is the production of tungsten concentrate, which is measured in terms of tungsten trioxide content (WO_3). Tungsten(VI) oxide, also known as tungsten trioxide, is a chemical compound of oxygen and the transition metal tungsten, with the formula WO_3 . After the ore is mined, it undergoes crushing in a primary crusher, followed by a milling process that employs gravity separation techniques such as spiral banks and shaking tables. These methods concentrate the tungsten minerals into two main products:

- Primary Grade Product: Typically, 65% or greater WO_3 concentrate (often exceeding this threshold), which commands premium pricing in the market due to its higher purity.

- Secondary Grade Product: Ranging between 45% and 65% WO₃ concentrate, which can still be upgraded or blended to meet various customer specifications.

Almonty's primary tungsten concentrate markets include the United States, Western Europe, and Japan. These regions collectively represent a significant portion of global tungsten consumption, driven by high-tech manufacturing, aerospace, defense, and industrial tooling sectors. Currently, a considerable proportion of Almonty's revenue stems from sales to a major U.S.-based customer under long-term Supply Agreements. These contracts specify pricing mechanisms based on the content of WO₃ in each shipment and reference monthly average prices per metric ton unit (MTU) of ammonium paratungstate (APT) as published by the London Metal Bulletin. The operational logistics for Almonty's key sites, particularly Panasqueira, involve bagging concentrate into one-tonne bags stored onsite until shipments of 20 tonnes can be efficiently dispatched. These products are then shipped under CIF Incoterms 2010 agreements to customers primarily located in the United States and Japan.

Global Project Portfolio: Diversified Tungsten Operations Strategically Positioned in Stable, Conflict-Free Jurisdictions

Almonty Industries maintains a strategically diversified portfolio of tungsten mining operations and development projects across globally recognized mining regions, specifically the Iberian Peninsula and South Korea. These regions offer both geopolitical stability and favorable regulatory frameworks, essential factors in sustaining efficient and uninterrupted operations. Almonty's strategically assembled portfolio includes active mining assets, projects under construction, advanced-stage developments, and operations temporarily placed into care and maintenance. At present, Almonty operates the historic Panasqueira Mine in Portugal, one of the longest continuously producing tungsten mines globally. Complementing this production base, Almonty owns the Los Santos Mine in Spain, which has temporarily transitioned to care and maintenance status as it undergoes strategic infrastructure enhancements aimed at enabling the economically efficient processing of its extensive tailings inventory, with operations expected to resume in 2026. Further strengthening its global profile, Almonty is progressing with the construction and development of the Sangdong Mine in South Korea—once among the world's largest tungsten mines, and the Valtreixal tin-tungsten project in Spain, which offers the Company diversification through dual-commodity exposure.

These strategic assets are in jurisdictions that not only minimize geopolitical and operational risks but also provide Almonty with favorable regulatory frameworks for mining, attractive infrastructure, and established logistics routes to key global markets, notably the United States, Western Europe, and Japan. We view this geographical diversification as a strategic move that effectively mitigates regional risks and positions Almonty advantageously as a reliable, conflict-free source of tungsten concentrates—especially important considering evolving geopolitical conditions and the increasing global focus on securing supply chains for essential materials.

Almonty's strategic assets are situated in jurisdictions that minimize geopolitical and operational risks while providing favorable regulatory frameworks, robust infrastructure, and established logistics to key markets such as the United States, Western Europe, and Japan

Almonty Korea Tungsten Project (Sangdong Mine): A World-Class Asset with Strategic Significance and Substantial Global Tungsten Resource Potential

The Almonty Korea Tungsten Project, commonly known as the Sangdong Mine, is one of Almonty Industries' most significant and strategically important assets, recognized as one of the largest tungsten deposits globally. Historically, this mine was a dominant producer, accounting for a significant share of the world's tungsten supply (ex-China output). Given its strategic location, abundant resources, and competitive operational economics, Sangdong is positioned to once again play a pivotal role in global tungsten markets.

Located approximately 170 kilometers southeast of Seoul, near the village of Sangdong and the city of Taebaek in South Korea's Gangwon Province, the Sangdong Mine is strategically situated within a historically active mining district. Despite moderately rugged terrain, the project benefits from excellent regional infrastructure, including well-maintained roads, electricity supply, ample water resources, and a nearby population center that supports logistical and staffing requirements.

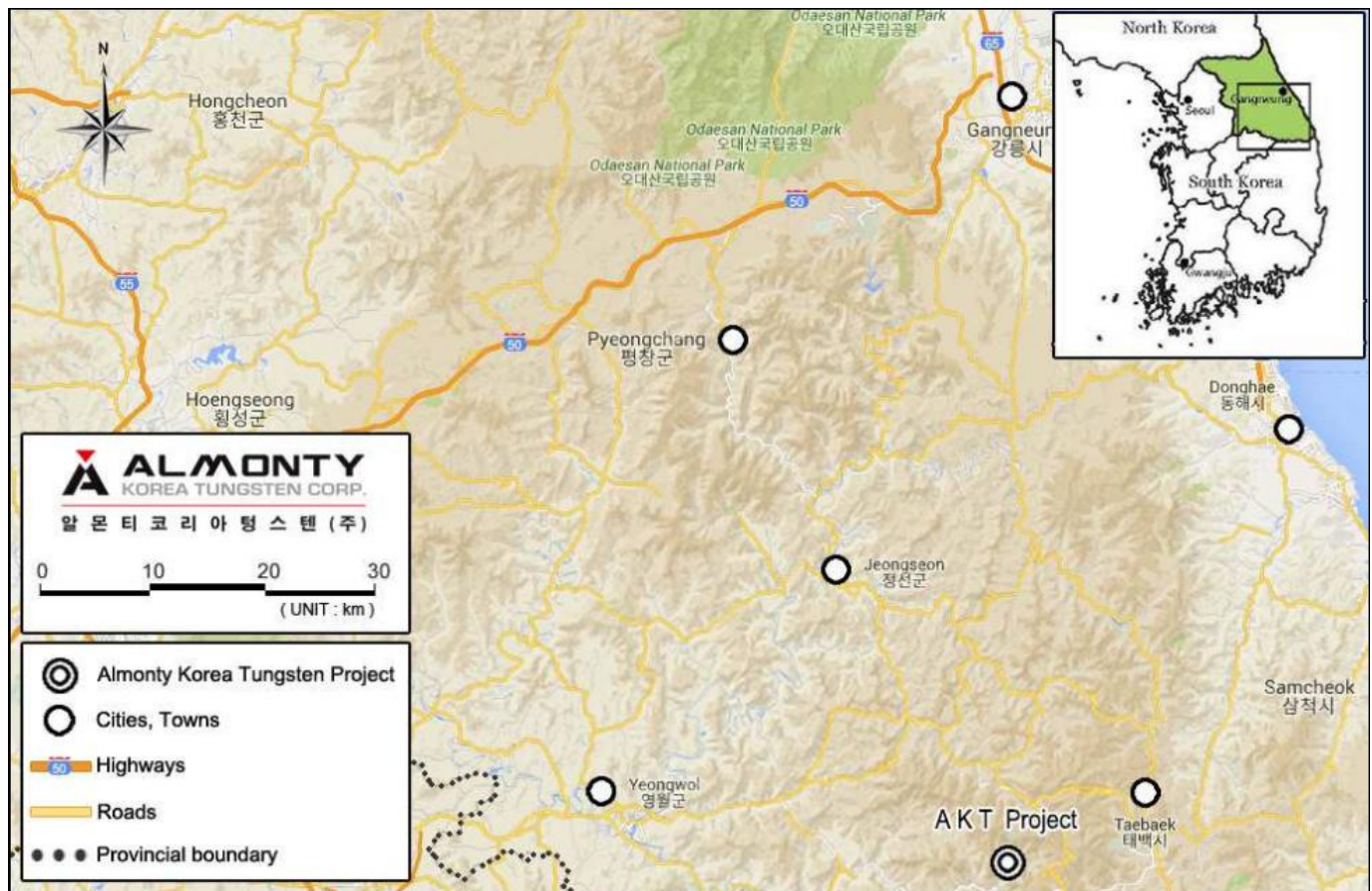


Exhibit 2: Sangdong Mine Location Map. Source: Sangdong Project Technical Report

Historical Context and Strategic Importance

From the 1950s to the early 1990s, the Sangdong Mine served as South Korea's economic engine, generating more than 50% of the country's export revenues during the post-Korean War reconstruction era. Operated by Korea Tungsten Co., Sangdong was one of the world's top tungsten producers, significantly contributing to

South Korea's emergence as a global manufacturing powerhouse. However, as global tungsten prices declined in the early 1990s, operations ceased, leading to a prolonged period of dormancy for South Korea's mining sector.

In 2006, the Sangdong property was acquired by Woulfe Mining Corp., later becoming a wholly owned subsidiary of Almonty Industries. In our view, Almonty's strategic acquisition was timely and prudent, positioning it to leverage rising tungsten prices and evolving geopolitical trends favoring supply chain security. South Korea's stable political and economic environment further enhances the project's appeal, offering competitive labor costs, low taxation, and zero royalties—significant advantages compared to most Western mining jurisdictions.

The Sangdong property encompasses 12 mining rights covering approximately 3,173 hectares, fully owned by Almonty Korea Tungsten, itself a subsidiary of Almonty Industries. The mine benefits significantly from existing infrastructure, notably a robust road network, nearby power transmission lines, adequate water supply from local groundwater and rivers, and proximity to the local workforce in Sangdong village and the larger city of Taebaek.

The climate supports year-round operations, with mild summers and manageable winter conditions. Despite snowfalls of up to one meter during winter months, infrastructure is well adapted, and mining operations can continue uninterrupted year-round.

The Almonty Korea Tungsten Project (Sangdong Mine) is one of Almonty Industries' most important assets and among the world's largest tungsten deposits. It is well-supported by existing infrastructure, including roads, power lines, water sources, and access to local labor in Sangdong

Geological Setting

The Sangdong Mine is geologically positioned on the southern limb of the regional Baegunsan Syncline within the Okcheon mobile belt. Mineralization at Sangdong is characterized by extensive skarn-hosted tungsten deposits within altered calcareous sediments of the Myobong Slate Formation. The mine's geological structure and continuity are robust, with ore zones striking east-west and dipping moderately northward, providing favorable mining geometries for efficient underground extraction. The deposit comprises several distinct mineralized skarn horizons:

- **Hanging-wall Zone (HW):** 10-30 meters thick; occasionally extending up to 100 meters, lying at the contact between Myobong Slate and the Pungchon Limestone Formation.
- **Main Zone (MZ):** Historically mined, approximately 4-6 meters thick, with excellent continuity and grade consistency.
- **Footwall Zones (FW1, FW2, FW3):** Multiple mineralized skarn horizons, with FW2 being particularly significant, averaging around 5 meters thick.

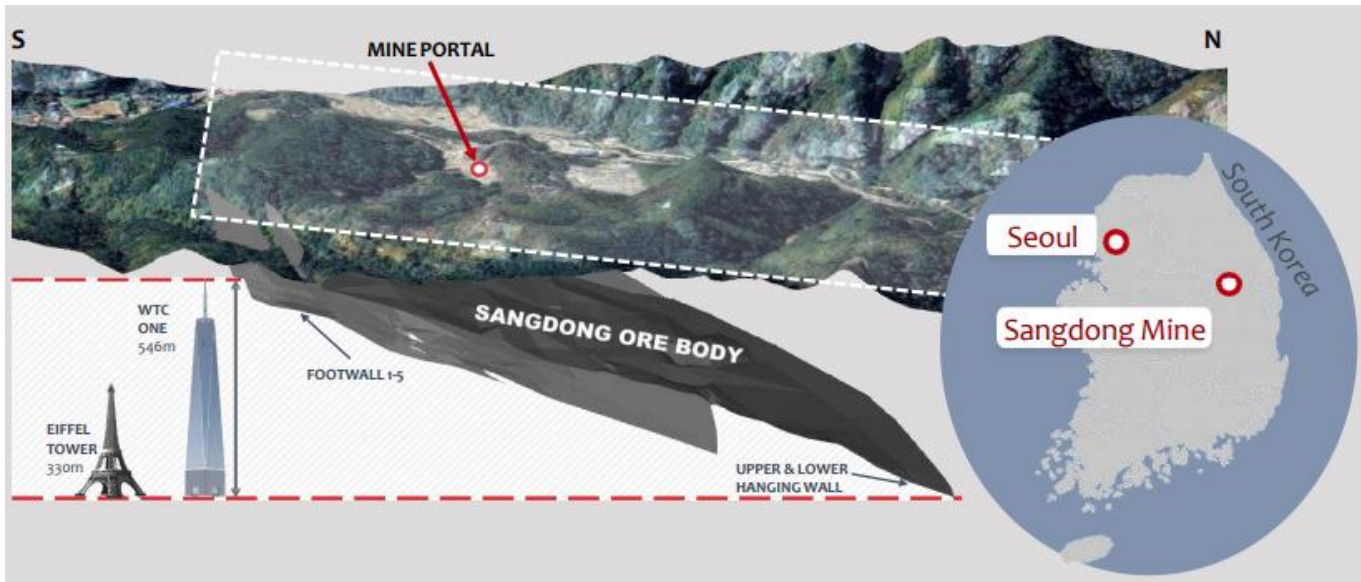


Exhibit 3: Sangdong Mine Geological Cross-section. Source: Investor Presentation

Sangdong Tungsten Mine Mineralization and Resource Estimation

The Sangdong deposit primarily contains scheelite (CaWO_4), which accounts for over 95% of tungsten mineralization, accompanied by minor wolframite and subsidiary molybdenite. The mineralized skarn zones demonstrate strong zonation, with highest-grade tungsten mineralization ($>3\% \text{WO}_3$) concentrated in the central quartz-mica alteration zones, decreasing outward to amphibole (1-1.5% WO_3) and pyroxene-garnet zones ($\sim 0.3\% \text{WO}_3$). We note that these grades are among the highest in the world—over three times greater than both China's and the global average.

Resource estimation methods have employed rigorous NI 43-101 compliant methodologies, incorporating comprehensive data from historical and recent drilling campaigns (surface and underground). The total drillhole database comprises approximately 1,377 holes (126,744 meters drilled). Advanced modeling techniques, including 3D block modeling and ordinary kriging, have been utilized to establish an accurate mineral resource estimate.

Based on Almonty's latest public filings, Sangdong Mine hosts substantial reserves and resources, summarized as follows:

Deposit Summary	Tonnage	WO_3 Grade	Contained Metal
Proven and Probable Reserves (P&P)	7.9 million tonnes	0.45%	~36 kt
Measured & Indicated (M&I) Resources	8.0 million tonnes	0.51%	~41 kt
Inferred Resources	50.7 million tonnes	0.43%	~218 kt

Exhibit 4: Sangdong Tungsten Mine Deposit Summary. Data Source: Company Filings

Sangdong Mine Development: Phased Expansion, Infrastructure Upgrades, and Long-Term Supply Security

A key advantage of the Sangdong Mine is Almonty's detailed and methodical approach to project development. Following its acquisition of the asset, Almonty has methodically advanced technical studies, culminating in a comprehensive Feasibility Study completed by Adam Wheeler and Andrew Wells (Saint Barbara LLP) in January 2016. This study confirmed the economic viability and technical robustness of the Sangdong project, laying the groundwork for its reactivation and subsequent expansion.

The mine's strategic importance is further underscored by Almonty's systematic planning of infrastructure upgrades. Planned developments include deepening and enhancing the existing underground mining infrastructure, such as upgraded drainage and ventilation systems, robust surface support, and modern environmental management facilities. Notably, the use of existing infrastructure—including refurbished access portals, significantly reduces upfront capital expenditure and accelerates the project's timeline.

The Sangdong Mine is advancing through a well-structured, fully permitted development timeline, with construction already well underway and completion targeted for mid-2025. The project has successfully passed all key progress milestones, with every drawdown under the financing agreement approved by KfW IPEX-Bank, reflecting a high level of confidence in the project's execution. The following are the current development milestones at the Sangdong Mine:

- **Long-Lead Equipment Delivery:** All essential long-lead-time processing equipment from Metso Outotec in Europe has been delivered to South Korea, ensuring a seamless installation and commissioning process.
- **Construction Progress:** The project is fully permitted, and construction is well advanced, with completion of Phase 1 expected in mid-2025.
- **Initial Production Volume:** The mine is expected to process 450,000 tonnes of ore at 0.44% WO₃ during its first production year.

We note that the Sangdong Mine is progressing on a well-structured, fully permitted timeline, with construction underway and completion expected by mid-2025. All key milestones have been met, and each financing drawdown has been approved by KfW IPEX-Bank



Exhibit 5: Sangdong Tungsten Mine Construction Impression as of February 2025. Source: Investor Presentation

The mine is designed to allow for rapid expansion soon after production commences. With a robust mineral resource base, Sangdong has the potential to double throughput within 1–2 years after production begins. The expansion strategy will be executed in a phased manner to systematically ramp up production capacity:

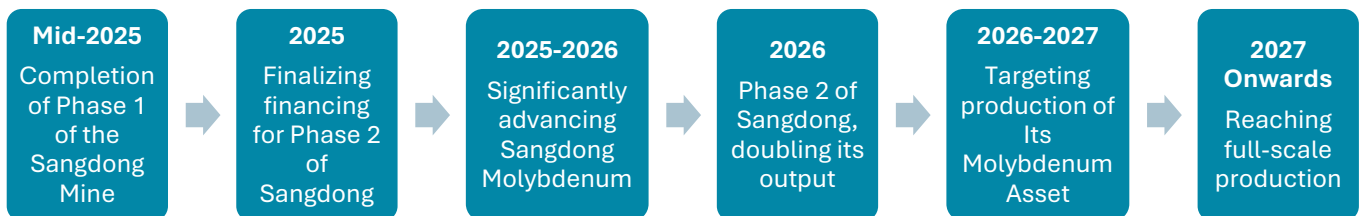


Exhibit 6: Sangdong Tungsten Mine Expansion. Source: Diamond Equity Research, Company Filings

One of Sangdong's defining strengths is its exceptional resource longevity. While the NI43 has a 13-year life of mine (LOM), internal studies show potential excavation for over 90 years, ensuring a long-term, stable supply of high-quality tungsten concentrate. This makes it a foundational asset for the Western world's critical materials supply chain. Such an extensive mine life provides supply security across multiple generations, positioning Almonty as a key player in the global tungsten market. In our analysis, Almonty's phased development strategy at Sangdong mitigates both execution risk and financial exposure, ensuring that capital expenditures are judiciously allocated, while progressively unlocking the mine's substantial value.

Sangdong Mine's Cost Leadership and Secured Revenue Stream Strengthen Its Competitive Position

The Sangdong Mine is uniquely positioned as one of the most cost-competitive tungsten projects globally, with a secured revenue stream that significantly de-risks its financial profile. The combination of a long-term offtake agreement, ultra-low production costs, and financial backing from key industry players reinforces its importance within the global tungsten supply chain.

A key factor ensuring the mine's financial stability is the 15-year offtake agreement with Global Tungsten & Powders LLC (A Plansee Group company), which guarantees an unprecedented floor price of US\$235/MTU, providing downside protection while allowing for full exposure to price increases, as there is no upside cap. Another critical advantage of Sangdong is its ultra-low production cost of just US\$110/MTU, placing it firmly in the lowest quartile of global tungsten production costs. This is approximately half the average cost of Chinese state-owned enterprises (SOEs), which currently dominate global tungsten supply. Sangdong's cost efficiency stems from multiple factors, including South Korea's lower labor and material costs, optimized processing infrastructure using Metso Outotec equipment, and high-grade ore (0.44% WO₃ in Year 1), which enhances processing efficiency. With Chinese production costs rising due to increased environmental and regulatory requirements, Sangdong's cost advantage positions it as an economically sustainable supplier in a rapidly evolving market.

We note that a 15-year offtake agreement with Plansee Group provides downside protection with a US\$235/MTU floor price and no cap on upside, highlighting strong confidence in Almonty's long-term production

To further ensure financial and operational stability, Plansee Group, one of the world's largest tungsten consumers, has directly invested in Sangdong's development. Plansee has provided a US\$20 million cost overrun facility, guaranteeing the project's completion even in the event of unforeseen capital requirements. Additionally, Plansee has offered a US\$9.8 million guarantee for the Debt Reserve Service Account (DRSA), reinforcing Sangdong's financial resilience. We view the involvement of such a major tungsten end-user as a reflection of strong industry confidence in Almonty's ability to consistently deliver high-quality tungsten concentrate.

Beyond its low production costs and strong financial backing, Sangdong also benefits from premium product pricing. Almonty's planned tungsten oxide (TO) plant will process Sangdong concentrate into nano-grade products for use in EV battery anodes and cathodes, hydrogen electrodes, and semiconductor applications—a high-value product that sells at a 10% premium over standard MTU pricing. This additional revenue stream enhances Sangdong's financial outlook, allowing Almonty to achieve higher margins than traditional tungsten concentrate producers. With increasing global demand for advanced tungsten products in aerospace, electronics, and defense applications, this premium pricing further strengthens Sangdong's competitive position.

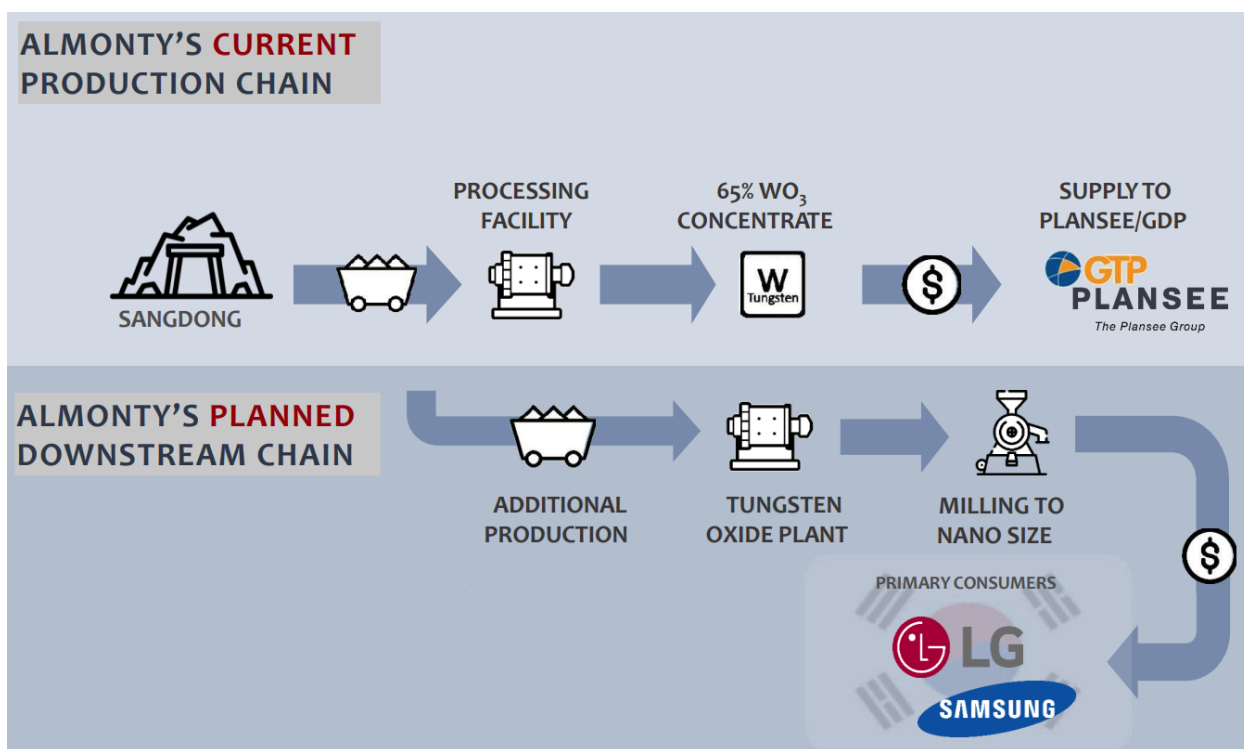


Exhibit 7: Almonty's Current and Planned Downstream Chain. Source: Investor Presentation

The table below outlines the key financial and operational metrics for each phase, highlighting Sangdong's increasing production scale, strong recovery rates, and growing revenue projections.

Project Summary	Phase I (financed and in construction)	Phase II	Tungsten Oxide (TO) Plant
Expected Start of Production	2025	2026/2027	2027/2028
WO ₃ Production	~230,000 mtu	~460,000 mtu	4000 tons p.a. Capacity
Recovery	85%	85%	97%
Expected Revenue p.a. (in \$ mm)	~\$68 million	~\$142 million	\$173 million
Expected initial Capex	~\$125 million	~\$17 million	~\$71 million

Exhibit 8: Sangdong Mine Project Economics. Source: Diamond Equity Research, Company Filings

From our perspective, Sangdong represents an exceptionally well-structured, financially secure, and cost-advantaged asset. The combination of locked-in revenue, low-cost production, financial de-risking, and premium pricing potential gives Almonty a competitive edge over other tungsten projects worldwide. The geopolitical stability of South Korea offers considerable strategic value. As industries increasingly seek secure, ethical, and conflict-free mineral supplies, the Sangdong Mine's location and history as a major tungsten supplier uniquely position it to capitalize on this growing trend. As Western economies continue to

prioritize supply chain resilience for critical materials, Sangdong's strategic importance will potentially grow further, cementing its role as a key player in the future of the global tungsten market.

Beyond its world-class tungsten deposits, the Sangdong Mine holds another valuable asset that has remained largely under the radar—molybdenum. Often overshadowed by tungsten, molybdenum plays a crucial role in high-strength steel alloys, aerospace components, and advanced industrial applications. With the growing global demand for this critical metal, Almonty is well-positioned to unlock additional value from Sangdong's molybdenum reserves. The planned expansion of the mine includes the development of a molybdenum production circuit, further diversifying its revenue streams and reinforcing its long-term strategic importance.

Unlocking Hidden Value: The Molybdenum Potential at Sangdong

While Sangdong is globally recognized for its exceptional tungsten reserves, a second high-impact opportunity lies beneath its skarn horizons—molybdenum, a metal critical to both traditional industry and emerging green technologies. Almonty's Korea Moly (AKM) Project, situated on the same permitted mining lease as the Sangdong tungsten mine, represents a distinct and strategic asset with the potential to significantly enhance shareholder value. Known as the Deep Moly Deposit, this molybdenum zone is hosted in a subvertical quartz-molybdenite vein stockwork located in the Jangsan Quartzite, approximately 150 meters below the WO_3 deposit, and up to 400 meters thick vertically. The deposit is hydrothermal in origin, with two clear stages of mineral deposition. Structurally, the orebody is intersected by steep reverse and normal faults, adding complexity but also indicating potential for resource expansion. The mineralogy includes scheelite, molybdenite, bismuthinite, and other accessory minerals. The alteration is classic for a skarn-hosted deposit, with clear zonation from quartz-mica cores to amphibole and pyroxene-garnet peripheries.

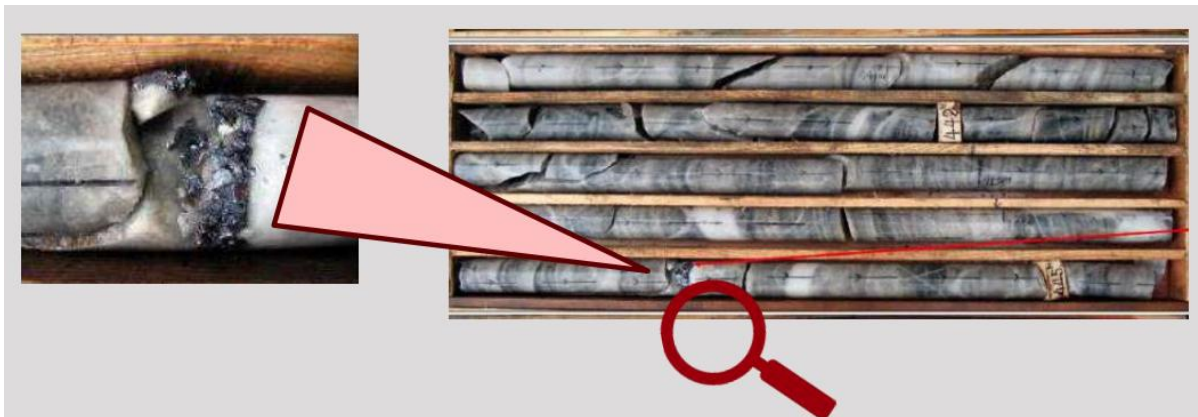


Exhibit 9: Japan Quartzite Hosts a Discernible Quartz -molybdenite Vein Stockwork, Showcasing Visible Mineralization.
Source: Investor Presentation

Originally identified by Korea Tungsten Mining Corporation (KTMC) in the 1980s, this structure has since been confirmed through subsequent drilling and resource modeling. It is geologically distinct from the tungsten orebody but potentially linked in origin, with some Almonty geologists suggesting that the molybdenum-bearing fluids may have acted as the mineralizing engine that enriched the overlying skarns. The Deep Moly zone is not included in any of the NI 43-101 tungsten resource estimates for Sangdong, reinforcing its status as an untapped, standalone opportunity.

Almonty declared a [maiden inferred resource](#) of 21.48 million tonnes at 0.26% MoS₂, containing 55,800 tonnes of MoS₂, based on a 0.19% cut-off grade. The molybdenum grade is among the highest reported in Southeast Asia and sits well above the global average for both primary molybdenum and by-product operations. Historical estimates by KTMC had even pointed to "prospective ore reserves" of up to 16.3Mt at 0.40% MoS₂ and a broader global resource of 120Mt at 0.13% MoS₂—figures that will require further drilling to validate under modern resource estimation standards.

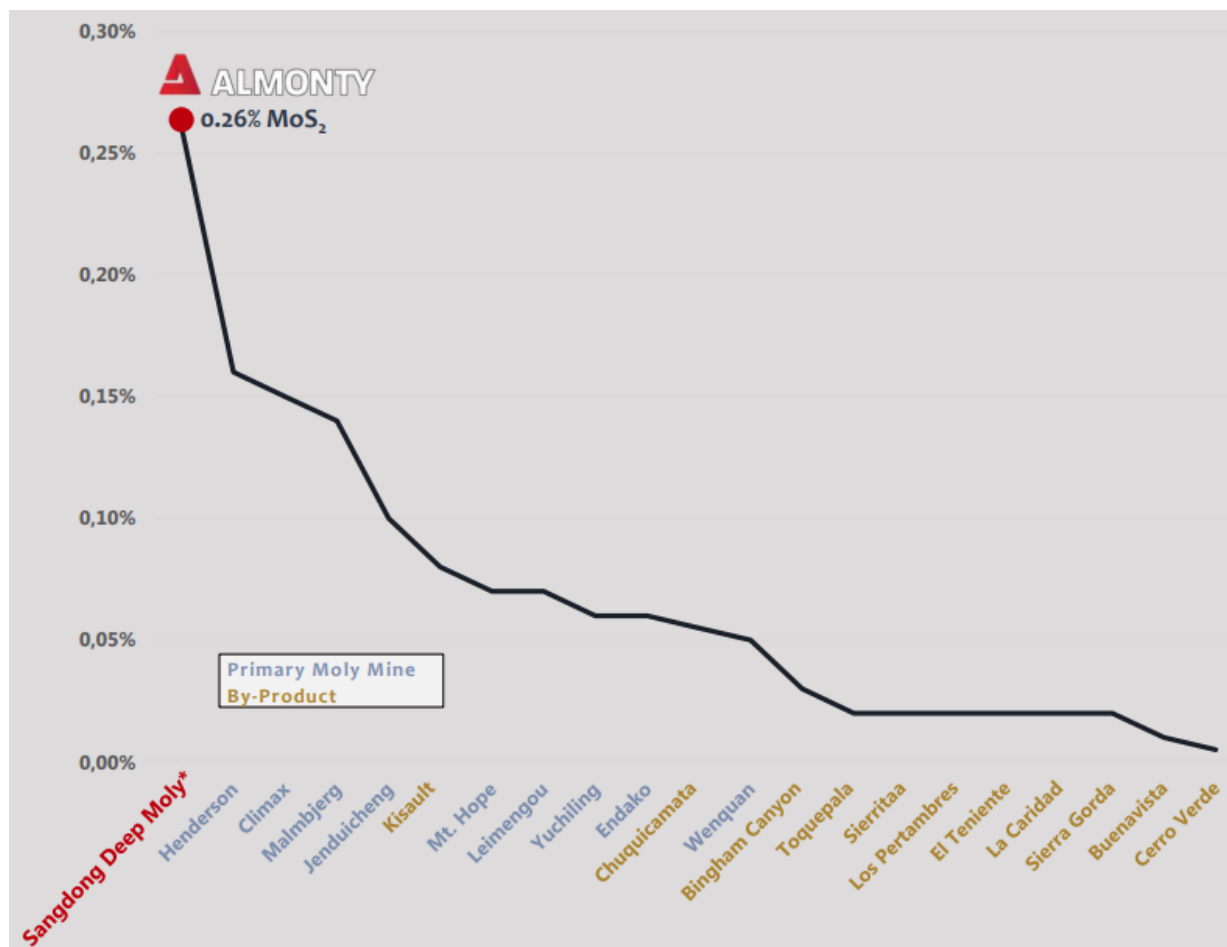


Exhibit 10: Peer-Group Comparison of Resource/Reserves Grades (% Mo). Source: Investor Presentation

In our view, the current resource is only scratching the surface. The orebody remains open to the northeast and northwest, and exploration drilling in the early stages of WO₃ production at Sangdong will focus on confirming the scale, geometry, and potential source of this molybdenum stockwork. More than 37 historical and recent drillholes support the Block Model developed by KTMC and OTL, but additional definition drilling is planned to support a 10-year molybdenum mine plan.

Offtake Agreement Offers Significant Downside Protection

Almonty has already secured a major offtake agreement with SeAH M&S, South Korea's largest molybdenum processor and the world's second-largest moly oxide smelter. The deal includes the purchase of 100% of Sangdong's molybdenum output at a firm floor price of US\$19.00/lb, offering significant downside protection. With current prices at approximately US\$22.00/lb, this agreement not only stabilizes future revenue but

reflects SeAH’s confidence in Sangdong’s potential to become a domestic cornerstone of molybdenum supply.

The Almonty’s Korea Moly (AKM) Project is of strategic national importance. South Korea remains heavily dependent on molybdenum imports, most of which come from China. The Sangdong Moly Project can materially reduce this reliance, reinforcing domestic supply chains critical to the country’s steel, aerospace, and defense sectors. Notably, SeAH is also constructing a US\$110 million metals processing facility in Texas, aimed at serving clients like SpaceX and the U.S. defense sector—creating potential export synergies for Sangdong’s molybdenum in the North American market.

Leveraging Synergies for Superior Development and Cost Efficiency

One of the most compelling aspects of the AKM Project is its integration potential with the existing Sangdong tungsten infrastructure. Since the molybdenum zone sits within the same permitted mining lease as the main Sangdong project, development can proceed with minimal additional permitting. The proximity of the orebody enables shared use of roads, power supply, ventilation systems, and underground access, significantly reducing capital intensity.

Moreover, the development of a molybdenum production circuit would leverage existing processing infrastructure, offering cost synergies and scalability. Almonty is currently finalizing a mine plan and evaluating financing options, with first production targeted by late 2026 or early 2027. Based on historical Korean government data, the project has an anticipated life of mine of up to 60 years, making it a long-term strategic asset in Almonty’s portfolio.

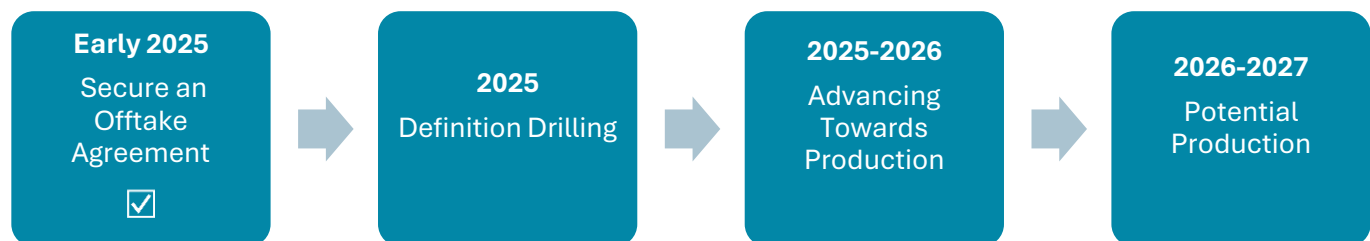


Exhibit 11: Sangdong Molybdenum Project Development Timeline. Source: Diamond Equity Research

In our view, the molybdenum opportunity at Sangdong is a value multiplier. It not only enhances the project’s overall economic profile but also strengthens its strategic significance in global critical mineral supply chains. With high-grade resources, strong offtake backing, and substantial development synergies, the AKM Project is uniquely positioned to create incremental value with relatively low incremental capital.

As Western economies and their allies intensify efforts to secure supplies of critical materials like molybdenum, the Sangdong moly zone could emerge as a cornerstone asset, potentially delivering both shareholder returns and national economic benefits over the long term.

Panasqueira Mine: A Proven, Historic Tungsten Operation with Significant Future Potential

In January 2016, Almonty Industries acquired a 100% ownership interest in Beralt Ventures Inc. from Sojitz Tungsten Resources, Inc. Through this strategic transaction, Almonty gained control of the Panasqueira Mine, cementing its position as a major global tungsten producer. As part of its acquisition process, Almonty undertook comprehensive due diligence, analyzing historical drilling and exploration data. This culminated in a National Instrument 43-101 (NI 43-101) compliant [technical report](#) published in December 2016.



Exhibit 12: Almonty's Panasqueira Mine, Portugal. Source: Investor Presentation

The Panasqueira Mine, located near Covilhã in Portugal's Castelo Branco district, stands out as one of the longest continually operating underground tungsten mines globally, boasting an operational history of more than 139 years. First commencing production in 1886, the mine has operated almost without interruption, except for a brief hiatus at the end of World War II. Today, Panasqueira remains a cornerstone asset within Almonty Industries' diversified tungsten portfolio, providing a stable and historically proven production base. With over 107,000 tons of WO_3 produced, the mine has established itself as the second-largest global tungsten producer. Its operational continuity is further supported by an exploitation permit that is valid until 2052, with the possibility of an extension for an additional 30 years, ensuring long-term production stability. Additionally, shipments from Panasqueira command a premium of over 15% compared to Chinese sources, supported by both tightening supply from a transparent, reliable source and the mine's superior concentrate quality. Unlike the typical 65% WO_3 grade, Panasqueira consistently produces a clean, low-contamination concentrate averaging around 74%, justifying the higher pricing.

Panasqueira Tungsten Mine Resource and Reserve Summary

Based on Almonty's latest public filings, Panasqueira hosts substantial reserves and resources, summarized as follows:

Deposit Summary	Tonnage	WO ₃ Grade	Contained Metal
Proven and Probable Reserves (P&P)	3.05 million tonnes	0.21%	~6.4 kt
Measured & Indicated (M&I) Resources	11.85 million tonnes	0.23%	~27.3 kt
Inferred Resources	10.63 million tonnes	0.24%	~25.5 kt

Exhibit 13: Panasqueira Tungsten Mine Deposit Summary. Data Source: Company Filings

We note that the total reserves and resources (including P&P, M&I, and inferred resources) at Panasqueira amount to approximately 22.5 million tonnes, positioning the mine as a long-term, strategic source of tungsten concentrate for Almonty Industries.

Geology and Deposit Characteristics

The Panasqueira Mine is an underground polymetallic wolframite deposit, in contrast to the skarn-type scheelite deposits such as Almonty's Los Santos Mine. Tungsten recovery rates at wolframite deposits such as Panasqueira are generally higher compared to scheelite deposits. We note that Panasqueira exhibits consistently high tungsten recovery rates of around 80%, among the highest in the tungsten mining industry.



Exhibit 14: Panasqueira Tungsten Mine Deposit Summary. Source: Company Filings

Geologically, the Panasqueira Mine contains sub-vertical quartz veins hosting wolframite mineralization. Mineralized veins are typically located close to granite contacts or within granitic intrusions. The mineralized zones span dimensions of roughly 2,500 meters in length, between 400 to 2,200 meters in width, and extend at least 500 meters vertically. The primary mineralization occurs in quartz veins, often with wolframite

situated along vein margins or sometimes closer to the vein center. We note that the deposit is known to be polymetallic, containing economically recoverable by-product minerals, including copper and tin.

Mining Operations and Infrastructure

Panasqueira employs mechanized room-and-pillar underground mining methods facilitated by very competent host rock conditions, requiring minimal underground rock support structures. Ore blocks are systematically laid out within a defined mine grid and extracted through carefully planned stopes aligned both horizontally and vertically. Historically evolved from manual to modern mechanized techniques, the mining operations today primarily use a uniform 11m by 11m room-and-pillar system. The mine's two main haulage levels (Level 2 at 560 meters RL and Level 3 at 470 meters RL) facilitate efficient ore movement from the stopes through vertical raises to the main haulage rails, and then onwards to the processing plant. We note that Almonty has identified the L4 extension as a significant growth opportunity, which will allow access to deeper, richer vein zones and to transfer most of the production from the upper levels lower-grade zones to the richer, deeper zones.

Currently, mined ore grades are trending positively, as higher-grade stopes have been prioritized in recent years, resulting in improved by-product yields of copper and tin, enhancing the mine's overall cash flow profile. We note that Almonty's revised mining plan, introduced post-acquisition, has significantly improved mined ore grades. Going forward, grades are expected to trend towards the long-term average of 0.185% WO₃, benefiting operational economics and cash flow.

Mineral Processing and Metallurgical Operations

At Panasqueira, mined ore undergoes underground primary crushing (100mm size reduction), followed by gravity separation methods, predominantly using Heavy Media Separation (HMS). Approximately 80% of run-of-mine ore passes through the HMS plant, with fines processed separately via sand and slime-shaking tables. Reject materials from HMS are either discarded to waste dumps or sold externally as gravel.

Concentrates from HMS undergo additional processing, including fine crushing and screening, followed by gravity concentration on shaking tables. Pre-concentrates are produced, containing wolframite and other dense minerals such as cassiterite and sulphides. Subsequent screening and magnetic separation stages produce a high-grade wolframite concentrate averaging over 75% WO₃, while non-magnetic fractions containing cassiterite advance to the tin circuit. This sophisticated metallurgical circuit underpins Panasqueira's consistently high recovery rates, which average approximately 81%.

Panasqueira achieves an average recovery rate of ~81% through a sophisticated circuit involving gravity, magnetic separation, and screening, producing high-grade wolframite

Tailings Management and Expansion Project

Recognizing the importance of responsible tailings management, Almonty completed construction of Panasqueira's second tailings dam in September 2019. Phase one of this tailings dam is fully operational, providing additional tailings storage capacity for six years at current mining rates of 800,000 tonnes per annum. The new tailings dam adheres strictly to environmental and safety standards mandated by Portuguese and European Union regulations. With pumping and piping systems fully integrated, the dam became operational in fiscal 2020.

The tailings management project has been planned in three distinct phases:

- Phase 1 (Completed): 6 years of tailings storage capacity.
- Phase 2 (Future Expansion): Additional 4 years via a 10-meter retaining wall extension.
- Phase 3 (Planned): Further expansion providing an additional 10-year capacity.

Once all phases are complete, Panasqueira will have secured approximately 20 additional years of tailings storage, substantially extending mine life and operational continuity.

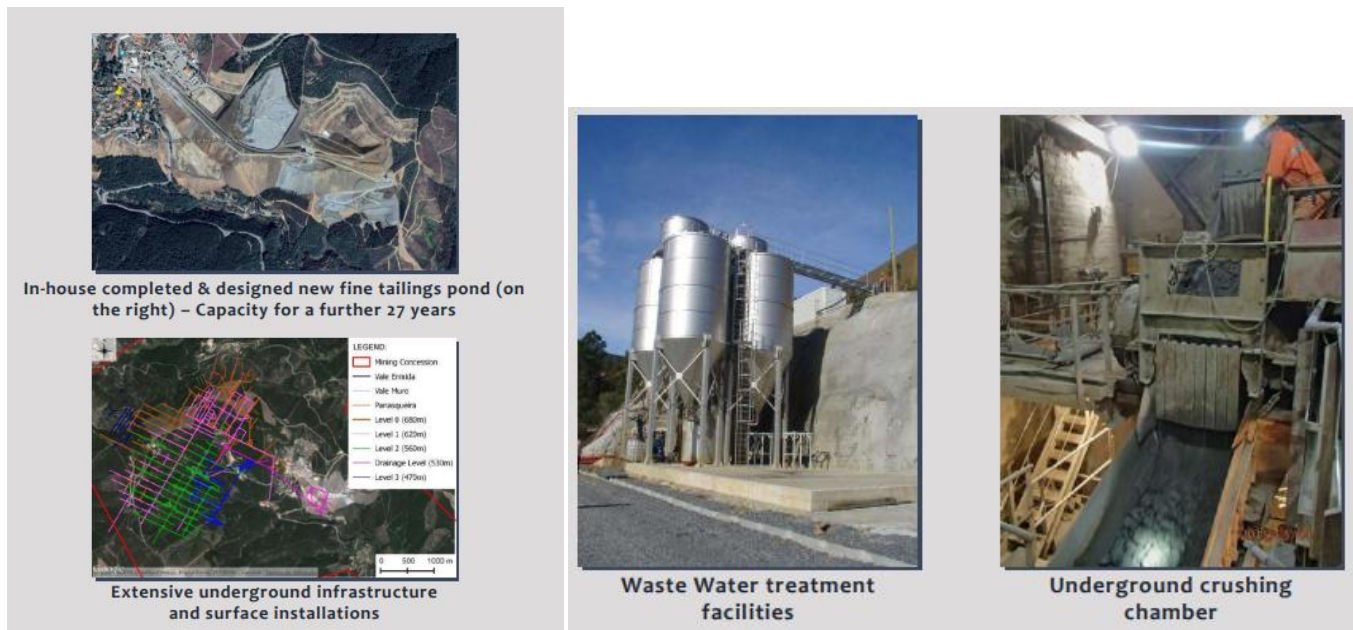


Exhibit 15: Panasqueira Tungsten Mine Tailings Management and Expansion Project. Source: Investor Presentation

L4 Extension: A Significant Growth Opportunity with High Upside Potential

Almonty has identified the L4 extension as a significant growth opportunity with substantial upside potential. The recently completed scoping study indicates the L4 extension is economically viable, with construction on access ramps initiated in early 2024. This new underground development requires limited additional infrastructure investment, leveraging existing surface facilities while focusing primarily on underground infrastructure development.

The actual resource map of L4 shows the veining system extending extensively in L4

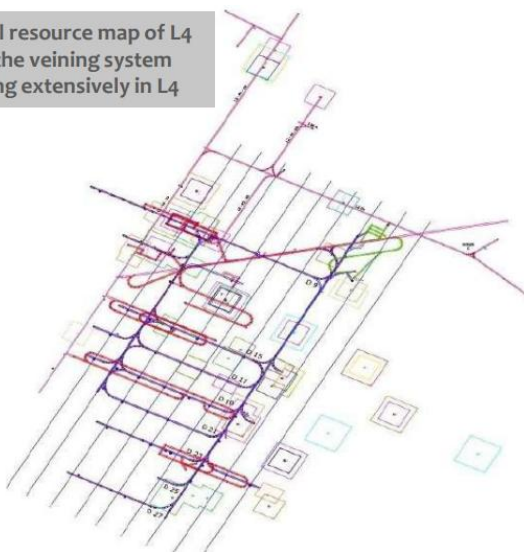


Exhibit 16: L4 Resource Map. Source: Investor Presentation

The L4 extension project targets new, deeper, and richer vein zones, enabling the mine to shift much of its production from lower-grade upper levels (currently approximately 0.13% WO₃) to significantly higher-grade zones at depth. By prioritizing the highest-grade stopes, Almonty anticipates mining grades to average around 0.20% WO₃, significantly improving production economics. We note that, once fully operational, the L4 extension is expected to almost double current WO₃ concentrate production to approximately 124,000 MTUs per year, extending the mine’s productive life by more than 20 years.

	2025F	2027F (after extension)	% Increase
ROM/y	580,000	800,000	+38%
Average Grade	0.125%	0.20%	+60%
Rec Metal (MTU WO₃)	56,000	124,000	+105%
Revenue (in \$mm)	15.9	39.5	+148%
EBITDA Margin	12%	43.5%	+158%

Exhibit 17: Panasqueira Mine Economics After Extension. Data Source: Company Filings

In addition, we note that [recent studies](#) suggest promising potential for additional economic recovery of by-product metals from slime dams, particularly tin, copper, and additional tungsten. Such multi-metal recovery further enhances Panasqueira's future profitability prospects.

Future Outlook and Strategic Significance

Maintaining steady production from the Panasqueira Mine remains pivotal for Almonty. The strategic decision to access deeper mining levels (L4) is designed to ensure long-term sustainability and robust operational cash flow. With higher grades anticipated from deeper ore zones, Almonty expects improvements in operating margins, production throughput, and mine-life longevity. These enhancements, coupled with responsible tailings management and advanced metallurgical processing initiatives, significantly strengthen the mine’s

economic profile. We believe that, given Panasqueira's proven resource base, consistent production track record, strategic expansion potential through the L4 project, and ability to economically recover valuable by-products, the mine remains an essential asset within Almonty's diversified global tungsten portfolio.

Valtreixal Project: A High-Quality Tin-Tungsten Asset in Development

Almonty Industries' Valtreixal Project, located in northwestern Spain, represents a valuable near-term development opportunity with the potential to become the Company's third producing asset in Europe. Almonty acquired the Valtreixal Project from SIEMCALSA, the same group that was instrumental in the historical development of the Los Santos Mine. The acquisition brings continuity in geological knowledge and regional expertise. Almonty now holds 100% ownership of the Valtreixal Sn-WO₃ deposit, further strengthening its foothold in the Iberian Peninsula—one of Europe's most established tungsten mining regions.



Exhibit 18: Almonty's Valtreixal Property in Spain. Source: Press Release

Approximately 250 kilometers from the Los Santos Mine and 185 kilometers from Salamanca, Valtreixal is strategically positioned to benefit from proximity-based synergies, and infrastructure overlap with existing operations. Following a successful reclassification of land use by the Municipality of Pedralba de la Pradería in 2020, the site has now been approved for extractive activities. This reclassification paved the way for Almonty to advance the permitting process and develop a final open-pit mine plan for the site.

Comprehensive Geological Profile Reveals Polymetallic System with High-grade Tungsten and Tin Deposits

The deposit hosts a polymetallic system containing both tungsten and tin mineralization. The orebody is well-defined and consists of shallow, near-surface mineralization, making it well-suited for open-pit mining. These grades compare favorably with many global peer projects, particularly given the tin by-product, which adds an additional revenue stream and improves project economics.

As of the October 2015 NI 43-101 compliant technical report, the Valtreixal deposit contains:

Deposit Summary	Tonnage	WO ₃ Grade	Contained Metal
Proven and Probable Reserves (P&P)	2.5 million tonnes	0.34%	~8.5 kt
Measured & Indicated (M&I) Resources	2.8 million tonnes	0.34%	~9.5 kt
Inferred Resources	15.4 million tonnes	0.17%	~26.2 kt

Exhibit 19: Valtreixal Tin-Tungsten Mine Deposit Summary. Data Source: Company Filings

We note that the total reserves and resources (including P&P, M&I, and inferred resources) at Valtreixal amount to approximately 18.2 million tonnes, positioning the mine as a long-term, strategic source of tin and tungsten concentrate for Almonty Industries. Valtreixal is currently at the Pre-Feasibility (PFS) stage, with steady progress being made toward permitting and development. The mine plan contemplates a 500,000 tonne-per-year processing operation, producing approximately:

- 600–800 tonnes of WO₃ per annum
- 400 tonnes of tin (Sn) per annum

Average head grades are estimated at 0.34% WO₃-equivalent, with recovery rates projected at 55% for tungsten and 65% for tin.

Valtreixal adds optionality, scale, and diversification to Almonty's asset base, positioning the company to become one of the leading European tungsten producers, while tapping into the strategic demand for tin as a critical input in electronics and energy storage technologies

Life Of Mine (PFS)	5 Years
Potential Mine Life	20+ Years
Throughput	500,000 tonnes per annum
Average Headgrade	0.34% WO ₃ -EQ
Annual WO ₃ Production	~600-800 tonnes WO ₃
Recovery Rate for WO ₃	55%
Annual Sn (tin) Production	~400 tonnes Sn
Recovery Rate for Sn (tin)	65%
Initial Capex	~\$42 mm
Annual Revenue (APT \$370/MTU)	~\$21-24 mm

Exhibit 20: Valtreixal Tin-Tungsten Mine Deposit Summary. Data Source: Company Filings

These economics, while based on a conservative APT price assumption, demonstrate a positive investment case with strong margins and a solid payback period. Additionally, Almonty anticipates potential cost-saving

synergies with Los Santos, particularly in the areas of administration, logistics, and infrastructure. Shared operational services between the two mines could enhance the economics of both assets.

In our view, Valtreixal plays a key role in supporting Europe's ambition to secure domestic sources of critical raw materials. With both tin and tungsten listed as EU critical minerals, and given the project's location within a safe, mining-friendly jurisdiction, Valtreixal could serve as a long-term supply hub for European industries. While the initial life of mine is projected at five years, internal studies suggest 20+ years of production potential, contingent upon further exploration and resource conversion. As permitting advances and updated technical work is completed, Almonty may revise the mine plan to reflect a longer operational horizon.

Los Santos Mine: Returning to Production Through Tailings Reprocessing

The Los Santos Mine, located approximately 50 kilometers from Salamanca in western Spain, was Almonty Industries' first tungsten asset and remains a key part of its long-term European production strategy. Initially acquired in September 2011 through its wholly owned Spanish subsidiary, Daytal, the mine has a long and well-documented operational history. Production began in 2008 under its former owner, with commissioning completed in 2010. Almonty acquired the mine during its early production years and ran it as a successful open-pit operation until 2019, when active mining ceased, and tailings reprocessing began.

By February 2020, Almonty placed the mine on care and maintenance to implement upgrades aimed at enhancing recovery rates from its substantial tailings inventory. The Company now plans to restart operations in 2026, supported by planned plant modifications designed to improve tungsten recovery rates to 50–55%, up from the [previous](#) 46%.



Exhibit 21: Los Santos Mine. Data Source: Company Filings

The Los Santos deposit is a classic skarn-hosted scheelite system, formed through the intrusion of Hercynian granites into carbonate-rich sedimentary rocks within the Central Iberian Tectonic Zone. This tectonic zone, part of a broader Variscan orogenic belt, hosts Lower Paleozoic sedimentary sequences, gneisses, and interbedded volcanic units, all intruded by 274-million-year-old granitoids.

The mineralization is dominantly scheelite, with minor pyrite, pyrrhotite, and chalcopyrite, hosted within steeply dipping skarn beds that vary in width from a few centimeters to over 20 meters. These beds occur in a series of discrete zones, six of which have been modeled for the current resource estimate. The deposit contains both coarse and fine-grained scheelite, with certain areas displaying massive sulphide-rich skarns up to 5 meters thick.

Exploration and Resource Development

Since the original discovery in the 1980s by Billiton, and subsequent development by previous owners, significant exploration has taken place. Between 2006 and 2015, Daytal undertook numerous drilling campaigns, culminating in a combined database of 495 drillholes and 255 trenches, representing over 41,900 meters of drilled length. This extensive database formed the basis for a comprehensive NI 43-101 compliant [technical report](#), completed in October 2015 by Adam Wheeler, Mining Consultant and Qualified Person (QP).

The mineral resource model was built using modern 3D block modeling techniques with Datamine software, supported by geostatistical analysis and extensive core logging. In addition to open-pit resources, a small volume of narrow-bed underground ore has been delineated beneath the "Day 1" pit, accessible by existing ramps, and potentially mineable via overhand cut-and-fill methods.

Deposit Summary	Tonnage	WO ₃ Grade	Contained Metal
Proven & Probable Reserves (P&P)	3.8 million tonnes	0.19%	~7.2 kt
Measured & Indicated (M&I) Resources	3.8 million tonnes	0.19%	~7.2 kt
Inferred Resources	-	-	-

Exhibit 22: Los Santos Mine Deposit Summary. Data Source: Company Filings

From our perspective, the Los Santos Mine remains a strategically valuable asset. While no longer a primary production center, its transformation into a tailings reprocessing operation aligns with industry trends around sustainability, waste valorization, and cost-effective production. With limited capital outlay and proven resource infrastructure, Los Santos can quickly return to positive cash flow while also serving as a knowledge base for future tailings projects across Almonty's portfolio. Given the stable jurisdiction, existing permits, low restart costs, and improving tungsten market fundamentals, we view the Los Santos reactivation in 2026 as a prudent and strategically timed development.

Tungsten: Indispensable Metal for the Modern Industrial Age and Future Technology

Tungsten, chemically known as Wolfram (W), is one of the rarest metals on Earth, distinguished by extraordinary physical and chemical properties unmatched by most materials. Its unique characteristics, including the highest melting point (3,422°C), exceptional tensile strength, and resistance to corrosion and deformation, make tungsten irreplaceable in numerous critical industrial, technological, and military applications.

Property	Key Points	Data / Comparison
Extremely Hard	<ul style="list-style-type: none"> - Cemented carbide (a tungsten product) is 100 times harder than steel. 	Mohs Scale of Hardness <ul style="list-style-type: none"> • Steel: 4 • Cemented Carbide: 9 • Diamond: 10
Very Heat Resistant	<ul style="list-style-type: none"> - Tungsten has the highest melting point (3422°C) among all metals. - Lowest coefficient of expansion of all metals. 	Melting Points <ul style="list-style-type: none"> • Nickel: 1726°C • Iron: 1808°C • Vanadium: 2183°C • Titanium: 2206°C • Tungsten: 3422°C
Highly Dense	<ul style="list-style-type: none"> - Tungsten's density (19.3 g/cm³) is greater than that of lead or uranium. 	Densities <ul style="list-style-type: none"> • Lead: 11.34 g/cm³ • Uranium: 18.95 g/cm³ • Tungsten: 19.3 g/cm³
Environmentally Benign	<ul style="list-style-type: none"> - Tungsten is resistant to corrosion and chemically inert. - Non-toxic and can be recycled efficiently. 	

Exhibit 23: Tungsten Properties Compared to Other Metals. Source: Diamond Equity Research

Historically, tungsten's journey began somewhat inadvertently in the 16th century when German tin miners encountered an unusual mineral (Wolframite) that hindered their tin extraction, metaphorically devouring the valuable metal like a wolf. Its formal recognition occurred in the late 18th century when Swedish chemists

Axel Cronstedt and Carl Wilhelm Scheele isolated tungstic acid. It was eventually the Spanish chemists, Juan and Fausto D'Elhuyar, who reduced the acid into pure metallic tungsten in 1783, marking a critical juncture for industrial metallurgy. Since then, tungsten has transitioned from a problematic mineral to an essential strategic metal, playing a vital role in shaping global industrial capabilities and modern technologies.

Tungsten's extreme density (19.25 g/cm³), combined with its thermal resilience and remarkable tensile strength, positions it uniquely among industrial metals. Notably, tungsten possesses the highest modulus of elasticity among metals at 400 GPa, significantly enhancing its utility in high-stress environments. Moreover, tungsten boasts the lowest vapor pressure and a remarkably low thermal expansion coefficient (4.4×10^{-6} m/m/°C), facilitating its use in precision manufacturing and glass-to-metal seals.



Exhibit 24: Tungsten Tensile Strength vs Other Metals (in megapascals). Source: Diamond Equity Research

These exceptional attributes have catalyzed tungsten's application across critical sectors. Today, the metal's usage is highly diversified, including cemented carbides (approximately 60% of global tungsten consumption), electronics, energy infrastructure, and military and defense applications:

- **Cemented Carbides:** Making ultra-hard cutting tools used in mining, construction, and metalworking. Tungsten carbide is twice as hard as any steel grade and nearly as hard as diamond.
- **Electronics:** Tungsten is indispensable in semiconductors, used as a diffusion barrier and interconnect material. Tungsten hexafluoride (WF_6), a key precursor gas in semiconductor manufacturing, sees [demand growth](#) of over 17% per year.
- **Defense:** Tungsten's use in armor-piercing rounds, missile components, tank armor (e.g., Abrams M1), and hypersonic weapons makes it a material of strategic military importance.
- **Energy Infrastructure:** Its high heat tolerance and radiation shielding capabilities are vital for fusion reactors, X-ray machines, and high-temperature furnaces.

Tungsten carbide, due to its extraordinary hardness approaching that of diamond, is essential in cutting, drilling, and mining tools. The global mining industry alone relies heavily on tungsten carbide for drill bits, rock-cutting tools, and tunnel-boring machines—a segment projected to expand with rising global infrastructure and mineral exploration projects. In addition to mining, cemented carbides drive advancements in aerospace, automotive, and precision engineering sectors. Tungsten alloys are crucial in the manufacture of aircraft turbine blades, automotive components, and even industrial machinery. Furthermore, pure tungsten plays a crucial role in the electronics sector, where it is fundamental for semiconductor manufacturing, cathodes, anodes, and advanced integrated circuits.

A Critical Material for Green Technologies and Next-Generation Energy

Beyond conventional industrial uses, tungsten is rapidly emerging as an indispensable metal in next-generation technologies and renewable energy solutions. Its use in EV batteries and charging infrastructure is noteworthy, particularly in South Korea (the world's second-largest EV battery producer), where demand for tungsten hexafluoride (WF_6) for semiconductor and battery manufacturing grows at over 12% per annum. Nano-sized tungsten oxides are being actively explored for their potential to enhance lithium-ion battery performance, improve battery longevity, and deliver faster charging capabilities. Furthermore, projections indicate that the amount of tungsten incorporated into each electric vehicle will increase substantially, rising from approximately 1.5 kilograms to about 2.5 kilograms per vehicle. This anticipated 66% increase reflects the growing recognition of tungsten's vital role in the advancement of EV technology, making it an essential component for future developments in the automotive industry.

Tungsten is increasingly vital to next-generation technologies, with rising use in EV batteries, semiconductors, and hydrogen fuel cells. Demand is also accelerating in solar PV and fusion energy, where its unique properties make it indispensable

Beyond defense and EVs, tungsten is playing a central role in:

- **Hydrogen Fuel Cells:** Tungsten oxide coatings improve electrode durability and reduce degradation, extending fuel cell lifespan.
- **Solar PV Manufacturing:** Tungsten wire is replacing carbon steel in diamond wire cutting for silicon wafers. With expected PV installations reaching 730 GW by 2026, this represents a significant demand driver.

- **Fusion Reactors:** Each fusion reactor may require up to 200 tonnes of tungsten for plasma-facing components and divertor plates. If scaled globally, annual tungsten demand for fusion energy could reach 50,000 tonnes, representing a 33–66% global demand increase.

Integral to Defense and Military Applications

Tungsten's combination of density, strength, and heat resistance positions it as a key strategic resource in defense technology. Its unique ballistic characteristics make tungsten alloys the preferred choice for kinetic energy penetrators and armor-piercing munitions. Military-grade projectiles made from tungsten are capable of penetrating heavy armor with remarkable effectiveness, which is why major military powers rely on tungsten-based ammunition for battle tanks, anti-tank missiles, and artillery shells.

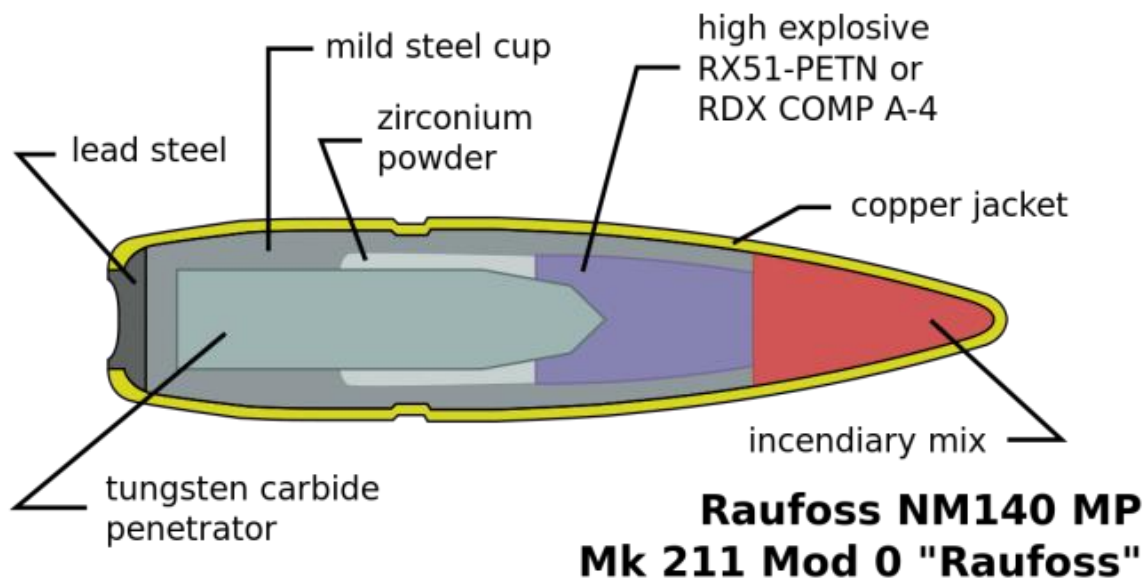


Exhibit 25: Cross-Section of an Armor-Piercing Shell Highlighting Tungsten Penetrator Core. Image Source: Nordic Ammunition Company

Additionally, tungsten alloys are critical in defense aerospace applications, notably as balancing weights in fighter jets and helicopters, radiation shielding in submarines and armored vehicles, and essential structural components in hypersonic missile technology. The USA's recent REEShore Act (2022), [prohibiting the use of Chinese tungsten](#) in military applications from 2026 onwards, further emphasizes tungsten's strategic importance and the geopolitical urgency of securing reliable Western sources.

Tungsten Market Dynamics, Historical Pricing, Demand Analysis, and Outlook

The global tungsten market is relatively small in volume but highly concentrated in supply. Annual mine production is on the order of 80,000 metric tons of tungsten content. In 2023, world tungsten mine [output](#) was estimated at ~79,500 tonnes, and it increased slightly to about 81,000 tonnes in 2024. For context, this volume is modest compared to base metals, but tungsten’s high density means even small tonnages represent significant value. In terms of market value, the global tungsten industry was valued over [\\$5 billion](#) in 2022, and is projected to grow at around 7–8% CAGR in coming years on strong demand. By 2025–2030, some analysts [expect](#) the market value could reach \$8–9+ billion (depending on price trajectories) as usage expands in critical technologies.

Annual Tungsten Production (in Tons)

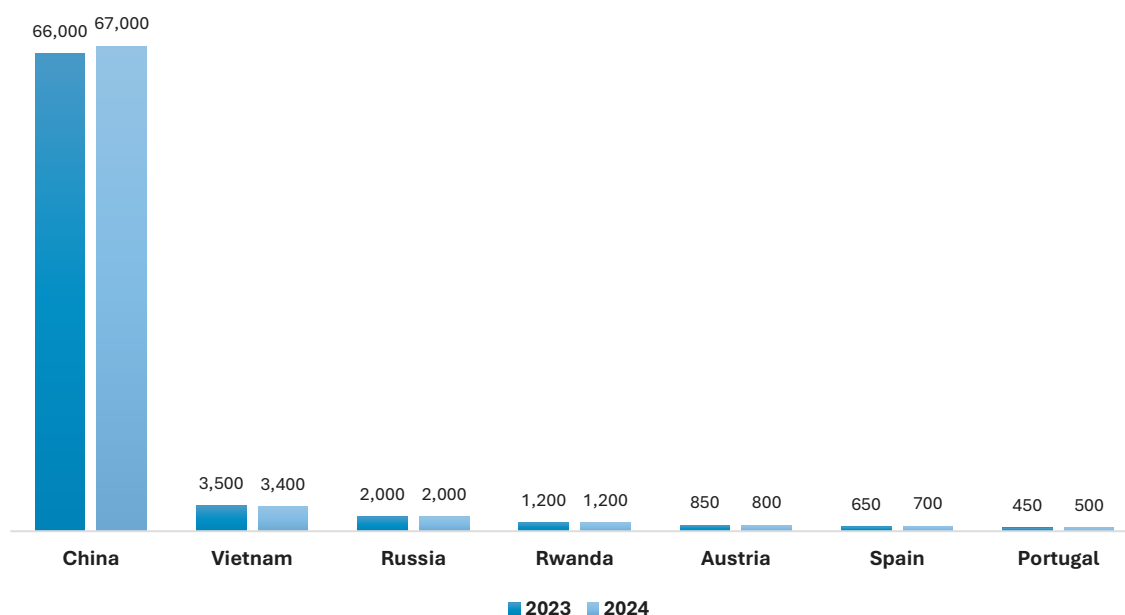


Exhibit 26: Annual Tungsten Production by Country (in Tons). Source: United States Geological Survey, Diamond Equity Research

China is by far the largest producer, mining approximately 67,000 tonnes of tungsten concentrate in 2024 (about 83% of world output). The second-largest producer, far behind, is Vietnam (~3,400 t in 2024), followed by Russia (~2,000 t), Bolivia (~1,600 t), and a handful of others like Austria, Spain, Rwanda, and Portugal in the 500–1,500 t range. Output outside of China has actually increased slightly in recent years (e.g., Australia restarted a mine in 2023, contributing ~800 t) but still remains <20% of global supply. Chinese industry (cutting tool manufacturers, steel producers, electronics, etc.) absorbs a significant portion of both its domestic production and imported tungsten materials. Our estimates suggest that besides being the largest producer of Tungsten, China is also the largest consumer, accounting for over 50% of global tungsten consumption. Outside China, the other major consuming regions are Europe, North America, and East Asia (Japan, South Korea). Europe has a longstanding toolmaking and carbide industry (with companies in Germany, Austria,

etc.), which makes Europe a significant tungsten consumer (roughly 15–20% of world demand by some estimates). The United States is also a major consumer but has negligible domestic mine production. U.S. apparent consumption is on the order of 10,000–12,000 tonnes W per year (all met by imports and scrap recycling). In 2024, the U.S. imported about 27% of its tungsten (in various forms) from China, 14% from Germany, 8% from Bolivia, 8% from Vietnam, among others. This highlights Western reliance on Chinese and secondary sources. Japan and South Korea are notable for their electronics and cutting tool industries, consuming a few thousand tonnes combined. Overall, the tungsten production-consumption balance has been tight. Global consumption in 2024 roughly matched production (around 80k tonnes), and in 2025 it is forecast to slightly decrease due to tariff wars. Even so, with new demand drivers, many forecasts see consumption climbing in the coming years, potentially [outstripping mine supply](#) if no new projects come online.

In summary, the tungsten market is supply-constrained and geographically concentrated, with China as the centerpiece in both production and use. The global market size (~80kt, ~\$5–6 billion) is poised to grow, driven by rising demand in energy, defense, and technology. This growth, however, will require new supply sources to prevent shortages. The imbalance between China and the rest of the world is stark – a critical consideration for companies like Almonty, which aim to provide alternate supply to the market. Governments in the US, EU, and allies have marked tungsten as a critical mineral and are encouraging domestic projects. This could gradually reshape the market by 2030, but in the near-term tungsten prices and trade flows will hinge on Chinese output, export policy, and global industrial demand health.

The tungsten market is tightly supply-constrained and dominated by China, highlighting the need for alternative sources. With demand rising across energy, defense, and technology, we believe companies like Almonty are well-positioned to address this growing imbalance

Rising Strategic Importance of Transparent, Western Tungsten Supply Chains

In an era defined by geopolitical instability, resource nationalism, and increasingly complex global trade dynamics, tungsten has emerged as one of the most strategically critical materials in the world. Its essential role in defense systems, semiconductors, renewable energy, and aerospace has elevated it to the status of a “technology material,” as designated by Roskill, and a “critical raw material” by the EU, US, South Korea, Canada, and Australia. Yet, despite its significance, the vast majority of global tungsten production remains highly concentrated in opaque and adversarial jurisdictions, posing a serious challenge for governments and industries alike.

China’s Dominance and the Growing Supply Risk

China currently accounts for over 82% of global tungsten production, while Russia and North Korea add a further ~5%. The remaining share is split among countries like Vietnam and Portugal. With China and Russia collectively producing around 90% of global supply, this creates a deep strategic vulnerability for the West—particularly as tungsten is essential to military equipment, critical infrastructure, and advanced manufacturing.

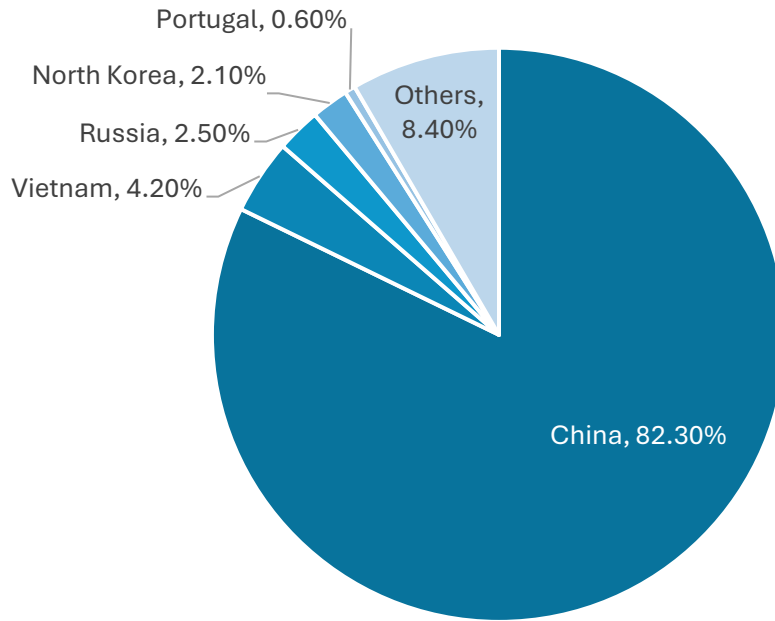


Exhibit 27: Global Tungsten Supply. Data Source: U.S. Geological Survey, Mineral Commodity Summaries

Recent developments have intensified the urgency of addressing this imbalance. In February 2025, China’s Ministry of Commerce and General Administration of Customs imposed export restrictions on 25 rare metals, including tungsten and molybdenum. These measures followed the USA’s REEShore Act (2022), which prohibits the use of Chinese tungsten in U.S. military equipment starting in 2026, and the U.S. Department of Defense ban (effective January 2027) on sourcing tungsten from China, Russia, North Korea, and Iran for military procurement. In parallel, the European Commission extended anti-dumping duties on Chinese tungsten carbide imports, and NATO’s Defense-Critical Supply Chain Security Roadmap flagged tungsten as a high-risk material for fighter jets, battle tanks, missiles, and submarines.

While tungsten demand continues to rise, supply is tightening. Chinese reserves are declining, ore grades are deteriorating, and production costs are increasing due to stricter environmental regulations. Forecasts already indicate a significant supply gap emerging over the next decade—particularly once Western restrictions on Chinese tungsten take full effect. As a result, non-Chinese production is expected to become increasingly valuable, commanding higher premiums, especially when sourced from transparent, ESG-aligned jurisdictions.

The Need for Transparent and Conflict-Free Alternatives

The need for transparent, conflict-free tungsten sources has never been greater. U.S. and European companies, ranging from defense contractors to semiconductor giants, remain heavily dependent on tungsten smelters and refineries in China and Russia. Given the lack of transparency in these supply chains, companies such as Apple, Tesla, Nvidia, and Boeing

Tightening supply and rising costs in China are driving a projected tungsten supply gap, with Western restrictions set to amplify the trend. Thus, non-Chinese producers like Almonty stand to benefit from rising demand and pricing premiums for ESG-aligned supply

face mounting scrutiny over the potential use of “conflict minerals,” as defined under SEC regulations related to the 3TG (Tantalum, Tin, Tungsten, Gold) minerals.

In this context, traceability, ESG compliance, and geopolitical alignment have become critical procurement criteria. Western industries are actively seeking reliable sources of tungsten from jurisdictions with strong regulatory frameworks, democratic governance, and stable economies. Transparent, Western tungsten production offers multiple strategic benefits:

- **Supply Chain Security:** Reduces dependence on China and Russia, insulating critical sectors from geopolitical shocks.
- **Regulatory Compliance:** Aligns with conflict mineral regulations and ESG requirements.
- **Industrial Policy:** Supports domestic manufacturing and defense capabilities under initiatives like the U.S. REEShore Act and EU Critical Raw Materials Act.
- **Strategic Pricing Power:** Non-Chinese tungsten already commands a 15% premium, particularly for Portuguese and South Korean material, due to growing demand for traceable and reliable sources.
- **Clean Energy Alignment:** Molybdenum and tungsten are essential in wind turbines, EV batteries, and semiconductor manufacturing—technologies at the heart of the energy transition.

Sangdong and Almonty: A Strategic Solution

In response to this pressing global need, Almonty Industries’ Sangdong Mine in South Korea will potentially serve as a transparent, conflict-free source of supply for Western economies. With projected production accounting for ~5% of global supply and over 40% of non-Chinese output by 2027, Sangdong is poised to become a linchpin in the reconfiguration of global tungsten trade.

Almonty’s decision to redomicile to the United States, along with its plans to vertically integrate processing within the country (Buffalo, NY and Pennsylvania), further enhances its positioning as a reliable Western producer. Its contracts with European and Korean counterparties, as well as offtake agreements with leading industrial groups, reinforce its credibility as a long-term supplier. In our view, Sangdong’s expected 90+ year mine life, combined with its environmental stewardship, proximity to downstream partners, and secured offtake agreements, place Almonty in a unique position to lead the West’s response to tungsten supply chain vulnerabilities.

Historical Pricing Trends: Volatility Shaped by Market and Geopolitical Forces

Over the past decade, tungsten has exhibited significant price volatility driven by a combination of market forces, geopolitical shifts, and supply-demand imbalances. Ammonium Paratungstate (APT), the key intermediate product used as a global pricing benchmark, witnessed substantial fluctuations. Prices for APT surged to around \$450–\$470 per metric ton unit (MTU) in the early 2010s, peaking specifically in mid-2011 and mid-2013 amid heightened global demand and constrained supply conditions. However, this robust pricing environment was abruptly disrupted in 2015 following the collapse of China's Fanya Metal Exchange. APT prices, which had been around \$349/MTU in 2014, sharply declined to approximately \$217/MTU in 2015, further bottoming out near \$180/MTU in 2016. Tungsten concentrate prices (raw ore typically containing 65-70% WO₃) mirrored this volatility, dropping nearly 60% from their 2013 peaks to around \$265–\$276/MTU by late 2018.

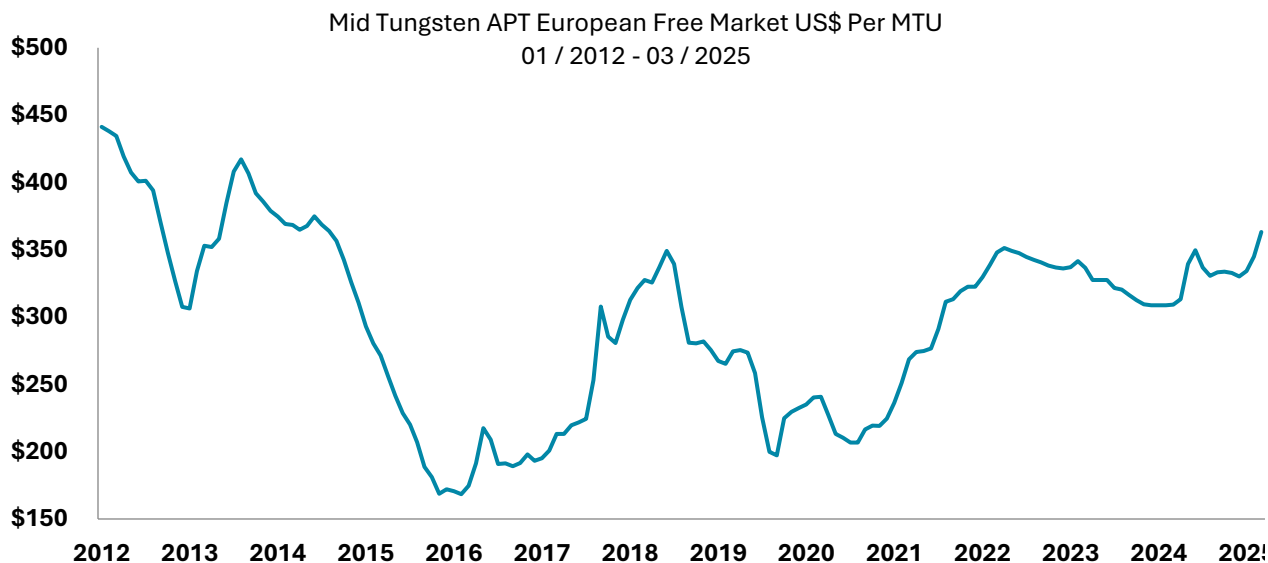


Exhibit 28: APT Price per MTU (AUD and USD)

Post-2016, the tungsten market gradually [rebounded](#). APT climbed steadily, reaching approximately \$360/MTU by April 2022, supported by renewed industrial demand and reduced mine output from China. Similarly, ferro-tungsten (75–80% tungsten alloy) prices, which had averaged above \$50/kg in 2011, fell to nearly half that level by the mid-2010s. In 2020, ferro-tungsten averaged only \$23.5/kg of contained tungsten, about 27% lower year-on-year. Since then, ferro-tungsten prices recovered significantly, reaching \$40–\$43/kg FOB China by 2024. Tungsten powder, an essential product for alloys and carbides, followed a similar pricing path. During downturns, powder prices dipped well below \$30/kg but eventually stabilized at around \$40–\$45/kg (99.95% W grade) by 2024. These recent price recoveries reflect increasing market tightness, particularly driven by China’s aggressive export restrictions on tungsten and molybdenum imposed in early 2025.

Constrained Supply and Geopolitical Risks Shaping Pricing Outlook

We view tungsten pricing as structurally robust, supported by a confluence of supply constraints, geopolitical maneuvering, and sustained industrial demand.

- **Supply Constraints:** China's dominant role (about 82% of global supply) and tightened mining quotas continue restricting concentrate availability. In early 2024, China's mining quota was further reduced by approximately 1.6% year-on-year.
- **Geopolitical Issues:** China's imposition of new export licensing requirements in 2023 and further tightening in early 2025 have significantly restricted tungsten product availability outside China. This has heightened global supply uncertainty, directly driving up prices internationally.
- **Robust Industrial Demand:** Increasing demand from sectors such as manufacturing, renewable energy (solar photovoltaics), defense, and high-tech electronics has further intensified the supply-demand imbalance, supporting higher prices.

- Reduced Recycling Rates:** Historically, scrap contributed about 30% of tungsten consumption, but recent declines in scrap availability have further increased dependency on primary tungsten sources, tightening market dynamics.

Industry consensus indicates that tungsten prices are expected to remain strong or increase in the medium to long term. Structural deficits, driven by demand growth outpacing new supply, could lead to continued upward price pressure. We are of the belief that APT prices may need to exceed the current range (around \$335–\$360/MTU) and potentially reach levels near \$400–\$430/MTU to incentivize additional mine developments. Notably, Almonty’s Sangdong mine in South Korea, expected to supply approximately 8% of global demand at full capacity, and several new projects globally (Australia, UK, Vietnam) may eventually ease supply concerns, moderating potential price spikes. Nevertheless, the prevailing consensus sees tungsten prices remaining robust due to continued geopolitical risks, limited supply diversification, and steady demand growth.

Molybdenum Market Dynamics: Price Trends, Supply Constraints, and Demand Outlook

Over the past five years, molybdenum prices have witnessed considerable volatility driven by fluctuating global demand and constrained supply conditions. Following a downturn during the COVID-19 pandemic, average molybdenum prices plunged from approximately \$12 per pound in 2019 to about \$9 per pound in 2020. A strong rebound ensued in 2021, with prices rising nearly 80% year-over-year to around \$20 per pound by early 2022, fueled by recovering global steel demand coupled with supply disruptions. This upward trajectory continued, culminating in historical highs in early 2023, when molybdenum oxide prices peaked dramatically at approximately \$40 per pound (~\$90/kg), driven by critically low inventories, robust industrial demand, and significant supply disruptions from key producers in South America and stringent export constraints imposed by China. Although prices moderated slightly from these extraordinary peaks later in 2023 and early 2024, molybdenum pricing remains substantially above historical averages, reflecting persistent tightness within the global molybdenum market.

■ F+ - 1-Month delivery - Molybdenum (LME)

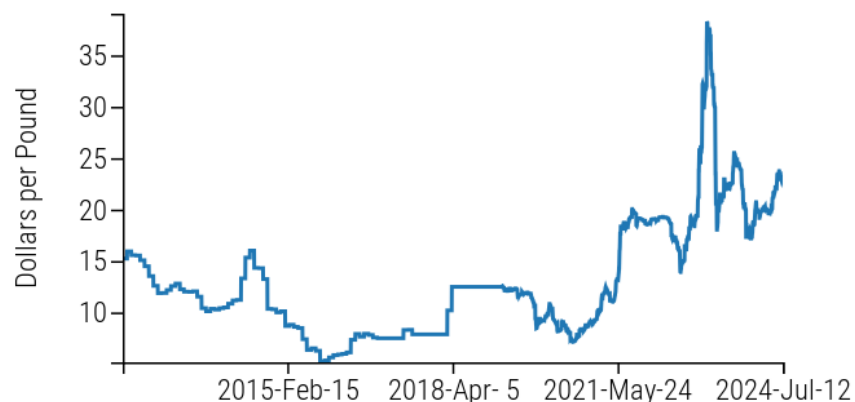


Exhibit 29: Molybdenum Price (USD per Pound). Source: Pricepedia, London Metal Exchange (LME)

Global Production Structure: Dominance of By-Product Sources and Concentration Risks

The global molybdenum market currently totals approximately 260,000 metric tons annually, heavily characterized by its reliance on copper mining by-products, which constitute roughly 58% of total global molybdenum production. The inherent dependence on copper extraction results in limited flexibility and slow responsiveness to rising molybdenum prices. Stand-alone molybdenum mines remain scarce, with just two significant dedicated operations located in the United States and only seven other major global mines predominantly deriving molybdenum as a by-product.

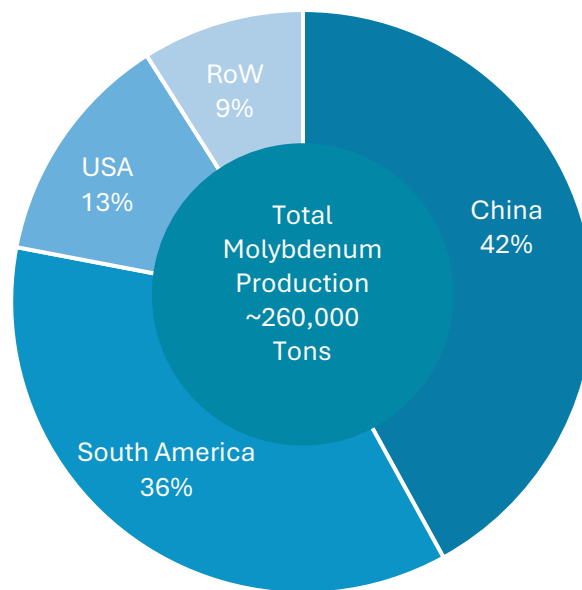


Exhibit 30: Global Molybdenum Production Split. Data Source: U.S. Geological Survey, Mineral Commodity Summaries

The supply landscape is geographically concentrated, with China accounting for around 42% of global molybdenum production, followed by South America (primarily Chile and Peru) at approximately 36%. The United States contributes roughly 13%, ranking third globally. Combined, these top producers dominate over 90% of the market, amplifying the industry's vulnerability to regional geopolitical and operational disruptions.

Critical Inventory Constraints and Geopolitical Risks Impacting Stability

Although global molybdenum reserves stand at approximately 25 million metric tons, the market faces critical short-term inventory constraints, with available inventories equating to less than one month of global consumption. This thin inventory buffer amplifies sensitivity to any operational or geopolitical disruptions.

Geopolitically, risks are heightened due to recent actions by major producing regions. China, the world's largest molybdenum producer, has introduced restrictive export regulations targeting high-purity molybdenum products, crucial for strategic industrial and defense applications. Additionally, political instability and operational disruptions affecting mines in South America have exacerbated supply chain vulnerabilities, further intensifying price volatility and market tightness.

Robust Demand Anchored by Irreplaceable Industrial Applications

Molybdenum's consumption is overwhelmingly driven by its critical applications in steel and alloy production, accounting for 70–80% of total global demand. The specific breakdown of key applications highlights the metal's diversified yet indispensable industrial role:

- **Engineering Steels:** Essential for high-strength steels in infrastructure, automotive manufacturing, and heavy machinery.
- **Stainless Steel:** Used extensively in corrosion-resistant applications within the chemical processing, oil and gas, and architectural sectors.
- **Chemical Sector:** Vital for catalysts and specialized lubricants.
- **Foundries:** Integral to cast iron and steel production.
- **Tool Steels:** Critical for cutting and forming tools across manufacturing industries.
- **Molybdenum Metals and Alloys:** Crucial in electronics, aerospace components, and advanced industrial equipment.
- **Nickel Superalloys:** Fundamental for high-temperature, high-performance aerospace turbines.

Notably, molybdenum exhibits extremely limited substitutability, particularly within steelmaking processes. Only a few elements replicate molybdenum's distinct combination of high strength, corrosion resistance, and thermal stability, solidifying its critical industrial significance and supporting consistent, growing demand.

Medium to Long-Term Market Outlook Remains Positive

Demand for molybdenum is expected to sustain a positive trajectory, strengthened by robust global infrastructure expansion, increased automotive and aerospace production, and the accelerating global energy transition. Specific growth drivers include rising infrastructure investments (wind turbines, energy pipelines, hydrogen energy infrastructure), and an expanding aerospace manufacturing sector—both critically reliant on molybdenum alloys for structural integrity and durability in demanding environments.

On the supply side, structural limitations are likely to persist. Few new primary molybdenum mines are currently in advanced development stages, and reliance on copper by-product mining inherently restricts market responsiveness. Moreover, declining ore grades, increased environmental compliance costs, and geopolitical uncertainty further complicate supply conditions. Given these constraints, we believe that the molybdenum market will remain finely balanced or in deficit for the foreseeable future.

In our view, these factors collectively underline molybdenum's increasingly strategic position as a critical industrial commodity, supporting the investment rationale for diversified producers such as Almonty, particularly given its significant molybdenum resource potential at Sangdong.

Molybdenum demand appears to grow considerably, driven by global infrastructure, aerospace, and energy transition needs. With limited new supply and rising constraints in by-product production, the market is likely to remain tight—supporting the strategic case for diversified producers like Almonty

Management Overview

Almonty's Board and management consist of experienced professionals with a proven track record in the natural resources sector, particularly in tungsten mining, corporate governance, legal, and financial disciplines. This diverse team brings decades of industry expertise and strategic insights to drive the Company's growth and operational excellence.

Lewis Black – Chairman, President, CEO, and Director

Lewis Black leads the Company as its Chairman, President, Chief Executive Officer, and Director. He is a Partner at Almonty Partners LLC, specializing in tungsten mining investments. With prior experience as Chairman and CEO of Primary Metals Inc. and as head of sales and marketing at SC Mining Tungsten Thailand, Mr. Black brings a wealth of industry expertise. He holds a B.A. (Honours) from Manchester University and has served as Vice President of the International Tungsten Industry Association.

Daniel D'Amato – Director, Compensation and Corporate Governance Committee

Daniel D'Amato serves as a Director and is a member of the Compensation and Corporate Governance Committee. A Partner at Almonty Partners LLC since 2005, Mr. D'Amato has deep industry roots, including board service at Primary Metals Inc. and a successful tenure on Wall Street with Bear Stearns, where he became a Managing Director. He holds a B.Sc. from Siena College and is licensed in various securities and insurance fields.

Mark Trachuk – Lead Director, Audit Committee (Chair), and Compensation and Corporate Governance Committee (Chair)

Mark Trachuk serves as Lead Director and chairs both the Audit Committee and the Compensation and Corporate Governance Committee. Currently Counsel at Norton Rose Fulbright, he specializes in corporate and securities law, particularly in mergers, acquisitions, and strategic alliances. His previous roles include General Counsel and director at Entertainment One, Ltd. and Senior Partner at Osler, Hoskin & Harcourt LLP. Mr. Trachuk holds a B.A. in Economics, a J.D., an LL.M. in Corporate Law, and the ICD.D designation.

Dr. Thomas Gutschlag – Director, Audit Committee, and Compensation and Corporate Governance Committee

Dr. Thomas Gutschlag is a Director and a member of both the Audit Committee and the Compensation and Corporate Governance Committee. As a former Chairman and CEO of DRAG, he played a pivotal role in identifying and developing resource projects across North America, Australia, and Europe. A co-founder of DRAG, he has served as CEO since January 2015, following his tenure as CFO. Dr. Gutschlag holds a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.

Andrew Frazer – Director

Andrew Frazer represents RM Corporate Finance Pty Ltd on the Board. With a strong background in finance, he has held roles at Azure Capital, Hartley Poynton, Patersons Securities, and Morgan Stanley. Mr. Frazer is a graduate of the University of Western Australia, holding degrees in Commerce (Honours), Jurisprudence, and Law. Additionally, he is a CFA charterholder and has earned a Diploma from the Securities Institute of the Australian Securities Exchange.

David Hanick – Director

David Hanick serves as a Director and brings extensive legal and capital markets experience to the Board. Currently the Chief Legal Officer and a member of the Investment Committee at Starlight Investments, he previously co-led the Mining and Natural Resources Group at Osler, Hoskin & Harcourt LLP. With over 20 years of expertise in mergers, acquisitions, and corporate governance, Mr. Hanick also serves on several boards, including that of Process Fusion Inc. He holds an MBA from the Schulich School of Business and a Bachelor of Laws from Osgoode Hall Law School.

General Gustave F. Perna – Director

General Gustave F. Perna serves as a Director of the Company, bringing decades of leadership experience in global logistics, supply chain management, and organizational strategy from a distinguished military career. From 2016 to 2020, he served as Commander of the U.S. Army Materiel Command and later co-led Operation Warp Speed. He has held several senior positions within the U.S. Department of Defense, including Deputy Chief of Staff for Logistics and Commanding General of multiple major logistics commands. He currently serves on the boards of several U.S. companies across the defense, transportation, and healthcare sectors.

Mark Gelmon – Chief Financial Officer

Mark Gelmon serves as the Company's Chief Financial Officer. Before assuming his current role, he was the CFO of Woulfe Mining Corp., a subsidiary of the Company, from early 2010 until September 2015. As a partner at iO Corporate Services Ltd, Mr. Gelmon has significant experience in corporate and accounting services for publicly traded Canadian companies. He earned his Bachelor of Arts from the University of British Columbia and obtained his CPA, CA designation in 1995.

Evaluating Financial Performance and Strength

Almonty's Sangdong Mine to Serve as the Principal Revenue Engine:

Almonty currently generates revenue from its only operational Panasqueira mine. The company reported revenues of \$22.51 million and \$28.83 million for FY 2023 and 2024, respectively. However, revenue dynamics are expected to shift significantly with the Sangdong mine scheduled to begin production by mid-2025 and the commercialization of Panasqueira's L4 expansion potentially by 2027. Sangdong's exceptional resource quality at 0.46%, extensive reserves, favorable economic conditions, and multiple advantageous long-term off-take agreements are expected to substantially elevate Almonty's revenue potential. Our projected revenue growth is predominantly dependent on the successful initiation and commercial production of tungsten and molybdenum at the Sangdong mine. We have forecasted the company's revenue based on two-stage growth assumptions:

- **Explicit Forecast Period (FY2025e - FY2034e)** - The first phase of the revenue forecast incorporates the commercialization and gradual scaling of production from the Sangdong, Panasqueira, and Valtreixal mines. Revenue projections for these three mines are based on expected production volumes, initial estimates of LOM, planned throughput capacities, projected ore grades, anticipated recovery rates, and commodity price forecasts reflective of prevailing market conditions.
- **Residual Forecast Period (FY 2035e - FY 2075e)** - The second phase encompasses the extended exploitation period centered around the Sangdong mine, where management anticipates a mine life exceeding 90 years based on substantial inferred resources and exploration potential. Revenue projections during this period assume sustained production volumes aligned with long-term extraction schedules, but notably lower recovery rate assumptions are applied to reflect uncertainties surrounding extraction complexities prudently.

The significance of the Sangdong mine for Almonty and the global tungsten market stems from its exceptional scale and superior ore quality. It is one of the largest tungsten reserves worldwide, with proven and probable reserves of approximately 7.9 million tonnes at an average grade of 0.47% WO₃, more than double the global average. Once operational, it could supply up to 8% of global tungsten demand (around 40% of non-Chinese supply), greatly reducing dependence on Chinese-controlled sources. Given its scale and high-grade deposits, we expect the Sangdong mine to become Almonty's principal revenue driver. Additionally, Sangdong hosts two key minerals, tungsten and molybdenum, with the latter presenting substantial additional value potential due to its high grades and proximity to tungsten reserves.

- Our explicit period revenue drivers for the Sangdong mine are based on the NI 43-101 report published in July 2016. Our base case assumptions include a life of mine (LOM) at 13 years, 2P reserves at 7,896 kt, an average ore grade at 0.45%, a recovery rate of 81%, and production commencement by Q3 2025. Our initial price assumption remains in line with the current Tungsten APT fob China prices, currently in the \$340-350 USD/mtu range. Our historical analysis indicates that tungsten APT prices have shown a CAGR of approximately 6% over the past 20 years and 2-3% over the past 50 years. We have modeled a long-term price CAGR of 3.5%, reflecting expectations of stronger structural demand from sectors such as defense, aerospace, and electronics, alongside tightening global supply conditions.

- Our residual forecast period assumptions and revenue forecast are grounded in management’s strong confidence in Sangdong’s projected mine life of over 90 years. We anticipate that, over time, Almonty will be able to successfully unlock and develop a substantial portion of Sangdong’s 50.2 million tonnes of inferred resources, which would significantly extend the mine’s operational lifespan and enhance overall project economics. To reflect the inherent uncertainty tied to inferred resources, we have applied a conservative 30% resource (to reserve) conversion to these volumes in our explicit period revenue forecast.

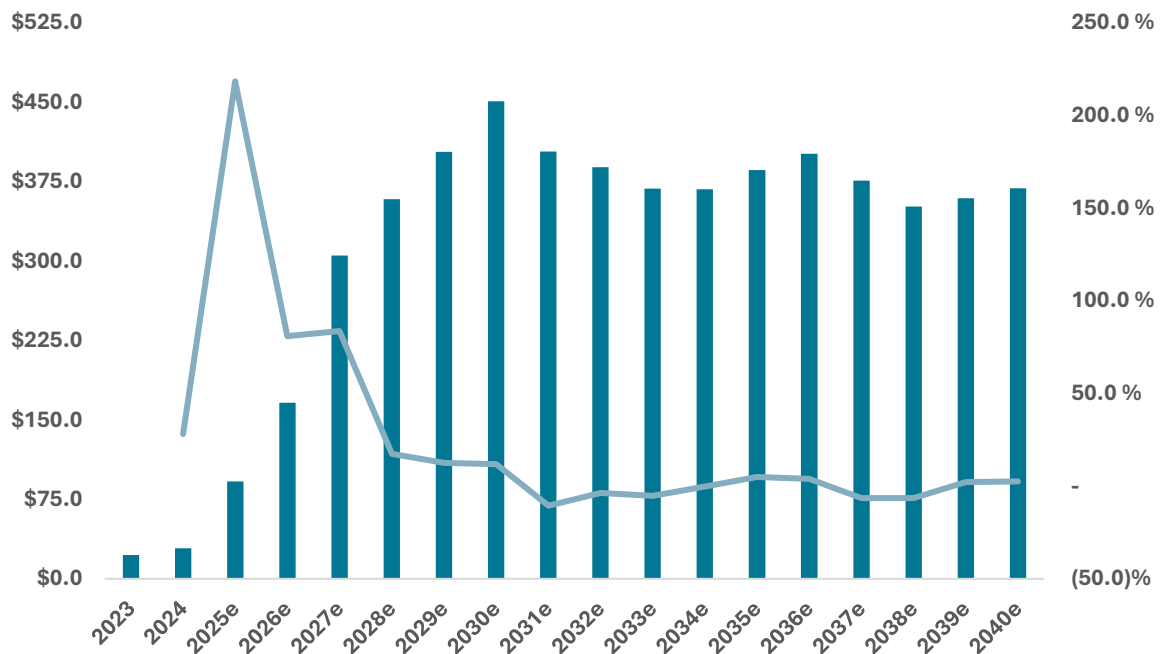


Exhibit 31: Revenue Forecast (in C\$ million) and Revenue Growth (%). Source: Diamond Equity Research

While Sangdong Tungsten and Sangdong Molybdenum contribute a significant portion of the company’s revenue, the Panasqueira mine, along with potential future contributions from the Los Santos and Valtreixal projects, will provide additional revenue diversification and strategic growth optionality. Panasqueira, with its long-standing production history and upcoming L4 expansion, is anticipated to generate steady cash flows and improved operating margins. Meanwhile, the Los Santos tailings project and the Valtreixal development, both located in Spain, represent near-to-medium-term growth catalysts. These assets have the potential to complement Sangdong’s output, support topline expansion, and reinforce Almonty’s status as a multi-asset producer operating across low-risk, resource-rich jurisdictions.

Panasqueira’s L4 Expansion and Sangdong’s Favorable Economics Positions Almonty for Sustained Profitability

Panasqueira’s L4 extension is expected to boost processing capacity and provide access to a richer ore zone, which could meaningfully enhance the project economics. Management anticipates a notable improvement in the operating efficiency, with the operating expense ratio projected to decline from 91.8% to approximately 61.0% following the expansion, leading to stronger EBITDA margins and overall project returns. Meanwhile, Sangdon stands out for its inherently attractive economics, featuring production costs in the lowest global

quartile at approximately US\$110/MTU, nearly 50% lower than those of Chinese state-owned enterprises. With ore grades up to three times higher than both China’s and the global average, supplemented by a superior recovery rate of 85%, Sangdong is potentially poised to be a major profit center. As production ramps up, we expect the Sangdong mine to significantly enhance Almonty’s consolidated margins and cash flows, firmly establishing the company as a leading, low-cost supplier in the global tungsten market. We have modeled Almonty’s financials to reflect the operational uplift driven by both Panasqueira’s L4 expansion and Sangdong’s ramp-up. Currently operating with negative EBITDA and EBIT margins at (20)% and (24)% in FY 2024, our projections indicate a strong turnaround, anticipating consolidated EBITDA margins expanding to 50% by 2030, with net profit margins exceeding 30% as the company transitions to become a multi-asset, low-cost producer.

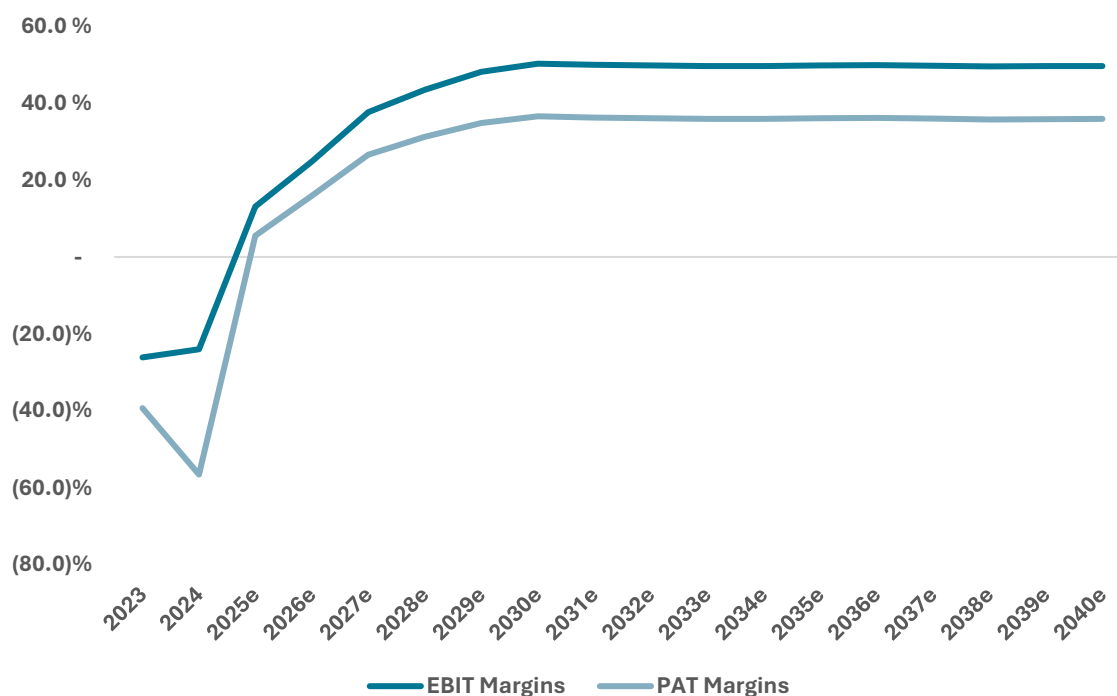


Exhibit 32: Margins Forecast. Source: Diamond Equity Research

Sangdong’s Strong Project Economics Facilitate Favorable Financing Channels

The company concluded the year 2024 with cash reserves amounting to C\$7.83 million and raised approximately A\$18.45 million in January 2025. A US\$75.1 million project finance facility has been secured from KfW at an attractive interest rate of LIBOR/SOFR + 2.3%, emphasizing the strength and credibility of the Sangdong Tungsten Mine project in South Korea. This financial arrangement, backed by a government guarantee through Austria’s OeKB, has provided the capital required to advance construction while minimizing equity dilution. The financing has enabled Almonty to meet key development milestones and maintain steady progress towards production. With commercial operations scheduled to commence by mid-2025, a successful ramp-up will not only unlock near-term revenue but also enhance Almonty’s ability to secure favorable financing for the planned Phase 2 expansion, potentially by late 2025.

Valuation

Almonty Inc. represents a unique blend of high-grade critical mineral assets, near-term production scalability, and long-term strategic relevance in a potentially tightening global tungsten market. We believe that at the current valuation levels, the company presents a potentially attractive opportunity for investors seeking exposure to a low-cost, vertically integrated producer with substantial upside potential. We view the following key milestones as potential drivers of significant outperformance in the company's stock price:

- Initiation of Tungsten Production at Sangdong
- Commercial Launch of the Sangdong Molybdenum Project
- Execution of Phase 2 Expansion at Sangdong
- Development of Value-Added Downstream Tungsten Oxide Plant
- Completion and Ramp-Up of Panasqueira's L4 Expansion Project
- Potential Reopening of Los Santos Mine

Beyond its substantial, diversified, and high-grade asset base, Almonty is well-positioned to capitalize on strong structural tailwinds within the critical minerals sector. The company stands to benefit from accelerating global demand for tungsten and molybdenum, driven by their essential roles in defense systems, semiconductors, electric vehicles, and clean energy technologies. At the same time, tightening supply conditions, intensified by China's export restrictions and increasing geopolitical efforts to secure independent, conflict-free supply chains, are expected to support sustained Tungsten's pricing strength. Robust tungsten demand dynamics combined with mounting supply constraints create a highly favorable environment for Almonty. With operations located in transparent, democratic jurisdictions and underpinned by long-term offtake agreements, Almonty offers a reliable and transparent source of supply in an increasingly constrained tungsten market.

Given the absence of directly comparable active peers in the public markets, we rely primarily on the net present value (NPV) approach to assess the valuation of Almonty Inc. This approach captures the intrinsic value of the company's diversified asset base, including Sangdong Tungsten, Sangdong Molybdenum, Panasqueira Tungsten, and Valtreixal Tungsten & Tin. Our revenue and cash flow forecasts are derived from a comprehensive set of assumptions outlined in the preceding sections. To discount these projected cash flows, we have applied a discount rate of 8%, which reflects a balanced view of Almonty's project-specific risks, operational jurisdictions, capital structure, and the broader macroeconomic environment. Considering the scale of Almonty's resource base and further resource conversion potential, we expect a meaningful share of the company's long-term valuation to be derived by future extensions of mine life beyond current reserve estimates. Under our base case scenario, we arrive at a valuation of C\$1,123 million, or C\$4.00 per share, contingent on successful execution by the company.

Valuation Summary	
Discount Rate	8.0%
Present Value of FCFF - Explicit Period Forecast	C\$540,828
Present Value of FCFF – Residual Period Forecast	C\$740,289
Terminal Value	N/A
Enterprise Value	C\$1,281,117
Financial Debt	C\$165,274
Cash and Cash Equivalents	C\$7,830
Value of Equity	C\$1,123,673
Number of Shares Outstanding	280,674
Equity Value Per Share	C\$4.00

Exhibit 33: Valuation Summary. Source: Diamond Equity Research
*Figures in C\$'000

Our NPV analysis is sensitive to various assumptions, including tungsten and molybdenum price trajectories, recovery rates, production ramp-up timelines, capital expenditure requirements, and operating cost profiles. Among these, commodity price assumptions remain one of the most critical and inherently uncertain factors, given their exposure to global demand-supply dynamics, geopolitical developments, and macroeconomic shifts. The above sensitivity analysis highlights the significant impact of both commodity price growth and discount variations on Almonty's valuation.

	Molybdenum Price Growth					
		1.8%	2.3%	2.5%	2.8%	3.3%
Tungsten Price Growth	2.8%	C\$3.51	C\$3.58	C\$3.61	C\$3.64	C\$3.72
	3.3%	C\$3.76	C\$3.83	C\$3.86	C\$3.89	C\$3.96
	3.5%	C\$3.90	C\$3.96	C\$4.00	C\$4.02	C\$4.10
	3.8%	C\$4.04	C\$4.11	C\$4.14	C\$4.17	C\$4.24
	4.3%	C\$4.36	C\$4.42	C\$4.46	C\$4.49	C\$4.56

	Discount Rate					
		7.25%	7.5%	8.00%	8.5%	8.75%
Tungsten Price Growth	2.8%	C\$4.09	C\$3.92	C\$3.61	C\$3.33	C\$3.21
	3.3%	C\$4.38	C\$4.20	C\$3.86	C\$3.56	C\$3.42
	3.5%	C\$4.55	C\$4.35	C\$4.00	C\$3.68	C\$3.53
	3.8%	C\$4.72	C\$4.51	C\$4.14	C\$3.81	C\$3.65
	4.3%	C\$5.10	C\$4.87	C\$4.46	C\$4.09	C\$3.92

Exhibit 34: Sensitivity Analysis. Source: Diamond Equity Research

Appendix

Year-end 31 Dec. (in C\$mm)	2023A	2024A	2025E	2026E	2027E
INCOME STATEMENT					
Revenue	\$22.51	\$28.84	\$91.84	\$166.21	\$305.27
Gross Profit	\$1.08	\$1.97	\$32.24	\$67.89	\$142.21
Total Operating Expenses	(\$6.96)	(\$8.89)	(\$20.20)	(\$26.59)	(\$27.47)
Income From Operations	(\$5.87)	(\$6.92)	\$12.03	\$41.29	\$114.74
Other Income / Expense	(\$2.90)	(\$9.01)	(\$5.21)	(\$6.04)	(\$6.70)
Profit Before Tax (PBT)	(\$8.77)	(\$15.93)	\$6.82	\$35.25	\$108.04
Profit After Tax (PAT)	(\$8.84)	(\$16.30)	\$5.11	\$26.44	\$81.03
Basic Shares Outstanding (M)	226.67	254.04	292.14	306.75	308.28
EPS - basic	(\$0.04)	(\$0.06)	\$0.02	\$0.09	\$0.26
BALANCE SHEET					
Cash and cash equivalents	\$22.02	\$7.83	\$12.12	\$11.54	\$47.58
Other current assets	\$14.22	\$12.75	\$36.39	\$56.17	\$85.59
Total current assets	\$36.24	\$20.58	\$48.51	\$67.71	\$133.17
Non-current assets	\$199.09	\$235.77	\$305.37	\$395.26	\$472.92
Total Assets	\$235.33	\$256.35	\$353.88	\$462.97	\$606.09
Short-term borrowing	\$34.17	\$21.89	\$21.89	\$21.89	\$21.89
Other current liabilities	\$32.53	\$29.22	\$69.80	\$104.13	\$160.11
Total current liabilities	\$66.70	\$51.11	\$91.69	\$126.02	\$182.01
Long-term borrowing	\$95.90	\$136.13	\$161.13	\$181.13	\$181.13
Other non-current liabilities	\$24.23	\$30.03	\$30.03	\$30.03	\$30.03
Total liabilities	\$186.83	\$217.28	\$282.85	\$337.19	\$393.17
Total Equity	\$48.51	\$39.07	\$71.02	\$125.79	\$212.92
Total Liabilities & Equity	\$235.33	\$256.35	\$353.88	\$462.97	\$606.09

Exhibit 35: Income Statement and Balance Sheet Snapshot.
Source: Diamond Equity Research

Risk Profile

- **Price of Metals and Foreign Exchange Rates:** Almonty's profitability is highly sensitive to fluctuations in tungsten prices and foreign exchange rates. The Company's revenue is directly impacted by commodity price movements—every US\$10 change in the average price of one MTU of European APT can result in an approximate US\$8 change per MTU of WO₃ concentrate. If tungsten prices fall below the Company's cash operating costs, it could lead to negative operating cash flow. To mitigate these risks, Almonty sometimes enters into contracts to fix prices for defined periods.
- **Fluctuation in Interest Rates:** Almonty is exposed to market interest rate changes through its cash balances, bank indebtedness, and long-term debt with floating interest rates. Of its long-term debt, portions are linked to Euribor and Libor benchmarks, where a 1% change could result in material annual interest cost adjustments. These fluctuations could increase financing costs and affect the Company's ability to secure additional debt, especially amid ongoing market uncertainties.
- **Future Financing, Credit, and Liquidity Risk:** Almonty's exploration and development programs could significantly increase its capital requirements, necessitating access to varied financing sources. The Company may rely on a mix of working capital, partnerships, equity financing, and long-term debt to fund property developments. Its credit risk is primarily linked to the financial strength of its customer under the supplier financing program, where invoices are factored with fees tied to the 6-month LIBOR. Any substantial LIBOR fluctuations or loss of financing access could negatively impact cash flow and force the Company to revert to standard trade terms.
- **Reliance on Third-party Contract Mining Companies:** The Company relies significantly on third-party contract mining companies for essential mining activities under long-term contracts, including waste rock removal, pit development, ore extraction, and delivery. Historically, this reliance has meant that changes in operational plans, such as shifts from ore extraction to tailings processing, can impact contract relationships and operational efficiency. The Company's performance could be adversely affected by disruptions or inefficiencies arising from this dependency on third-party service providers.
- **Intense Competition in the Mining Industry:** The mining industry is highly competitive, and Almonty must vie with numerous companies for the acquisition of attractive mineral properties and the retention of skilled labor. Many competitors have access to greater financial, technical, and other resources, which may limit Almonty's ability to secure adequate ore supplies or recruit and retain experienced personnel. This competitive landscape could also hinder the Company's efforts to maintain or acquire mineral properties on favorable terms.
- **Securing and Maintaining Essential Licenses, Permits, and Compliance Requirements:** Almonty must secure and maintain various licenses and permits to continue its mineral extraction, processing, and exploration activities. The Company currently operates under permits that allow processing of up to 740,000 tonnes of ore per annum at the Los Santos Mine and 865,000 tonnes at the Panasqueira Mine. Any increase in ore volume or tungsten concentration may require significant expansion of production facilities. Moreover, there is no guarantee that all necessary permits will be renewed, which poses an ongoing operational risk.

- **Unpredictable Mining Hazards and the Limitations of Insurance Coverage:** Almonty's mining operations face a range of uncontrollable risks—from natural disasters and severe weather to unexpected equipment failures and environmental hazards, that can delay production and significantly increase mining costs. Although the Company maintains industry-standard insurance to mitigate these risks, coverage may not be fully adequate for all eventualities, particularly those stemming from unusual geological or operating conditions.

This list of risk factors is not comprehensive. For a full list, please refer to Almonty Industries Inc.'s latest prospectus and/or annual filings.

Disclosures

Diamond Equity Research, LLC has created and distributed this report. This report is based on information we consider reliable, including the subject of the report. This report does not explicitly or implicitly affirm that the information contained within this document is accurate and/or comprehensive, and as such should not be relied on in such a capacity. All information contained within this report is subject to change without any formal or other notice provided. Diamond Equity Research, LLC is not a FINRA registered broker/dealer or investment adviser and does not provide investment banking services and follows customary internal trading procedures pending the release of the report found on [disclosure page](#).

This document is not produced in conjunction with a security offering and is not an offering to purchase securities. This report does not consider individual circumstances and does not take into consideration individual investor preferences. Recipients of this report should consult professionals around their personal situation, including taxation. Statements within this report may constitute forward-looking statements, these statements involve many risk factors and general uncertainties around the business, industry, and macroeconomic environment. Investors need to be aware of the high degree of risk in micro capitalization equities, including the complete loss of investment.

Diamond Equity Research LLC is being compensated by Almonty Industries, Inc. for producing research materials regarding Almonty Industries, Inc. and its securities, which is meant to subsidize the high cost of creating the report and monitoring the security, however the views in the report reflect that of Diamond Equity Research. All payments are received upfront and are billed for research engagement. As of 04/07/25 the issuer had paid us \$50,000 for our company sponsored research services, which commenced 03/07/2025 and is billed annually. Diamond Equity Research LLC may be compensated for non-research related services, including presenting at Diamond Equity Research investment conferences, press releases and other additional services. The non-research related service cost is dependent on the company, but usually do not exceed \$5,000. The issuer has not paid us for non-research related services as of 04/07/2025. Issuers are not required to engage us for these additional services. Additional fees may have accrued since then.

Diamond Equity Research, LLC is not a registered broker dealer and does not conduct investment banking or receive commission sharing revenue arrangements related to the subject company of the report. The price per share and trading volume of subject company and companies referenced in this report may fluctuate and Diamond Equity Research, LLC is not liable for these inherent market fluctuations. The past performance of this investment is not indicative of the future performance, no returns are guaranteed, and a loss of capital may occur. Certain transactions, such as those involving futures, options, and other derivatives, can result in substantial risk and are not suitable for all investors.

Photocopying, duplicating or otherwise altering or distributing Diamond Equity Research, LLC reports is prohibited without explicit written permission. This report is disseminated primarily electronically and is made available to all recipients. Additional information is available upon request. For further questions, please contact research@diamondequityresearch.com