ANNUAL INFORMATION FORM

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

April 1, 2014

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PRESENTATION OF INFORMATION AND FORWARD LOOKING STATEMENTS

Except where the context otherwise requires, all references in this Annual Information Form ("AIF") to the "Company", "Almonty", "we", "us", "our" or similar are to Almonty Industries Inc. and its subsidiaries, taken together.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.

Certain statements included in or incorporated into this AIF constitute "forward looking" statements, including those identified by the expressions "will", "continue", "predict", "may", "would", "could", "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions. The forward looking statements are not historical facts but reflect management's current expectations regarding future results or events. These forward looking statements include the statements regarding financial or other projections, Almonty's future plans, objectives or performance for the current period and subsequent periods and regarding the markets for its products and the future price of tungsten.

These forward looking statements are subject to a number of assumptions, risks, uncertainties and other factors that could cause actual results, performance, achievements, industry results or events to differ materially from current expectations. These statements reflect current assumptions and expectations regarding future events and operating performance and speak only as of the date of this document. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward looking statements, including, but not limited to, changes to the market for or price of tungsten, changes to the US Dollar/Euro exchange rate, a material adverse change in the affairs of Almonty's business and operations, and the factors discussed under the "Risk Factors" below. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward looking statements.

These forward looking statements are made as of the date of this AIF and Almonty does not intend, and does not assume any obligation, unless otherwise required by law, to update or revise them to reflect new events or circumstances. Readers are cautioned not to place undue reliance on forward looking statements.

CORPORATE STRUCTURE

Almonty Inc. is a corporation continued under the *Canada Business Corporation Act* (the "**CBCA**").

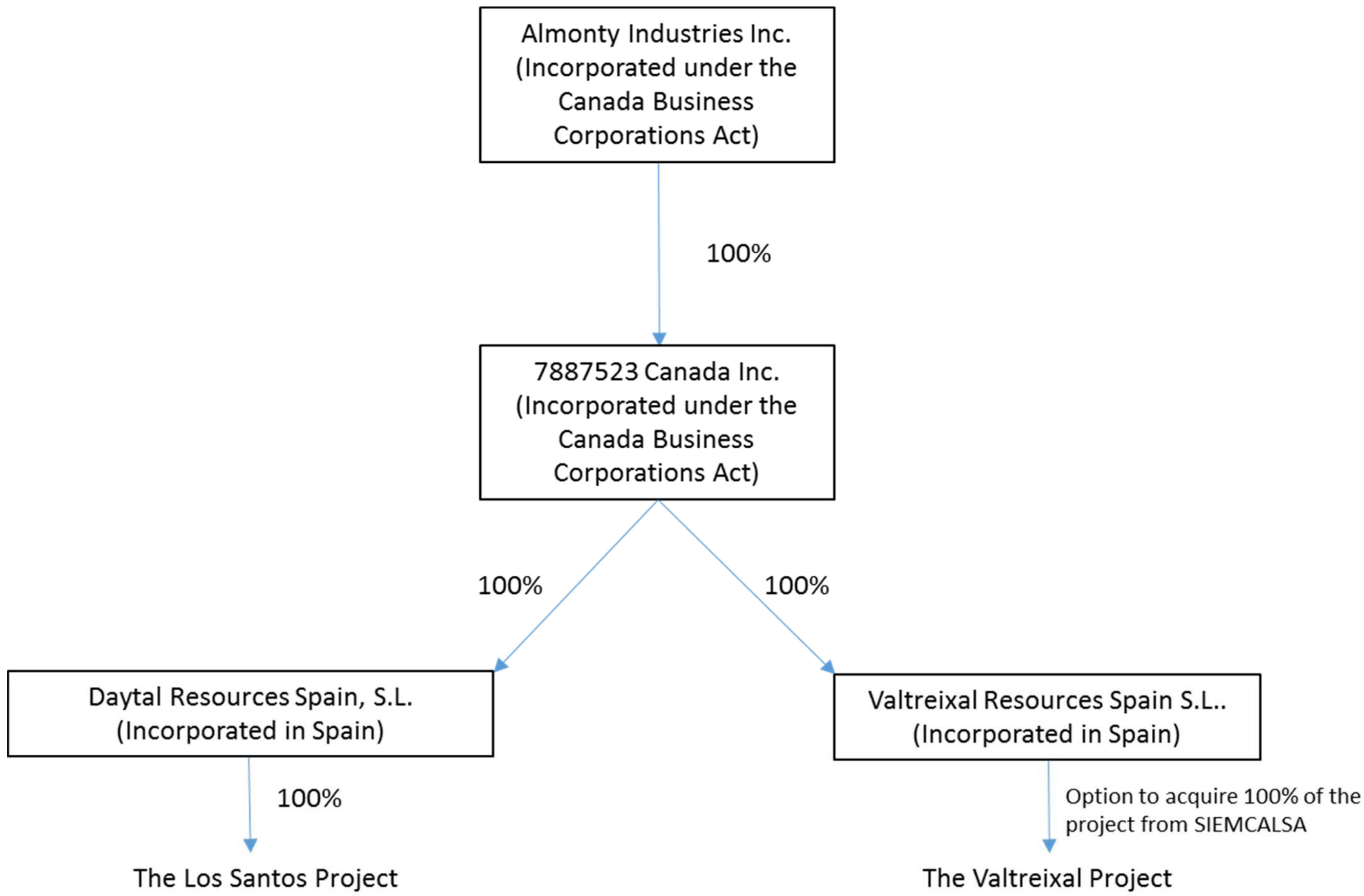
Almonty was incorporated on September 28, 2009 under the *Business Corporations Act* (British Columbia) (the "**BCABC**") under the name RCG Capital Inc. as a Capital Pool Company. On September 23, 2011, the Company completed its qualifying transaction (the "**Qualifying Transaction**"), whereby all of the issued and outstanding securities of 7887523 Canada Inc. ("**Almonty Sub**") were acquired in exchange for securities of the Company on a one-for-one basis and the Company changed its name to "Almonty Industries Inc." and its stock symbol to "AII". The Qualifying Transaction was a reverse take-over with the former shareholders of Almonty Sub holding approximately 98% of the outstanding shares of the Company immediately following its completion. In connection with the Qualifying Transaction and immediately prior to its completion, Almonty Sub acquired all of the issued and outstanding shares of Daytal Resources Spain, S.L. ("**Daytal**") from Heemskirk Europe PLC and Heemskirk Consolidated Limited (collectively, "**Heemskirk**"). Daytal is the owner of a 100% interest in the Los Santos tungsten project located near Salamanca, Spain (the "**Los Santos Project**").

The Company's other indirectly wholly owned subsidiary, Valtreixal Resources Spain, holds the option to acquire an interest in the Valtreixal tin and tungsten project located in Western Spain. The principal business of Valtreixal Resources Spain is the exploration of the Valtreixal project.

On March 27, 2012 Almonty filed articles of continuance and was continued from the BCABC to the CBCA. Almonty's shares trade on the TSX Venture Exchange (the "**TSXV**") under the symbol "AII". Almonty's head and registered office is 100 King Street West, Suite 5700, Toronto Ontario, M5X 1C7.

Inter-corporate Relationships

The following illustrates the inter-corporate relationships between the Company and its subsidiaries and sets out the respective jurisdictions of incorporation of such subsidiaries and the percentage of their voting securities owned, controlled or directed, directly or indirectly, by the Company as at September 30, 2013.


Almonty Industries Inc.
(Incorporated under the Canada Business Corporations Act)
100%
7887523 Canada Inc.
(Incorporated under the Canada Business Corporations Act)
100%
100%
Daytal Resources Spain, S.L.
(Incorporated in Spain)
Valtreixal Resources Spain S.L..
(Incorporated in Spain)
100%
Option to acquire 100% of the project from SIEMCALSA
The Los Santos Project
The Valtreixal Project

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Prior to the Qualifying Transaction completed on September 23, 2011, the Company was a Capital Pool Company and had no business operations.

The Company acquired an indirect, 100% interest in the Los Santos Project on September 23, 2011 with the intent of extending the mine life and implementing operational changes to the milling circuit in order to increase the tungsten recovery rate of the mill.

The acquisition was financed through an equity offering that closed contemporaneously with the closing of the Qualifying Transaction. The Company raised gross proceeds of approximately $16,963,840. The Company then paid $13,749,400 (US$14,000,000 based on prevailing exchange rates at the time of the closing of the acquisition), issued 5,560,000 shares of Almonty and 3,701,144 warrants to purchase common shares of Almonty to Heemskirk Consolidated Limited in exchange for 100% of the equity of Daytal Resources Spain SL. Daytal in turn owns 100% of the Los Santos Project.

Management has also identified several opportunities to expand the Los Santos Project's potential and is continuing its exploration campaign at the Los Santos Project. The 2012 exploration campaign was completed in June 2012 with 5,078 metres being drilled and resulted in an updated technical report being completed as at September 30, 2012 prepared pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") (the technical report is filed on SEDAR under the Company's profile). As a result of the exploration program, Tungsten reserves increased by 10%, contained tungsten increased by 20%, and the mine life was extended to 8 years.

The 2013 exploration campaign was completed in June 2013 with over 6,955 metres drilled. The campaign was focused on furthering our understanding of the resource at the Los Santos Project. The 2013 campaign resulted in an updated technical report being completed as at October 31, 2013 prepared pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") (the technical report is filed on SEDAR under the Company's profile and also available on the Company's website). As a result of the exploration program, tungsten reserves increased by an additional 6.30%, contained tungsten by an additional 5.75% and the mine life was further extended by 1 year, to 9 years. The campaign was able to replace all of the mineral reserves that were consumed during the year (July 1, 2013 to June 30, 2013). More importantly we now have sufficient understanding of the resource to fully optimize the pit design and long-term mine plan. The campaign has also identified areas of further interest and the Company intends to carry out additional exploration activity in 2014 that will target the underground potential of the Los Santos Project. Almonty will provide updates on this and other initiatives as they progress.

Pit optimization work is continuing on schedule and the pit design is being enhanced based on the results of the recently filed NI 43-101 technical report. Average grades of ore mined during the period of time of the pit optimization are improving and are beginning to approach the anticipated long-term grade of the resource of 0.39% WO_3. The improvement in the grade being mined, coupled with the optimization of the processing plant, is expected to enhance tungsten production levels in future periods. During the three months ended December 31, 2013 the Company experienced a modest increase in waste rock removal costs compared to the three months ended September 30, 2013 as it prepared in advance for the change-over in mining contractors in January 2014. The targeted strip ratio for 2014 is anticipated to be approximately 30% lower that it was for the 12 months ended September 30, 2013. During the three months ended December 31, 2013 the average grade of ore mined was 0.37% WO_3 and continues to move toward the long-term average grade of the mineral reserves, currently estimated to be 0.39% WO_3.

The Company intends to continue with a smaller exploration campaign at its Los Santos Project targeting a further understanding of the resource to depth. Drilling is expected to commence in the spring of calendar 2014 and target areas that can be accessed from the existing underground galleries located at the Los Santos Project. The Company expects to obtain sufficient assay results that will enable it to complete an updated NI 43-101 technical report by December 31, 2014. Information obtained from the 2014 exploration campaign will be utilized by the Company to finalize the pit design and

On March 21, 2013, the Company announced that it had entered into an option agreement to acquire a 51% interest in, and be the project operator of, the Valtreixal Sn-WO_3 project in North Western Spain (approximately 250km from its Los Santos tungsten project) for total consideration of €1,400. Almonty made the first installment payment of €100 in June 2013. The balance of funds are due over the remaining 24 months of the option period should Almonty decide to continue with the project. Almonty also has the option to acquire the remaining 49% interest in the project for an additional €2,000 at the end of the 24 month period. Almonty has begun its evaluation of the historical data and has carried out test drilling on the site in order to facilitate the planning of additional exploration work on the property. Almonty anticipates development work on the project to be carried out over the course of the first 18 months of the option period. The Company has embarked on a review of the historical data and exploration work that was carried out on the Valtreixal Project with a view to developing a comprehensive exploration program. We will update the market as we progress with our evaluation of the project.

On December 19, 2013, Almonty served notice to Sanchez y Lago, the former mining contractor at the Los Santos Project, that it was terminating its agreement effective January 15, 2014. Almonty has entered into a new contract with MOVITEX (Movimentos de Tierras Y Excavaciones, S.L.U.) for contract mining services at Los Santos effective January 15, 2014. Almonty owed Sanchez y Lago €40 for the demobilization of its equipment and up to €35 for a maintenance workshop owned by Sanchez y Lago that is located at the Los Santos mine site (total payment of up to €75 estimated to be $109 based on the CAD/Euro exchange rate as of the date notice was given) as a termination fee under its existing contract. This amount became payable in January 2014. MOVITEX began providing contract mining services at the Los Santos on schedule and Almonty estimates that the cost of such services will be significantly less that it was paying to Sanchez y Lago for similar services. The equipment being employed by MOVITEX is smaller and better suited to both the size and types of open pits being mined at the Los Santos Project and Almonty anticipates that it will have a favourable impact on dilution.

Summary operating information for the Company's Los Santos Project:

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2102	Three Months Ended September 30, 2013	Year Ended September 30, 2013	Year Ended September 30, 2012
Ore treated (tonnes)	129,215	116,151	117,821	456,895	476,591
WO_3 concentrate produced (MTU)	17,160	19,359	15,717	67,435	65,848
WO_3 concentrate sold (MTU)	16,900	19,260	14,688	66,807	66,419
Sales revenue (US$ million)	5.3	5.0	4.6	17.8	21.5
Cash operating costs (US$/MTU)	154	146	172	177	183
Cash operating costs (€/MTU)	113	114	130	135	141
Ore mined (tonnes)	139,312	127,928	155,887	556,861	462,221
Average grade WO_3 mined	0.37%	0.37%	0.31%	0.33%	0.28%
Average WO_3 recovery rate	50.5%	63.3%	51.2%	55.2%	57.8%

MTU production during the three months ended December 31, 2013 was negatively impacted by the continued reliance on the faulty laboratory calibration during the period (see Almonty's press release dated January 31, 2104). The faulty calibration was not discovered until late December 2013 and lead to a lower tungsten recovery rate for the three months ended December 31, 2013 when compared to the three months ended December 31, 2012 and the three months ended September 30, 2013.

The Company is currently in the process of re-evaluating its tailings stockpile that was produced since March 2013 as it contains significantly higher grades of tungsten than previously thought, leading to an increase in the anticipated production of MTUs of WO_3 when the tailings are ultimately reprocessed. The Company expects to report updated information regarding its tailings stockpile when it reports the results of its 2014 exploration campaign.

Almonty has implemented significant operational changes and enhancements to the milling circuit at the Los Santos Project since its acquisition on September 23, 2011. The changes implemented yielded expected results and improvement in tungsten recoveries up to February 2013. The tungsten recovery rate achieved in February 2013 was 64.8%, in-line with our minimum targeted tungsten recovery rate of 65%.

In March 2013 the Company opened a new pit that contained a finer grain of ore and had to recalibrate its internal laboratory to adjust for the smaller particle size coming from this pit. The faulty calibration was discovered after an extensive review of the operations, beginning with a review of the mining block model and every subsequent phase of the operations until it was determined that the laboratory was not correctly calibrated. The company had calibrated the laboratory based on analysis that was carried out by two independent global laboratories that we using two different assay methodologies. Once the Company identified the on-site laboratory as the potential problem it initiated a round robin review with 5 independent laboratories who all concluded that the on-site laboratory had be calibrated to the wrong specifications based on the certificates provided to the Company in March 2013. The original laboratories that provided the calibration specifications in March 2013 then reviewed their original work and concluded that it was in error and re-issued new calibration specifications that matched the specifications provided by the 5-laboratory round robin review. The Company is presently continuing with its re-tuning of the milling circuit based on the corrected calibration and has seen the tungsten recovery rate begin to improve in January and February 2014 to approximately

57.0%. The Company anticipates it will achieve a tungsten recovery rate of 65% by calendar year end 2014.

The faulty calibration affected the Company's assay work carried out on the feed grade to the plant, as well as the tailings grade exiting the plant, leading to a miscalculation of the Company's tungsten recovery rate for the period. No other assay results were affected (blast assays, exploration assays etc. were unaffected). The Company has rectified the problem and has recalibrated its internal laboratory after consultation with five additional third party assay laboratories that were employed by Almonty in its extensive review of the assay work.). The Company does not anticipate that there will be any material change to its plant configuration and that all previously installed upgrades to its processing circuit can be fine-tuned and fully utilized as originally planned.

There was no financial impact to this recalibration as it did not impact the assay results of final tungsten concentrate produced, thereby having no impact on the calculation of WO3 grades contained in the final concentrate that was sold by Almonty during the affected periods.

On January 31, 2014, Almonty re-stated its previously calculated tungsten recovery rates as follows:

Summary tungsten recovery information:

	Three Months Ended September 30, 2013	Three Months Ended June 30, 2013	Three Months Ended March 31, 2013	Three Months Ended December 31, 2012	Year Ended September 30, 2013
Original Average WO_3 recovery rate	62.5%	57.0%	63.6%	63.2%	62.0%
Restated Average WO_3 recovery rate	51.2%	46.0%	59.6%	63.2%	55.2%

The average tungsten recovery rate for the three months ended December 31, 2013 was 50.5%. The tungsten recovery rate during the three months ended December 31, 2013 was in-line with the restated tungsten recovery rate for the three months ended September 30, 2013 of when compared to the 51.2% as the Company was still operating the milling circuit based on faulty calibration of its laboratory. The tungsten recovery rate improved during the months of January and February 2014 to 57.0%% as the Company began its re-tuning process. Once the re-tuning is complete, Almonty anticipates it will return to tungsten recovery rates in excess of 60% in the near-term and is targeting a return to a 65% recovery rate by Q4 2014.

DESCRIPTION OF BUSINESS

GENERAL

The Company is a natural resource Company engaged in the acquisition, exploration, development, mining, and milling of tungsten ores and related minerals. The Company's business is presently focused in the Iberian Peninsula.

The principal business of Almonty is the production of tungsten concentrate and the advancement of exploration and development activities at its 100% owned Los Santos Project. The Los Santos Project is a tungsten mine located approximately 50 kilometres from Salamanca, in western Spain. The mine has been in production since 2008 and produces tungsten concentrate products. The mine was opened in June 2008 and commissioned in July 2010 by its former owner.

Production, Principal Markets and Distribution Methods

Almonty refines tungsten ore in its milling circuit using a combination of gravity separation (spiral banks, shaking tables etc.) after the ore is crushed in a primary crusher. The milling circuit refines the tungsten ore into a primary grade product of 65% WO_3 concentrate and also a secondary product with a grade of WO_3 concentrate between 45% and 65%.

The principal markets for the Company's tungsten concentrates are the United States of America and Western Europe. Currently over 95% of the revenue earned by the Company's operations is sold to a single customer in accordance with a long term supply agreement. This customer is located in the United States of America. Contract terms for Almonty's sale of WO_3 in concentrate (WO_3 concentrate) allow for a price adjustment based on final assay results of the WO_3 concentrate by the customer to determine the final content. Recognition of sales revenue for WO_3 concentrate is based on the most recently determined estimate of WO_3 concentrate (based on initial assay results carried out by Almonty) and the contract price at the date of shipment, with a subsequent adjustment made upon final determination between Almonty and its customer after receipt of the WO_3 concentrate. If the customer disputes the invoiced amount based on a difference of assayed values of WO_3 concentrate, then the dispute is settled by an independent third party assaying service whose findings are binding on both parties.

The terms of WO_3 concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for WO_3 concentrate is calculated based on the adjusted prevailing monthly average price per MTU of APT (Ammonium paratungstate) as published by London Metal Bulletin on the date of shipment to the customer. A redacted copy of Almonty's Supply Agreement is filed on SEDAR under Almonty's profile.

All WO_3 concentrate produced by Almonty at the Los Santos Project is loaded into 1 tonne bags and stored on site until a minimum of 20 bags has been accumulated. For sales under the Supply Agreement, once 20 bags have accumulated on site, Almonty then arranges for an independent logistics company to procure a twenty (20) tonne shipping container to site where twenty (20) 1-tonne bags are then immediately loaded into the container and the container is sealed by logistics company personnel and transported by truck to the port of Valencia in Spain. The container is held in a bonded location in the port of Valencia while awaiting shipping via ocean freighter to the port of New York, USA, where Almonty's customer takes possession of the container. Shipping and delivery are carried out under CIF INCOTERMS 2010 as per the Supply Agreement.

The remaining 5% of production is sold on the spot market to a customer in Western Europe. This customer arranges transportation of the WO_3 concentrate, again twenty (20) 1-tonne bags, from Almonty's mine site via truck to its operations in Western Europe. Almonty invoices the customer when the product leaves the mine gate and is paid 80% of the total invoice within 10 days of the invoice being issued and the remaining 20% after the customer has assayed the final product after it arrives at its facilities, typically within 15 days of shipping.

Revenues

Gross Revenue from the sale of WO_3 concentrate for the three months ended December 31, 2013 totalled $5,462,537. Gross revenue for the year ended September 30, 2013 totalled $18,341,000 ($21,645,000 for the year ended September 30, 2012). Daytal, Almonty's wholly-owned indirect subsidiary, has a long-term supply agreement with one customer who participates in the global tungsten business. Currently over 95% of the revenue earned by the Company's operations is sold to this customer. Almonty is economically dependent on the revenue received from this customer in order to be able to meet its current obligations and is subject to the pricing terms set out in the supply agreement. See *Description of the Business - - General – Contracts* below.

Credit Facilities

During April 2013, the Company's wholly-owned subsidiary entered into agreements with 4 individual Spanish banks for a total of €4,870 in debt facilities at interest rates ranging from 4.87% to 6.53%. The balance outstanding on the facilities as at December 31, 2013 was €3,875 (CAD$5,679). All of the debt facilities are fully amortizing over their respective 3-year terms that mature in April 2016. One facility totaling €1,611 (CAD$2,361) as at December 31, 2013 carries a guarantee by Almonty. In addition to the guarantee, under certain circumstances of default, the lender has a right to seize up to 20% of the net assets of Daytal in order to satisfy any amounts outstanding on the loan if the default is not cured. The remaining three facilities totaling €2,264 (CAD$3,318) as at December 31, 2013 are non-recourse. The monthly minimum principal and interest payments on the facilities, calculated at prevailing interest rates as of December 31, 2013, totals €140 (CAD$205) per month.

Facility	Security	Interest Rate	Current	Long-term	Total
1	Unsecured	Fixed 5.50%	$238	$342	$580
2	Unsecured	Floating 5.64%	$423	$569	$992
3	Guarantee/ Partial security	Floating 4.89%	$971	$1,390	$2,361
4	Unsecured	Floating 6.53%	$711	$1,035	$1,746
Total			$2,343	$3,336	$5,679

	December 31, 2013	**September 30, 2013**
Current portion of long-term debt – due within one year	2,343	2,225
Long-term portion – due after one year but not more than 5 years	3,336	3,721
Total long-term debt	**5,679**	**5,946**

On January 24, 2014 Almonty entered into two unsecure debt facilities with Banca de Empresas, a subsidiary of Banco Santander Group, totalling €2,500 (CAD$3,800 as at January 24, 2013). One facility totalling €1.000 (CAD$1,520) is fully drawn and matures on January 24, 2015 and carries an interest rate of 5.28%. The second facility totalling €1,500 (CAD$2,280) is an un-drawn line of credit that matures on February 20, 2017 and carries an interest rate on drawn funds of 6.067% up to April 24, 2014, after which interest will be charged on drawn funds at a rate of the 12-month Euribor rate plus 5.5%.

Competitive Conditions

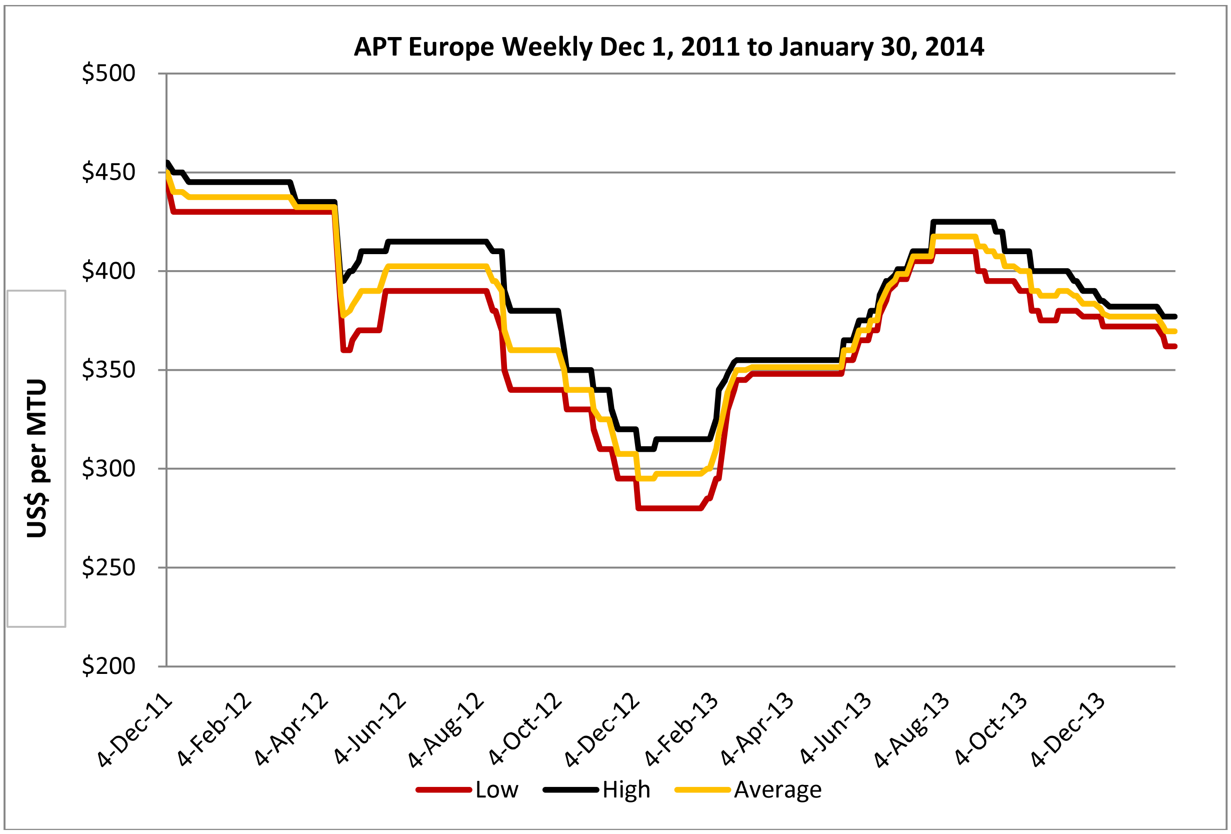
The Company's business is to sell tungsten concentrates and upgraded tungsten products at prices determined by world markets over which the Company has not influence or control. These markets are cyclical. The Company's competitive position is determined by its costs compared to those of other producers throughout the world and by the Company's ability to maintain financial strength through the tungsten concentrate price cycle despite currency fluctuations. Costs governed principally by the location, grade and nature of the ore bodies and mineral deposits, and the Company's cost of labour, power and supplies, and, as well, by operating and management skill. Over the long term, the Company's competitive position is determined by its ability to develop economic ore bodies and replace current production. In this regard, the Company also competes with other mining companies for mineral properties.

At present, there are a limited number of competitors producing tungsten concentrates in the Western World. The world's largest producer of tungsten concentrates is China, which is now an importer of tungsten concentrates. The Company competes specifically with other mining and industrial operations located in the Iberian Peninsula, and the European Union in general, in obtaining skilled labour and mining supplies.

Market demand for tungsten concentrate continued to be stable during the first quarter of fiscal 2014 with an average price during the three month period ended December 31, 2013 of US$386/MTU of APT. Market prices for APT decreased during the quarter with prices falling from an average of US$410/MTU for the three months ended September 30, 2013 and has continued down to US$375 /MTU in January 2014. Management believes that the demand for tungsten concentrate has stabilized and that prices are expected to remain at current levels during Q2 2014. Longer-term we expect the recovery in global economic output and global demand will continue to have a positive impact on the price of APT and that continued forecasted demand increases will lead to supply shortages for tungsten concentrates and sustained higher prices.

Tungsten prices according to the MB European quotation for APT (from which Almonty's concentrate prices are derived by varying formulae under its long-term supply agreement) averaged US$386/MTU during the first quarter of fiscal 2014. Pricing improved by 19.1% over the US$323/MTU average of the three month ended December 31, 2012. Although the price is still down from the highs of US$440/MTU experienced in the fall of 2011, all signs point to a sustained recovery in the price of APT. The average quoted price for European APT for the twelve months ended September 30, 2012 was US$412/MTU; the average price for the three month period ended December 31, 2012 was US$323/MTU; the average price for the three months ended March 31, 2013 was US$325/MTU; the average for the three months ended June 30, 2013 was US$364/MTU; the average price for the three months ended September 30, 2013 was US$410/MTU; and, the average price for the year ended September 30, 2013 was US$357/MTU. Almonty prices its tungsten concentrate product in relation to the prior month's average quoted price for APT on the MB European quotation service. The price Almonty received for its tungsten concentrate during the three months ended December 31, 2013 was negatively impacted by the decrease in the MB European quoted price and resulted in a lower average price for its tungsten concentrate in the three months ended December 31, 2013 when compared to the three month period ended September 30, 2013.

The Company anticipates that prices will continue to remain at current levels in the near-term and not return to the lows experienced in January and February 2013. We remain cautious as to the timing of a return to the historical high prices experienced in the first half of fiscal 2012. The Company continues to take the necessary steps to reduce operating costs and enhance its efficiency in order to ensure that the Company remains profitable should the price for APT return to levels experienced during January and February 2013.



Source: Metal Bulletin, ammonium para tungstate (APT), European (US$/MTU).

Growth Strategy

Management has identified several opportunities to expand the Los Santos Project's potential and is continuing its exploration campaign at the Los Santos Project.

The 2013 exploration campaign was completed in June 2013 with over 6,955 metres drilled. The campaign was focused on furthering our understanding of the resource at the Los Santos Project. The 2013 campaign resulted in an updated technical report being completed as at October 31, 2013 prepared pursuant to NI 43-101 (the technical report is filed on SEDAR under the Company's profile and also available on the Company's website). As a result of the exploration program, tungsten reserves increased by an additional 6.30%, contained tungsten by an additional 5.75% and the mine life was further extended by 1 year to 9 years. The campaign was able to replace all of the mineral reserves that were consumed during the year (July 1, 2013 to June 30, 2013). More importantly we now have sufficient understanding of the resource to fully optimize the pit design and long-term mine plan. The campaign has also identified areas of further interest and the Company intends to carry out additional exploration activity in 2014 that will target the underground potential of the Los Santos Project. Almonty will provide updates on this and other initiatives as they progress.

On March 21, 2013, the Company announced that it had entered into an option agreement to acquire a 51% interest in, and be the project operator of, the Valtreixal Sn-WO3 project in North Western Spain (approximately 250km from its Los Santos tungsten project) for total consideration of €1.4 million. Almonty has begun its evaluation of the historical data and has carried out test drilling on the site in order to facilitate the planning of additional exploration work on the property. Almonty anticipates development work on the project to be carried out over the course of the first 18 months of the option period.

In addition, the Company routinely considers opportunities to acquire other tungsten projects.

Seasonality

There is no seasonality to the Company's mining operations. The Company's business is to sell tungsten concentrates and upgraded tungsten products at prices determined by world markets over which the Company has no influence or control. These markets are cyclical. *See Competitive Conditions* for additional information on the cyclicality of the APT commodity price.

Contracts

Almonty, along with its wholly-owned subsidiary Daytal, is a party to a long term supply agreement dated September 23, 2011 with a customer who participates in the global tungsten business (the "**Supply Agreement**"). The Supply Agreement provides for the supply of a minimum amount of tungsten concentrate to the customer in accordance with certain specifications of the customer. Pricing is based on a formula derived from the prior month's average of the high and low price for European APT per MTU as quoted on the MB. The Supply Agreement runs for a term of five years with an automatic renewal for an additional five years (unless either party provides at least three months' notice of its intention not to renew). The customer was also granted a right of first refusal for tungsten concentrate that meets the customer's specifications produced by the Company above the minimum amount required to be shipped under the terms of the agreement. A copy of the agreement is available on SEDAR under Almonty's profile at www.sedar.com. Currently over 95% of the revenue earned by the Company's operations is sold to this customer.

On December 19, 2013, Almonty served notice to Sanchez y Lago, the mining contractor at the Los Santos Project, that it was terminating its agreement effective January 15, 2014. Almonty has entered into a new contract with MOVITEX – Movimentos de Tierras Y Excavaciones, S.L.U. for contract mining services at Los Santos effective January 15, 2014. The Company has taken the necessary precaution of stockpiling additional ore in order to ensure that production is not interrupted as a result of changing mining contractors. Almonty owed Sanchez y Lago €40 for the demobilization of its equipment and €35 for a maintenance workshop that was owned by Sanchez y Lago that is located at the Los Santos mine site (total payment of €75, estimated to be $109 based on the CAD/Euro exchange rate as of the date notice was given) as a termination fee under its existing contract. This amount has been paid to Sanchez y Lago as at the date hereof.

Environmental Protection

The Company is committed to maintaining high standards of environmental protection and care in the conduct of all aspects of its business. The Company's mining exploration and development activities are subject to various levels of federal, provincial and territorial laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties. The Company's approach to environmental management includes maintain compliance with all applicable legislation, regulations and authorizations, implementing proactive strategies for environmental protection, achieving continuous improvement in performance and encouraging open communication with governments, the general public and stakeholders.

Employees

As at March 26, 2014 the Company had 71 non-unionized full-time employees and 4 unionized full-time employees at the Los Santos Project and an additional 2 full -time, non-unionized employees in its Toronto office. As at September 30, 2013, 2012 and 2011 there were respectively 75, 67 and 57 full-time non-unionized employees and 4,4 and 5 full-time unionized employees at the Los Santos Project and 2,2 and 2 non-unionized full-time employees in the Toronto office.

Foreign Operations

Almonty is dependent on its wholly-owned indirect subsidiary, Daytal. Daytal's operations are located in Spain and its functional currency is Euros (€). Daytal's output of WO_3 concentrate is a commodity that is primarily denominated in United States dollars (USD$) and Almonty's reporting currency is in Canadian dollars (CAD$). As such, Almonty's consolidated balance sheet can be significantly affected by movements between the three currencies (CAD$, USD$ and €). The Company's policy is to maintain exposure to fluctuations in foreign currency fluctuations at its mining operations

During the three months ended September 30, 2013, the value of the € relative to the CAD$ increased from €1.00 = CAD$1. 3676 as at June 30, 2013 to €1.00 = CAD$1.3920 as at September 30, 2013, resulting in the Company recording a cumulative translation adjustment gain of $523 for the three months ended September 30, 2013. This amount is recorded as other comprehensive income (loss) on the Consolidated Statement of Operations and Comprehensive Income and accumulated other comprehensive income (loss) as a separate line item in Shareholders' Equity.

During the year ended September 30, 2013, the value of the € relative to the CAD$ increased from €1.00 = CAD$1.2646 as at September 30, 2012 to €1.00 = CAD$1.3920 as at September 30, 2013, resulting in the Company recording a cumulative translation adjustment gain of $2,237 for the year ended September 30, 2013. This amount is recorded as other comprehensive income (loss) on the

Consolidated Statement of Operations and Comprehensive Income and accumulated other comprehensive income (loss) as a separate line item in Shareholders' Equity.

Almonty's policy is to maintain exposure to fluctuations in commodity price movements at its mining operations. The Company sells WO_3 concentrate that is denominated in US$ per MTU. Every +/- US$10.00 movement in the average price of 1 MTU of European APT as quoted on the MB exchange impacts the Company's revenue by +/- US$8.00 per MTU of WO_3. The price of tungsten varies considerably and is based on factors outside the control of the Company. Should the market price of tungsten concentrate fall below the Company's cash operating costs Almonty would cease to generate positive cash flow from operations.

Social or Environmental Policies

The Company is committed to maintaining high standards of environmental protection and care in the conduct of all aspects of its business. The Company's mining, exploration and development activities are subject to various levels of Spanish federal, provincial and territorial laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

The Company's approach to environmental management includes maintaining compliance with all applicable legislation, regulations and authorizations, implementing proactive strategies for environmental protection, achieving continuous improvement in performance and encouraging open communications with governments, the general public and stakeholders. See disclosure regarding environmental matters under the respective descriptions of the Company's mineral projects herein for further details.

Almonty is committed to the promotion of Environmental awareness and stewardship amongst employees and contractors at our mining and exploration sites by providing accurate information and responsible environmental management that ensures safety, due diligence and compliance.

Responsible environmental management is key to our success. The Company ensures that cost-effective, best management practices are utilized in assessing, planning, constructing and operating our facilities in compliance with all applicable legislation and regulations. We work together with various Government agencies and the Public to enhance communications and understanding of our operations and our environmental stewardship.

Our guiding environmental principles are built into the management of our daily activities and our philosophy is included in all work procedures and protocols.

Every employee is committed to, and responsible for, the integrity of our environmental management.

RISK FACTORS

The Company operates in the mining industry which is subject to numerous significant risks that can influence profitability. In addition to all of the other information set out in this AIF, potential investors and readers should carefully consider the risk factors set out below which the Company believes to be the most significant and that could have a material impact on its current and future operations.

Other risks may exist that are not indicated below and which may currently exist or arise at a future date regarding the Company and its operations.

The risks and uncertainties below are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations and cause the price of its common shares to decline. If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of its common shares could decline, and an investor may lose all or part of his, her or its investment.

Financial Risks

Price of Metals and Foreign Exchange Rates

The Company's profitability is exposed to commercial risks, notably those linked to the price of tungsten and foreign exchange rates.

The Company's exploration, development and mining activities, the price of the Company's common shares and its financial results may be materially adversely affected by declines in the price of tungsten and other minerals. Mineral prices may fluctuate widely and are affected by numerous factors beyond the Company's control. Future material price declines could cause continued development of the Company's properties to be impractical. Depending on the price of tungsten, cash flow from mining operations may not be sufficient for continued operation of the Company's business and the Company could be forced to discontinue production or may be forced to sell some of its properties. Future production from the Company's mining properties is dependent on tungsten prices that are adequate to make such properties economical.

From time to time the Company may enter into agreements to receive fixed prices on its tungsten production to offset the risk of revenue losses if commodity prices decline, however, if commodity prices increase beyond the levels set in such agreements, the Company will not benefit from such increases. The Company may also use derivative instruments, including futures, forward, options and swaps to manage it commodity and financial market risks inherent in its tungsten operations. These activities, although intended to mitigate price volatility, expose the Company to other risks. When the Company sells tungsten or other minerals forward, it gives up the opportunity to sell tungsten at higher prices in the future, which not only may result in lost opportunity costs but also may require the Company to post significant amounts of cash collateral or other credit support to its counterparties. In addition, the Company may purchase and sell commodity-based contracts in the tungsten and minerals market for trading purposes.

In the future, the Company could recognize financial losses on these contracts as a result of volatility in the market values of the underlying commodities of if a counterparty fails to perform under a contract. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these contracts involves judgement and the use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts.

Almonty's policy is to maintain exposure to commodity price movements at its mining operations. The Company sells WO3 concentrate that is denominated in US$ per MTU. Every +/- US$10.00

movement in the average price of 1 MTU of European APT as quoted on the MB exchange impacts the Company's revenue by +/- US$8.00 per MTU of WO3. The price of tungsten varies considerably and is based on factors outside the control of the Company. Should the market price of tungsten concentrate fall below the Company's cash operating costs Almonty would cease to generate positive cash flow from operations.

Almonty's wholly-owned indirect subsidiary, Daytal, operates in Spain in Euros (€). Its output is a commodity that is primarily denominated in United States dollars (USD$) and Almonty's reporting currency is in Canadian dollars (CAD$). As such, Almonty's consolidated balance sheet can be significantly affected by movements between the three currencies (CAD$, USD$ and €).

During the three months ended December 31, 2013, the value of the € relative to the CAD$ increased from €1.00 = CAD$1. 3920 as at September 30, 2013 to €1.00 = CAD$1.4655 as at December 31, 2013, resulting in the Company recording a cumulative translation adjustment gain of $1,474 for the three months ended December 31, 2013. This amount is recorded as other comprehensive income (loss) on the Consolidated Statement of Operations and Comprehensive Income and accumulated other comprehensive income (loss) as a separate line item in Shareholders' Equity.

During the three months ended September 30, 2013, the value of the € relative to the CAD$ increased from €1.00 = CAD$1. 3676 as at June 30, 2013 to €1.00 = CAD$1.3920 as at September 30, 2013, resulting in the Company recording a cumulative translation adjustment gain of $523 for the three months ended September 30, 2013. This amount is recorded as other comprehensive income (loss) on the Consolidated Statement of Operations and Comprehensive Income and accumulated other comprehensive income (loss) as a separate line item in Shareholders' Equity.

During the year ended September 30, 2013, the value of the € relative to the CAD$ increased from €1.00 = CAD$1.2646 as at September 30, 2012 to €1.00 = CAD$1.3920 as at September 30, 2013, resulting in the Company recording a cumulative translation adjustment gain of $2,237 for the year ended September 30, 2013. This amount is recorded as other comprehensive income (loss) on the Consolidated Statement of Operations and Comprehensive Income and accumulated other comprehensive income (loss) as a separate line item in Shareholders' Equity.

Fluctuation in Interest Rates

The Company had $5,946 in long-term debt outstanding at varying levels of fixed and floating interest rates between 4.87-6.53% as at September 30, 2013. The floating rate debt totaled $5,340 as at September 30, 2013 and is based on a fixed spread over the six-month Euribor rate. Any movement in the six-month Euribor rate over remaining term of the unsecured debt with have an impact on the amount of interest paid by the Company. For every 100 basis point (1.00%) movement in the six-month Euribor rate will cause the amount the Company is required to pay in monthly interest to fluctuate +/- $5. The Company may in the future become a borrower of an additional material amount of funds or repay its existing outstanding long-term debt at any time without penalty. The Company's primary operations are located in Spain and the current European financial crisis that is causing borrowing costs in several European countries to increase may have a negative impact on both the Company's future borrowing costs and its ability to obtain debt financing.

As at September 30, 2013, Almonty had $108 in capital lease obligations that carry interest rate 8.50% with terms to maturity of 2 years.

Access to Capital Markets

To fund its future growth plans, the Company may become dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company's projects. To facilitate the availability of capital, the Company maintains an investor relations program in order to inform all shareholders and potential investors of the Company's developments.

The Company's constating documents do not limit the amount of indebtedness that Almonty may incur. The level of Almonty's indebtedness may from time to time increase above industry standards for mining companies of similar size and could impair Almonty's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise. Additionally, failure to obtain such financing on a timely basis could cause Almonty to miss certain acquisition opportunities and reduce or terminate its operations.

The Company's constating documents allow it to issue an unlimited number of Almonty Shares for such consideration and on such terms and conditions as may be established by the board of directors of Almonty. Almonty cannot predict the size of future issuances of Almonty Shares or securities convertible into Almonty Shares or the effect, if any, that future issuances of Almonty Shares will have on the price of such shares. Any transaction involving the issue of previously authorized but unissued Almonty Shares or securities convertible into Almonty Shares would result in dilution, possibly substantial, to present and prospective shareholders of Almonty

Future Financing, Credit and Liquidity risk

The success of exploration programs, development programs and other transactions related to concessions could have a significant impact on the need for capital. If Almonty decides to develop one of its properties, it must ensure that it has access to the required capital. The Company could finance its need for capital by using working capital, by arranging partnerships or other arrangements with other companies, through equity financing, by taking on long-term debt or any combination thereof.

Almonty's maximum exposure to credit risk, excluding the value of any collateral or other security, is the credit worthiness of its customers that are operating as counterparty to Almonty's supplier financing program. All invoices submitted to its major customer under the long-term supply agreement are subject to a supplier finance program. Almonty assigns all trade receivables that are subject to the supplier finance program to a third party bank and receives prepayment from the bank on the invoices assigned. The availability of this program rests solely on the ability of Almonty's customer to continually pay down the supplier financing facility as it comes due in order to ensure Almonty has access to draw on the facility when it ships tungsten concentrate to its customer under the agreement. If Almonty were to no longer have access to the supplier financing program it would revert to normal trade terms with its customer.

Economic Dependency

Daytal, Almonty's wholly-owned indirect subsidiary, has a long-term supply agreement with one customer who participates in the global tungsten business. Currently over 95% of the revenue earned by the Company's operations is sold to this customer. Almonty is economically dependent on the revenue received from this customer in order to be able to meet its current obligations and is subject to the pricing terms set out in the supply agreement. There is no guarantee that Almonty would be able to find an alternative customer or customers on terms similar to its existing supply agreement should the current customer cease operations or become unable to pay Almonty under the current contract.

Tungsten Market

There is no assurance that a profitable market will continue to exist for the sale of tungsten. Tungsten prices have experienced significant movement over short periods of time and are affected by numerous factors beyond the Company's control such as international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption and demand patters, speculative activities and increased production due to improved mining and production methods. Tungsten prices may be negatively affected by any slowing of the global economy, increases in exports from one market economy countries, notably China, and the release of tungsten concentrate onto the market from U.S. National Defence Stockpile.

Operational Risks

Production

Daytal's contract with MOVITEX, under which MOVITEX carries out contract mining activities for Daytal at the Los Santos Project, was entered into for the life of mine with an effective date of January 15th, 2014. Daytal currently does not have any mining capabilities of its own and relies on MOVITEX for all mining activity, including waste rock removal, pit development and delivery of ore to Daytal's crushing and processing plant. There is no guarantee that Daytal would be able to replace MOVITEX with another contract mining firm if MOVITEX were no longer able to provide contract mining services to Daytal. Any disruption in the contract mining services provide by MOVITEX would have a negative impact on Daytal's short-term economic viability.

Competition

The mining industry is very competitive and the Company has to compete with other companies related to the acquisition of attractive mineral properties and the retention of skilled labour. Many competitors possess greater financial, technical and other resources. As a result, the Company may be faced with a shortage or no supply of ore or employees, as well as not being able to maintain or acquire mineral properties on reasonable terms.

Risks Related to Property Title

Although the Company leases all of the land of the Los Santos Project from third party property owners as well as the two closest municipalities to the Los Santos Project and the Company has obtained legal opinions on the titles to all of its properties, and although it has taken reasonable measures to ensure that all property titles are valid, there is no certainty that the property titles will not be challenged or questioned. Third parties could have valid claims to the lands occupied by the Company or immediately adjacent to the Company's leased lands.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key employees, of which the loss of any could have an adverse effect on its operations.

Laws and Regulations

The Company's exploration and development projects are subject to laws and regulations, including those concerning mining as well as environmental and health and safety matters. The laws and regulations in place are susceptible to change and the impact of any modification is difficult to measure. The Company's policy is to maintain safe working conditions in compliance with applicable health and safety rules.

Licenses and Permits

There can be no guarantees that the Company will be able to obtain or maintain all the necessary licenses and permits to explore, develop, or maintain its continued operations, or that the Company will be able to comply with all the conditions imposed. The current operating permits and plant capacity limitations at the Los Santos Project allows Almonty to process up to 500,000 tonnes of ore per annum. Any increase in available ore or significant increase in the concentration of tungsten contained in the ore may require the Company to expand its production and processing capabilities. There is no guarantee that Almonty will be able to obtain the necessary permits in order to expand its production footprint.

The mining license for the Los Santos Project was granted in September 2002, for a period of 30 years and is extendable for 90 years. Daytal has to pay annual land taxes (approximately €2 per year) to the government. This amount is related to the surface covered and not to the production of minerals. There are no other royalty payments. The Company files applications in the ordinary course to renew the permits associated with its mining license that it deems necessary and/or advisable for the continued operation of its business. Certain of the Company's permits to operate that are associated with the mining license are currently under application for renewal.

Political Risk

The Spanish government currently supports the development of their natural resources by foreign and domestic companies. However, there is no assurance the government will not adopt different policies regarding foreign ownership of mineral resources, taxation, exchange rates, environmental protection, labour relations, repatriation of income or expropriation in the future.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may in the future be involved in various legal proceedings. While the Company is not aware of any possible legal proceeding that could have a material adverse effect on its financial position, future cash flow or results of operations of the Company, due to the inherent uncertainty of the litigation process and the defence costs which may have to be incurred, even with respect to claims that have not merit, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company.

Risks Linked to Common Shares

The price of the common shares of Almonty may fluctuate for several reasons such as exploration results or operating results and cash flow, exchange rates, available financing, lack of liquidity and several other factors. It is possible that the price of a common share of Almonty may experience significant fluctuations and that such price might be less than the actual price paid by an investor.

Regulatory

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of Almonty and could adversely affect its operations, business and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse effect on Almonty and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

Almonty may also acquire properties located in other countries where mineral exploration activities may be affected by varying degrees of political and haphazard changes in government regulations. There can be no assurance that Almonty will be able to obtain all of the licenses and permits that may be required to conduct the operations that it may wish to undertake. Any changes in regulations or shifts in political conditions would be beyond the control of Almonty and may adversely affect its business.

The implementation of new regulations or the modification of existing regulations affecting the tungsten and the mining industry more generally could reduce demand for tungsten and other minerals and increase Almonty's costs, any of which may have a material adverse effect on Almonty's business, financial condition and results of operations.

Permits and Permitting Process

Mining companies must obtain numerous permits, licenses and approvals that strictly regulate environmental, health, safety, access and other matters in connection with mining. Regulatory authorities exercise considerable discretion in whether or not to issue permits, licenses and approvals and the timing of such issuances.

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

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

Almonty believes that Daytal presently holds all necessary licenses and permits to carry on the activities at the Los Santos Project, and that it is presently complying in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that Daytal or Almonty will be able to obtain and maintain, at all times, all necessary licences and permits required in connection with the Los Santos Project or any exploration or development activity or to place its properties into commercial production and to operate mining facilities thereon.

Disruptions in Production

Factors affecting the production and sale of minerals that could result in decreases in profitability include:

- expiration or termination of, or sales price re-determinations or suspension of deliveries under, mineral supply agreements;
- future litigation;
- the timing and amount of insurance recoveries; work stoppages or other labour difficulties;
- mine worker vacation schedules;
- mining and processing equipment failures and unexpected maintenance problems;
- a disruption in the supply of commodities used in mining, such as steel, copper, rubber products, ammonium nitrate/fuel oil, and liquid fuels; and
- changes in the market for certain mineral and general economic conditions.

Adverse weather conditions such as heavy rain and flooding, equipment replacement or repair, fires, amounts of rock and other natural materials and other geological conditions can also have a significant impact on operating results of Almonty.

Raw Materials Cost

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

Mining Risks and Insurance

Almonty's exploration, development and mining operations are subject to significant risks beyond the control of management that can delay tungsten mining or delivery, or increase the cost of mining. Such risks include natural disasters, unexpected equipment repairs or replacements, environmental hazards, industrial accidents, and inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and legal liability. In this regard, insurance is maintained to protect against risks that are typical in the mining industry. However, there is no guarantee that such insurance coverages will be adequate in all cases.

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

Insurance against certain risks may not be available at reason able economic rates to Almonty or at all. To the extent that Almonty is subject to liabilities that are not economically or otherwise insurable, the payment of such liabilities would reduce the funds available to Almonty.

Expiration of Licences and Leases

Almonty's properties may be held in the form of permits, licences and leases and working interests in permits, licences and leases. If Almonty or the holder of any such permit, licence or lease fails to meet the specific requirement of such permit, licence or lease, the permit, licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each permit, licence or lease will be met. The termination or expiration of such permits, licences or leases or the working interests relating to a permit, licence or lease may have a material adverse effect on Almonty's results of operations and business.

Management of Growth

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

Environmental Matters

All of Almonty's operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether. If Almonty violates any of the laws and regulations relating to the protection of the environment, Almonty may be subject to substantial fines, criminal sanctions and/or third party lawsuits and may be required to install costly pollution control equipment or, in some extreme cases, curtail operations. Almonty will generally be required to obtain permits under applicable environmental laws and regulations. Compliance with environmental laws and regulations, as well as with any requisite environmental permits, may increase costs. Almonty may also face exposure to actual or potential claims and lawsuits involving environmental matters.

Changes in environmental laws and regulations occur frequently, and any changes may have a material adverse effect on Almonty's results of operations, financial condition and/or competitive position. New legislation or regulatory programs could have an adverse effect on Almonty's operations.

Opposition to Mining

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

Increased Costs and Compliance Risks as a Result of Being a Public Company Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in the past few years. Almonty anticipates that general and administrative costs associated with regulatory compliance will continue to increase with recently adopted or amended corporate governance requirements.

Legal Systems

As a civil law jurisdiction, Spain has a legal system which is different from the common law jurisdictions of Canada. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by changes in governments, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

Enforcement of Civil Liabilities

Certain of the directors of Almonty reside outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors not residing in Canada. It may also not be possible to enforce against Almonty and certain of its directors named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable Securities Laws in Canada.

LOS SANTOS MINE PROJECT

The following summary information regarding the Los Santos Project is taken from the and is based entirely on the Technical Report on the Mineral Resources and Reserves of the Los Santos Project, Spain dated October 31, 2013 as filed under the Company's SEDAR profile at www.sedar.com (the "**Technical Report**"). The Technical Report is incorporated by reference into this Annual Information Form.

The Technical Report was prepared by Adam Wheeler, a Qualified Person in accordance with NI 43-101.

SUMMARY

Introduction and Overview

This report was prepared to provide a Technical Report compliant with the provisions of NI 43-101, by way of a review and summary of Resource and Reserve Estimations for the Los Santos Mine, up to the end of June 2013. This current estimate was completed during August-October, 2013. The mine is currently an open pit operation, and is located in the Province of Salamanca in Spain. The principal product of the mine is a tungsten concentrate.

This report was prepared by Adam Wheeler, at the request of Mr. N. Alves, Manager of Mine Area for Daytal Resources Spain S.L. ("Daytal"). Assistance and technical detail were supplied by the technical personnel at Los Santos. Adam Wheeler has been involved with resource and reserve estimation at the mine since 2006, and has visited the site many times. In connection with the latest resource and reserve estimate, and with the preparation of this report, Adam Wheeler visited the site from August 20, 2013.

The mine started open pit ore production during 2008, and the mill was commissioned during the same year.

Ownership

Daytal is a wholly owned Spanish subsidiary of Almonty Industries Inc., a corporation governed by the CBCA. Almonty trades on the TSX Venture Exchange (TSX-V) under the symbol "AII". The Los Santos mine is 100% owned by Daytal.

Geology and Mineralization

Los Santos lies within Lower Palaeozoic sediments in the Central Iberian Tectonic Zone, which forms part of a Europe-wide, Variscan age orogenic belt. The stratigraphy comprises a thick sequence of clastic metasediments, ortho- and para-gneisses, with volcanic and carbonate formations.

This stratigraphy was intruded by Hercynian (274 Ma old) granitoids in a series of plutons, with numerous, crosscutting granite and aplite dykes, sills and irregular pods intruding the metasediments up to 0.5km from the regional granite contact.

The Los Santos deposit is a typical skarn-hosted scheelite deposit, where intrusion of granitoids into carbonate-rich sedimentary rocks has resulted in their replacement by calc-silicate or siliceous minerals, together with mineralisation. It forms from impure Fe-rich carbonates and contains pyroxene, scheelite, plagioclase and locally magnetite. The scheelite is generally fine grained, minus 1mm in size, but individual crystals may exceed 1cm.

In particular areas sulphide-rich skarns also occur. They are up to 5m thick and several metres in strike length, and comprise massive or semi-massive sulphide horizons with scheelite mineralisation. Sulphides comprise pyrite, arsenopyrite (lollingite), pyrrhotite and chalcopyrite as principal minerals.

The four main rock types present at Los Santos are skarn, granite, calc-silicates and corneanas, a word applied to mean all other metamorphic rocks (mostly hornfels) at the site.

The tungsten occurs mainly as scheelite within massive pyroxene skarn. The skarn bodies are generally narrow steeply dipping structures. The deposit is made up of a number of discrete zones, six of which have been modelled for the current resource estimate. The strike length varies for each zone, but zone dips are fairly uniform across the deposit, varying between 60^o to 90^o. Within each zone, the skarn mineralisation is located within a number of individual beds, separated by barren lithologies. The major skarn beds vary between 2m and 20m in width; there are, however, numerous thinner bands measuring tens of centimetres.

Database and Resource Estimation

Subsequent to the original discovery in 1980, Billiton completed an exploration campaign which included 249 trenches and 231 diamond drillholes. In addition in one of the zones, Los Santos Sur, an underground ramp and level access at the 945m elevation was developed, which totalled 825m of development. The level development provided bulk samples as well as underground drilling access.

Since start-up of the mine in 2006, Daytal have also done some additional diamond drilling and reverse-circulation drilling. The current combined sample database used for resource modelling contains data for 464 drillholes and 255 trenches, for a total of 6,165 samples. The total drilled length is 37,616m.

The resource estimation has been completed using a computerised three-dimensional block modelling approach, using the Datamine mining software system. For each of the zones being evaluated, skarn bed interpretations have been built up into wireframe models. Other wireframe models have been defined for the boundaries of the principal lithologies. Volumetric block models were then built up to reflect the lithologies and skarn beds. The principal parent block size used was 10m x 10m x 10m, but with sub-blocks within the skarn beds measuring 5m along strike and down-dip, and 2.5m across-strike. The model structure was also rotated at an angle of approximately 22^o, so that blocks were more logically oriented with the majority of skarn structures.

The skarn bed wireframe models were used to select separate sample sets within each bed. These selected samples were then converted into approximately 2.5m composites. The composite WO_3 grade values were used to interpolate grades into the block model, according to the parent skarn beds to which they belonged. Geostatistical analysis was used to assist in the selection of interpolation parameters, as well with subsequent resource classification. An oxidised layer has also been defined down to 10m underneath the topography.

The final block models were used as the basis of resource estimation, pit optimisation, pit planning and subsequent reserve estimation. The block models contain fields which include the lithology, skarn bed identification, rock density and WO_3 grade.

Mine Planning

The resource block models for each zone have been used for pit optimisation. The pit slope parameters were derived from the geotechnical studies. Overall slope angles, allowing for road intersections and bench configurations, of approximately of 55^o (North) and 48^o (South) have been applied. For the top 10m of superficial material, a lower overall slope of 45^o was applied.

The resultant optimised pit models were used as the basis for final pit designs. Since mine start-up in 2006 open pit mining has started in four zones – Los Santos Sur, Las Cortinas, Sector Central and Capa Este. The pits have 10m benches, although within the skarn ore zones this is reduced to 5m sub-benches. All material is drilled and blasted, using Tamrock CHA1100 drills making 3.5in diameter blastholes. Pre-split lines are used for final pit walls. The haul roads are 10m wide with a 10% gradient, and currently Komatsu HD465 trucks are used, which carry approximately 55t.

In or near ore, all blasthole cuttings are sampled. This data is used to build up short-term planning block models, from which all ore and waste outlines are blocked out. As well as demarcating the ore boundaries in the pit with ribbons, a geological technician is present at all times during production in the pits, to assist with ore/waste definition during mucking. Komatsu and Hitachi crawler-excavators are used for both ore and waste excavation.

All mining work is carried out using a Spanish mining contractor, Sanchez y Lago. There are two main separate waste dumping areas, and as more pits are mined, some waste is also used to backfill mined-out pits. Ore is split into different grade categories, and deposited in separate areas on the run-of-mine (ROM) pad or on a separate low grade stockpile.

For the 12 months preceding June 2013, approximately 516 kt of ore were mined, along with 3,122 kt of waste, all from 3 open pits: Santos Sur, Las Cortinas East and Capa Este.

In the reserve estimation, a small amount of underground ore has also been blocked out from small narrow bed extensions to the south side of the Los Santos Sur pit, as well as beneath the 'Day 1' pit to the west of Los Santos Sur. These parts can be reached by adit access from the pit or by access from the existing underground ramp. A 3m minimum mining width has been used blocking out these underground reserves, and assumes an overhand cut-and-fill stoping method.

Recent planning work has now also added pit reserves to the Los Santos Sur – South West areas, which lie to the west of the current Los Santos Sur pit.

Mineral Processing

The process plant is primarily based on gravimetric separation, aimed at recovering a high grade scheelite concentrate. During the last 12 months it was able to process 459 ktpa, with an average feed grade of 0.25% WO_3. Current overall plant recovery (October 2013) was 66%; with planned recovery for the 2013/14 budget being 65%.

The primary crushing circuit employs a jaw crusher, with a nominal 100tph capacity, followed by two cone crushers, generating a minus 12 mm size material in a conical open stockpile ahead of the main process plant. A conveyor feeds this material at 70 tph rate into a rod mill which produces a ground product. This ground ore is then wet-screened at 1000 μm, with the oversize being reground in a regrind ball mill and the minus 1000 μm undersize product being the raw feed to the gravity circuits.

Two banks of hydrocyclones then split the gravity circuit feed material into 1000/150 μm and 150/30 μm size fractions. Both size fractions go through low intensity magnetic separation to remove mill steel and pyrrhotite ahead of gravity separation.

The non-magnetics streams from the two size fractions then go to their respective banks of rougher spirals. Middlings are recycled via middlings-cleaners spirals, and the rough spiral tails exit as waste. In both circuits, rougher concentrates are cleaned in a bank of cleaner spirals before going forward to shaking tables. Concentrates from the coarse and fines spirals are fed to a hydrosizer which feeds four separate tabling circuits. Tailings from the cleaner step of all tabling circuits are recycled back to the hydrosizer.

The coarse tailings are dewatered by thickening cyclones and a high frequency screen. Fine tailings are dewatered in a thickener and filter press. In both cases, the final tailings product is dry enough to be trucked and disposed of on the mine waste dump. The thickener overflow is recycled as process water and the plant operates with a zero discharge.

The combined gravity concentrates are batch-processed through two $3m^3$ flotation cells to float off sulphides, which are removed as coarse plat waste. The non-floating material, principally scheelite, is discharged into a dewatering cone, and then goes through a rotary kiln dryer, followed by three-stage high intensity magnetic separation, to remove any remaining mill steel and pyrrhotite and any para-magnetics (mainly pyroxene). A final high grade scheelite concentrate constitutes the final saleable product, and typically has a grade of approximately 65% WO_3.

Mineral Resource and Reserve Estimates

The evaluation work was carried out and prepared in compliance with Canadian National Instrument 43-101, and the mineral resources in this estimate were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005. The current resource estimation is shown in Table 1-1 and Table 1-2.

Table 0-1 Los Santos – Measured and Indicated Mineral Resources
At 30th June, 2013

Resource Category	Tonnes	WO_3	WO_3
	Kt	%	t
Measured	434	0.40	1,735
Indicated	2,326	0.31	7,139
Total	**2,760**	**0.32**	**8,874**
Notes			
	. Cut-Off Grade = 0.05%WO_3		
	. Minimum width = 2.5m		
	. Resources shown are inclusive of reserves		

Table 0-2. Los Santos – Inferred Mineral Resources
At 30th June, 2013

	Tonnes	WO_3	WO_3
	Kt	%	t
Inferred	**1,527**	**0.24**	**3,648**
Notes			
	. Cut-Off Grade = 0.05%WO_3		
	. Minimum width = 2.5m		

The current reserve estimation, stemming from the mine plan developed from this resource base, is shown in Table 1-3.

Table 0-3 Los Santos – Proven and Probable Mineral Reserves
At 30th June, 2013

	Mine Reserves		
Reserve Category	**Tonnes t ('000)**	**WO_3 %**	**WO_3 Tonnes**
Proven	357	0.45	1,618
Probable	1,523	0.38	5,791
Proven + Probable	**1,880**	**0.39**	**7,409**

Tailings	**Tonnes t ('000)**	**WO_3 %**	**WO_3 Tonnes**
Coarse rejects (Arenas)	1,338	0.13	1,739
Fine rejects (Tortas)	594	0.23	1,366
	1,932	**0.16**	**3,105**

Stockpiles	**Tonnes t**	**WO_3 %**	**WO_3 Tonnes**
Marginal stockpile	37,052	0.24	89
Ore A stockpile	673	0.81	5
Ore B stockpile	7,094	0.29	21
Oxide stockpile	21,302	0.17	36
Total	**66,121**	**0.23**	**151**

Grand Total
WO_3 Tonnes
10,665

Notes

. Ore cut-offs used :

. Open pits 0.07%WO3

. Los Santos Sur underground 0.3% WO3

. Re-Processed Tailings 0.04 WO3

. Cut-offs derived from a long term planning price of $40,000/t WO_3 APT

The principal operating costs used in connection with this reserve calculation were $13/t ore for processing and administration, $2.37/t ore for open pit mining, and $30.42/t ore for underground mining. Of the total 1,880 Kt of mining reserves, 1,767 Kt of ore comes from 4 separate open pits and 113 Kt of ore comes from underground workings.

The pits encompassing the reserves shown in Table 1-3 also contain 273 Kt of inferred resources at economic grades. Two other zones outside of the designed pits have also been optimised, and contain 177 Kt of inferred resources at economic grades. At an annual ore production rate of 500 ktpa, and this reserve base, including approximately 1.9 Mt of tailings that can be re-processed, a mine life of approximately 9 years is suggested.

Conclusions

1. The Los Santos mine has now been producing for 5 years. The open pit mining practices have been progressively improved, along with the planning and grade control systems.

2. Daytal has all permits and licenses to operate and remain in compliance with appropriate regulations. It has no restrictions with respect to waste dumping capacity, including dry tailings, and it has been possible to backfill some of the excavated pits with waste.

3. The diamond drilling campaigns completed by Daytal over the last 5 years have in general confirmed the overall quantities and grades of the scheelite ore which was originally delineated by Billiton in the 1980s.

4. The recent drilling campaigns have also identified some potential mineralized extensions beyond the currently modelled zones. These positive results, along with predicted high metal prices, suggest that the mine life derived from the current reserve base is conservative. Exploration drilling planned during 2013 has helped delineate additional open pit and underground reserves to the west of Los Santos Sur.

5. Significant improvements have been made to the plant since mine start-up

DIVIDENDS

The Company currently does not, nor has the Company paid dividends on its shares in the last three financial years. Any future determination to pay dividends will be at the discretion of the Company's Board of Directors and will depend upon the Company's results of operations, capital requirements and other relevant factors.

DESCRIPTION OF SHARE CAPITAL

As of the date hereof, there were 36,944,389 common shares outstanding.

The Company has 3,701,144 warrants outstanding to acquire one common share each at a strike price of $1.25 per share. The warrants expire on September 23, 2014.

The Company has established a stock option plan for its directors, officers, employees and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. As of the date hereof there were 1,900,000 options outstanding under the option plan.

MARKET FOR SECURITIES

Almonty's common shares are publicly traded on the TSXV under the symbol "AII". Trading of Almonty's common shares on the TSXV commenced on June 30, 2010. The following table sets forth the high and low sale prices and volumes traded on the TSXV as reported by such exchange for the fiscal year ended September 30, 2013.

Month	High	Low	Volume
October, 2012	$1.01	$0.90	59,135
November, 2012	$1.06	$0.85	23,387
December, 2012	$1.07	$0.95	34,472
January, 2013	$1.07	$1.07	600
February, 2013	$1.10	$0.80	115,949
March, 2013	$1.05	$0.70	168,194
April, 2013	$1.11	$0.85	44,047
May, 2013	$1.08	$0.76	56,694
June, 2013	$1.08	$0.85	173,019
July, 2013	$1.10	$0.89	46,806
August, 2013	$1.10	$0.93	26,798
September, 2013	$1.01	$0.86	51,767

Normal Course Issuer Bid

On December 3, 2013, Almonty announced that it intends to commence with a Normal Course Issuer Bid (the "**Bid**"). The Company intends to purchase, from time to time, as it considers advisable, up to 901,627 common shares (which is equal to 2.4% of the outstanding common shares) on the open market through the facilities of the TSXV. The price that Almonty will pay for any common share under the Bid will be the prevailing market price on the TSXV at the time of such purchase. Common shares acquired under the Bid will be subsequently cancelled. Almonty currently has 36,944,389 common shares outstanding (37,044,389 as at the commencement of the Bid on December 20, 2013). The Company has appointed Jennings Capital Inc. to conduct the Bid on its behalf.

The Bid commenced on December 20, 2013 and will terminate on December 19, 2014 or such earlier time as the Bid is completed or terminated at the option of Almonty. A copy of the Form 5G – Notice of Intention to make a Normal Course Issuer Bid filed by the Company with the TSXV can be obtained from the Company upon request without charge.

As at the date of this AIF the Company has repurchased and canceled 100,000 shares under the NCIB and has repurchased and is in the process of cancelling an additional 68,000 shares.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

Our directors and executive officers as at September 30, 2013 were as set out in the table below. The number of shares beneficially owned, controlled or directed, directly or indirectly, by each director or executive officer is based on information furnished by the directors and executive officers and from insider reports available under the Company's profile on SEDI at www.sedi.com.

Name, residence, office(s) held and date first became a director	Current Principal occupation, business or employment and for last five years, and education	Shares beneficially owned, or controlled or directed, directly or indirectly(1)
Lewis Black Paris, France Chairman, President and Chief Executive Officer Director since September 23, 2011	Mr. Black is currently the President and Chief Executive Officer of the Company. He is also currently a Partner of Almonty Partners LLC, a privately held company specializing in tungsten mining investments. Mr. Black previously served as Chairman and Chief Executive Officer of Primary Metals Inc., a tungsten mining company formerly listed on the Exchange, from 2005 to 2007. Prior to that he was head of sales and marketing for SC Mining Tungsten Thailand. Mr. Black holds a B.A. (Honours) from Manchester University and is a former Vice President of the International Tungsten Industry Association.	13,850,420(1)
Daniel D'Amato Paris, France Director Compensation and Corporate Governance Committee Director since September 23, 2011	Mr. D'Amato is currently a Partner of Almonty Partners LLC, a privately held company specializing in tungsten mining investments. He has held this position since 2005. Mr. D'Amato previously served on the board of directors of Primary Metals Inc., a tungsten mining company formerly listed on the Exchange, from 2005 to 2007. He began his career on Wall Street with Bear Stearns where over nearly a decade he became Managing Director. Mr. D'Amato holds a B.Sc. from Siena College and holds several securities and insurance licenses.	14,838,420(1) (2)

Name, residence, office(s) held and date first became a director	**Current Principal occupation, business or employment and for last five years, and education**	**Shares beneficially owned, or controlled or directed, directly or indirectly[(1)]**
Dennis Logan Toronto, Ontario, Canada Director, Chief Financial Officer and Corporate Secretary Audit Committee Director since September 23, 2011	Mr. Logan is currently the Chief Financial Officer and Corporate Secretary of the Company. Mr. Logan was previously Managing Director, Investment Banking at Desjardins Securities Inc. from 2007 to 2011. From 2005 to 2007, he was Director, Investment Banking at Westwind Partners Inc. and was formerly a Partner at Loewen, Ondaatje, McCutcheon Limited. Mr. Logan is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario. Mr. Logan also holds a B.A. (Honours) and an M.B.A. from the University of Toronto.	1,000
Bruce C. Ratner New York, New York, United States Audit Committee Director since March 26, 2013	Mr. Ratner is currently the Chairman and Chief Executive Officer of Forest City Ratner Companies, a New York based real estate development company he started in 1985. He is also currently a director of Forest City Enterprises, Inc., a New York Stock Exchange listed national real estate company, a position he has held since 2007. Prior to starting Forest City Ratner Companies, Mr. Ratner served as New York City's Commissioner of Consumer Affairs during the administration of Mayor Ed Koch. He also served for four years as a faculty member at the New York University Law School. Mr. Ratner holds a B.A. from Harvard University and a J.D. from Columbia University School of Law.	988,000

Name, residence, office(s) held and date first became a director	Current Principal occupation, business or employment and for last five years, and education	Shares beneficially owned, or controlled or directed, directly or indirectly(1)
Mark Trachuk Toronto, Ontario, Canada Director Audit Committee Compensation and Corporate Governance Committee (Chair) Director since September 23, 2011	Mr. Trachuk is a lawyer and is currently a Partner in the Business Law Group at Osler, Hoskin & Harcourt LLP in Toronto. He practices in the area of corporate and securities law with an emphasis on mergers, acquisitions and strategic alliances. Mr. Trachuk has chaired Osler's International Practice Group, Corporate Practice Group and Corporate Finance Practice Group. Mr. Trachuk holds a B.A. in Economics from Carleton University, an LL.B. from the University of Ottawa and an LL.M. from the London School of Economics. He also holds the ICD.D designation from the Institute of Corporate Directors. Mr. Trachuk is called to the bar in Ontario and British Columbia and is a solicitor in England and Wales.	100,000

Notes:

(1) Almonty Partners LLC, a privately held company specializing in tungsten mining investments, holds 13,850,420 Shares or approximately 37.4% of the issued and outstanding Shares as of the date hereof. Lewis Black and Daniel D'Amato are each partners of Almonty Partners LLC.

(2) Daniel D'Amato is the Registered Shareholder of 988,000 Shares.

Each of our directors hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed, unless his office becomes vacant by resignation, death, removal or other cause.

Board and Executive Officer Aggregate Ownership of Common Shares

Our directors and executive officers, as a group, beneficially own, or control or direct, directly or indirectly, a total of 15,927,420 common shares, representing 43.0**%** of the total outstanding common shares as of September 30, 2013.

CORPORATE GOVERNANCE

The following discussion of the Company's corporate governance policies and practices is provided pursuant to the disclosure requirements applicable to it as set out in applicable securities laws and the policies of the Exchange. The Company is a "venture issuer" for purposes of these laws and policies and it is required to provide this disclosure relating to its corporate governance policies and practices annually.

The CSA have adopted National Policy 58-201 – Corporate Governance Guidelines ("NP 58-201"), which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. The Board continues to regard good corporate governance practices as being central to the effective and efficient operation of the Company. However, the Board considers that certain of the guidelines set out in NP 58-201 are not suitable for the Company given its status as a venture issuer, current circumstances and stage of development and, as such, certain of these guidelines have not been adopted. An overview of the Company's current policies and practices, as required by applicable securities laws, is set out below.

In addition, the CSA have implemented National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101"), which prescribes certain disclosure by the Company of its corporate governance practices. This section also sets out the Company's approach to corporate governance and addresses the Company's compliance with Form 58-101F2 – Corporate Governance Disclosure (Venture Issuers).

BOARD OF DIRECTORS

Mandate of the Board of Directors

The Board has a written Mandate of the Board of Directors to assist it in the better execution of its responsibilities. The mandate provides certain guidelines for Board composition and conduct, and highlights particular areas of the conduct of the Company's affairs for which the Board assumes specific responsibility.

Composition and Independence

The Board facilitates its exercise of independent supervision over management by ensuring representation on the Board by directors who are independent of management and by promoting frequent interaction and feedback.

Applicable securities laws, including NP 58-201, recommend, but do not mandate, that boards of directors of venture issuers such as the Company be comprised of a majority of independent directors, as that term is defined under applicable securities laws. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board has reviewed the relationship between each current director and the Company with a view to determining independence. Based on that review, three of the Company's five current directors are independent.

The independent directors are Daniel D'Amato, Bruce Ratner and Mark Trachuk. The non-independent directors are Lewis Black and Dennis Logan. Mr. Black and Mr. Logan are not independent of the Company by virtue of their respective roles as Chief Executive Officer and Chief Financial Officer of the Company.

The Board has overall responsibility for the governance of the Company, including the exercise of independent supervision of the Company's management. The Board considers that management is, and has been, effectively supervised by the independent directors on an informal basis, as these independent directors are, and have been, actively and regularly engaged in reviewing the operations and activities of the Company, and have full and regular access to management of the Company.

Directorships of Other Reporting Issuers

None of the current directors of the Company presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, other than as set out below.

Name of Director	Name of Reporting Issuer (or the Equivalent)	Name of Exchange
Bruce C. Ratner	Forest City Enterprises, Inc.	New York Stock Exchange

AUDIT COMMITTEE

Audit Committee Charter

The audit committee of the Board (the "**Audit Committee**") operates under a written charter that outlines its role and objectives, composition, meeting requirements, and duties and responsibilities.

Composition of the Audit Committee

The Audit Committee is currently comprised of Dennis Logan, Bruce Ratner and Mark Trachuk (Chair). Mr. Ratner is considered independent as such term is defined in NI 52-110. Mr. Trachuk, although considered independent under NI 58-101, is not considered independent under NI 52-110 by virtue of being a partner of an entity that provides legal services to the Company. Mr. Logan is not independent for the reasons stated above. The Exchange Corporate Finance Manual requires that audit committees must be comprised of at least three directors, the majority of whom are not Officers, employees or Control Persons of the issuer of any of its Associates or Affiliates (as such terms are defined in the Exchange Corporate Finance Manual). The Audit Committee meets this requirement as neither Mr. Ratner nor Mr. Trachuk is an Officer, employee or Control Person of the Company or any of its Associates or Affiliates, as defined by the Exchange.

All three current members of the Audit Committee are "financially literate", as that term is defined in NI 52-110. Each has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

All three current members of the Audit Committee are "financially literate", as that term is defined in NI 52-110. Each has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

For a description regarding the relevant education and experience of Mr. Logan, Mr. Trachuk and Mr. Ratner, see the table under "*Directors and Officers – Name, Occupation and Security Holding*", above.

As a result of their education and experience, each current member of the Audit Committee has the education or experience necessary to provide each with:

- an understanding of the accounting principles used by the Company to prepare its financial statements;

- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

Pre-Approval Policies and Procedures

The Audit Committee's charter requires it to pre-approve all non-audit services to be provided to the Company by its external auditors. However, the Audit Committee has not adopted any specific procedures for assessing whether or not such pre-approval should be granted in any particular case. The Audit Committee does, however, consider on an *ad hoc* basis the potential impact of any such non-audit services on the independence of the Company's external auditors in light of the circumstances as they exist at that time.

External Auditor's Fees

As set out in the audit committee's charter (attached as Schedule A to this AIF), the audit committee is responsible for pre-approving all non-audit services to be provided to the Company by its external auditor and has pre-approved the non-audit services as set out below.

The current auditors of the Company are Ernst & Young LLP, effective September 23, 2011. The following table sets out the approximate fees the Company incurred in using the services of Ernst & Young LLP for the fiscal years ended September 30, 2012 and 2013 respectively.

	Year ended September 30, 2013 ($)	**Year ended September 30, 2012 ($)**
Audit Fees(1)	90,000	82,500
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	25,852	20,615
All Other Fees(4)	Nil	Nil
Total	**115,852**	**103,115**

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" includes all other non-audit services.

Exemption

The Company relies on the exemption in section 6.1 of NI 52-110.

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

The CCG Committee is comprised of Daniel D'Amato, Bruce Ratner and Mark Trachuk (Chair), all of whom have been determined by the Board to be independent under NI 58-101. The CCG Committee assists the Board in fulfilling its oversight responsibilities with respect to each of the areas discussed below.

Compensation

As discussed above, responsibility for matters relating to the overall compensation philosophy and guidelines for the directors and officers of the Company lies with the CCG Committee. The CCG Committee annually reviews and recommends to the Board, the adequacy and form of compensation of the directors of the Company in light of the responsibilities and risks involved in being such a director. The CCG Committee is also responsible for annually evaluating the performance of the Chief Executive Officer of the Company and recommending to the Board his or her annual compensation package. A detailed discussion and analysis of the Board's and the CCG Committee's approach to the determination of compensation is provided in the section "*Executive Compensation – Compensation Discussion and Analysis*", above.

Nomination of Directors

In addition to its oversight mandate with respect to compensation matters, responsibility for matters relating to the identification and nomination of directors lies with the CCG Committee. The CCG Committee is responsible for reviewing and reporting to the Board on matters relating to the identification, nomination and review of directors, including:

(a) developing criteria for selection of directors and procedures to identify possible nominees;

(a) reviewing and assessing qualifications of director nominees including potential conflicts of interest;

(b) submitting to the Board for consideration and decision, names of the nominees to be brought forward to the next annual meeting of Shareholders or to be appointed to fill vacancies between such meetings; and

(c) determining if any Board member's qualifications or credentials since appointment have changed, or other circumstances arisen, so as to warrant a recommendation that such member resigns.

The CCG Committee does not currently have a written procedure for identifying new candidates for Board membership. In the normal course, the CCG Committee makes use of the formal and informal networks of the members of the Board and carries out formal searches for candidates when so directed by the Board.

Orientation and Continuing Education

Responsibility for orientation and continuing education of the Company's directors lies with the CCG Committee. The CCG Committee's charter provides it with a specific mandate to develop and review annually programs for the orientation of new directors and the ongoing education of existing directors. With respect to orientation, the CCG Committee relies on informal orientation programs that are tailored to the particular needs and experience of the new director in question and to the needs of the Board at that time. The CCG Committee will provide such information to new members of the Board so as to ensure that such directors are familiar with the Company's business and procedures of the Board. Information may include the Company's corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures. The CCG Committee also ensures that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately. With respect to ongoing education, the CCG Committee relies on its professional advisors to provide updates to the various members of the Board regarding changes in relevant policies, laws or regulations, and on a cultural expectation that directors communicate with the Company's management and professional advisors, as well as attend relevant industry conferences, in order to remain abreast of developments in the Company's industry and legal and regulatory environment. From time to time, the CCG Committee may arrange on-site tours of the Company's operations.

Assessments

Primary responsibility for assessing the performance of the Board, its committees and individual members lies with the CCG Committee. Pursuant to the CCG Committee's charter, the committee's responsibilities in this regard include the conduct of annual reviews of various aspects of the Company's corporate governance policies and practices, and in particular to conduct an annual review, together with the Chairman of the Board, of the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual director, and to make periodic reports to the Board on these matters. The CCG Committee is also responsible for reviewing and making recommendations to the Board with respect to the establishment or abolition of committees of the Board, their respective terms of reference, and the size and composition of the various committees of the Board.

ETHICAL BUSINESS CONDUCT

As a responsible corporate citizen, the Company is committed to conducting its affairs with integrity, honesty, fairness and professionalism. On January 23, 2012, the Board approved a series of formal, written policies intended in part to promote ethical business conduct by the Company and its directors, executive officers and employees. In addition to the Board being subject to the written mandate of the Board, as discussed above, and to the general requirement that the Company and its directors, executive officers, employees and consultants act in accordance with all applicable laws, these formal policies include:

(a) *Code of Business Conduct*: Intended to promote the fundamental values of integrity, honesty, fair dealing and transparency, the code imposes certain and specific obligations on the directors, executive officers and employees of the Company to achieve this objective and provides for certain sanctions in the event of non-compliance. Responsibility for conducting periodic reviews of this Code of Business Conduct and overseeing management's monitoring of compliance with the Code of Business Conduct lies with the CCG Committee.

(b) *Whistleblower Policy*: This policy imposes a general obligation on the Company's directors, executive officers, employees, consultants and contractors to submit all good faith concerns and complaints in respect of any matter that may constitute a breach of the Company's Code of Business Conduct, and in particular with respect to concerns about the Company's accounting, internal control or auditing procedures, to the Chair of the Audit Committee. Responsibility for administering this policy lies with the Audit Committee.

(c) *Insider Trading Policy*: Intended to ensure compliance with applicable securities laws relating to insider trading and tipping, as well as avoiding the occurrence or appearance of improper trading or tipping and assisting the Company's directors, officers and employees to comply with their obligations under such laws. This policy outlines certain general obligations and provides for certain sanctions in the event of non-compliance with its terms by any of the Company's directors, executive officers, employees or consultants.

Further information and complete copies of the Company's codes and policies are available on the Company's website at www.almonty.com.

OTHER COMMITTEES

As of the date of this Circular, there are no additional committees of the Board.

CONFLICTS OF INTEREST

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral business through their direct and indirect participation in corporations, partnerships, or joint ventures, which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules, and policies.

LEGAL PROCEEDINGS

The Company is involved in certain claims and litigation arising out of the ordinary course and conduct of business. Management assesses such claims and, if considered likely to result in a loss and, when the amount of the loss is quantifiable, provisions for loss are made, based on management's assessment of the most likely outcome. Management does not provide claims for which the outcome is not determinable or claims where the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable. The Company is not currently a party to, or has any of its property as the subject of, legal proceedings, which would be material to the Company's financial condition or results of operations.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer or, to the knowledge of the Company, any person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the common shares of the Company had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's common shares in Canada is Computershare Investor Services Inc. at its principal offices at 3rd Flr – 510 Burrard Street, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

Other than the Supply Agreement described elsewhere in this AIF, the Company has no other material contracts.

INTERESTS OF EXPERTS

Our consolidated financial statements for the year ended September 30, 2013 (the ''*Financial Statements*'') filed under National Instrument 51-102—*Continuous Disclosure Obligations* have been audited by Ernst & Young LLP ("**EY**"). The Financial Statements can be found on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Our auditors, EY, report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

The Technical Report was prepared by Adam Wheeler, a Qualified Person in accordance with NI 43-101. The Technical Report can be found on SEDAR at www.sedar.com. Mr. Wheeler does not own any securities of the Company nor does he otherwise have any interest in the Company.

ADDITIONAL INFORMATION

Please see Schedule A of this AIF for additional information required as set out in Form 52-110F1 "Audit Committee Information Required in an AIF".

Copies of this AIF and such other information and documentation relating to the Company that we make available via SEDAR can be found at www.sedar.com. Additional financial information is available in the Company's audited consolidated financial statements for the fiscal year ended September 30, 2013.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under our equity compensation plans is contained in our Management Proxy Circular distributed to shareholders in connection with our annual general meeting.

The information referred to in this AIF may also be obtained from www.almonty.com or as follows:
Almonty Industries Inc.
100 King Street West, Suite 5700
Toronto, Ontario
M5X 1C7
Phone: (647) 438-9766

SCHEDULE A

CHARTER FOR THE AUDIT COMMITTEE

ALMONTY INDUSTRIES INC.

AUDIT COMMITTEE CHARTER

JANUARY 23, 2012

Policy Statement

It is the policy of Almonty Industries Inc. (the "Corporation") to establish and maintain an Audit Committee to assist the Board of Directors of the Corporation (the "Board") in carrying out their oversight responsibility for the Corporation's internal controls, financial reporting and risk management processes. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties, within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

Composition of the Audit Committee

2. The Audit Committee shall consist of at least three directors, the majority of whom are not officers, employees or control persons of the Corporation or any of its associates or affiliates (as such terms are defined from time to time under the requirements or guidelines for audit committee service under the applicable rules of any stock exchange on which the Corporation's securities are listed for trading). The Board shall appoint the members of the Audit Committee annually and each member of the Committee shall remain on the Committee until the next annual meeting of shareholders of the Corporation after his or her appointment or until his or her successor shall be duly appointed and qualified. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.

3. Each member of the Audit Committee shall be "financially literate". In order to be financially literate, a director must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Corporation's financial statements.

4. A director appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board at any time or until his or her resignation. A member of the Committee shall automatically cease to be a member of the Committee upon ceasing to be a director.

5. The Board may fill vacancies on the Audit Committee by appointing another director to the Audit Committee. The Board shall fill any vacancy if the membership of the Audit Committee is less than three directors. Whenever there is a vacancy on the Audit Committee, the remaining members may exercise all of the Audit Committee's powers as long as a quorum remains in office.

Meetings of the Audit Committee

6. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee and whenever a meeting is requested by the Board, a member of the Audit Committee, the external auditors, or a senior officer of the Corporation. Meetings of the Audit Committee shall correspond with the review of the quarterly financial statements of the Corporation and management's discussion and analysis thereon.

7. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the external auditors of the Corporation, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee.

8. Notice of a meeting of the Audit Committee shall:

(a) be in writing;

(b) state the nature of the business to be transacted at the meeting in reasonable detail;

(c) to the extent practicable, be accompanied by copies of the documentation to be considered at the meeting; and

(d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.

9. A quorum for the transaction of business at a meeting of the Audit Committee shall be the majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.

10. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

11. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Audit Committee shall choose one of the persons present to be the Secretary of the meeting.

12. The Chair of the Board, senior management of the Corporation and other parties may attend meetings of the Audit Committee; however the Audit Committee (i) shall meet with the external auditors independent of management as necessary, in the sole discretion of the Audit Committee, and (ii) may meet separately with management.

13. The Audit Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair of the Audit Committee shall provide the Board with oral reports on the activities of the Audit Committee. All information reviewed and discussed by the Audit Committee at any meeting shall be retained and made available for examination by the Board upon request to the Chair of the Audit Committee. Minutes of the proceedings of the Audit Committee shall be kept in a minute book provided for that purpose. The minutes of the Audit Committee meetings shall accurately record the discussions of and decisions made by the Audit Committee, including all recommendations to be made by the Audit Committee to the Board and shall be distributed to all Audit Committee members.

Duties and Responsibilities of the Audit Committee

14. The Audit Committee's primary duties and responsibilities are to:

(a) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;

(b) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

(c) monitor the independence and performance of the Corporation's external auditors;

(d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;

(e) directly oversee the external audit process and results and resolve any disagreements between management and the external auditor regarding financial reporting;

(f) provide an avenue of communication among the external auditors, management and the Board; and

(g) establish a Whistleblower Policy for the Corporation to ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual.

15. The Audit Committee shall have the authority to:

(a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;

(b) discuss with the management and senior staff of the Corporation, its subsidiaries and affiliates, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;

(c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and

(d) set and pay the compensation for any advisors employed by the Audit Committee.

16. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

17. The Audit Committee shall:

(a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor and the compensation of the external auditors;

(b) consider the recommendations of management in respect of the appointment of the external auditors;

(c) review the audit plan with the Corporation's external auditors and with management;

(d) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;

(e) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

(f) review and resolve any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

(g) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;

(h) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weaknesses;

(i) review and recommend for approval by the Board, the audited annual financial statements, management's discussion and analysis and related documents in conjunction with the report of the external auditors;

(j) review and recommend for approval by the Board, the quarterly unaudited financial statements, management's discussion and analysis and related documents;

(k) before release, review and recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including annual and quarterly financial statements, management's discussion and analysis, annual reports, annual information forms and press releases;

(l) oversee any of the financial affairs of the Corporation, its subsidiaries and affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management;

(m) pre-approve all non-audit services to be provided to the Corporation, its subsidiaries and affiliates by the external auditors;

(n) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors;

(o) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Change of Auditors Notice and documentation required pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (or any successor legislation) and the planned steps for an orderly transition period;

(p) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities laws, on a routine basis, whether or not there is to be a change of external auditors; and

(q) review with management at least annually, the financing strategy and plans of the Corporation.

18. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

19. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.

20. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a securityholder of the Corporation, the external auditors, or senior management.

21. The Audit Committee shall periodically review with management the need for an internal audit function.

22. The Audit Committee shall review the Corporation's accounting and reporting of environmental costs, liabilities and contingencies.

23. The Audit Committee shall establish and maintain procedures for:

(a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

24. The Audit Committee shall review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors.

25. The Audit Committee shall review with the Corporation’s legal counsel as required, but at least annually, any legal matter that could have a significant impact on the Corporation’s financial statements and any enquiries received from regulators or government agencies.

26. The Audit Committee shall assess, on an annual basis, the adequacy of this Charter and the performance of the Audit Committee.