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**ALMONTY ANNOUNCES THE FILING OF ITS AUDITED FINANCIAL
STATEMENTS AND MD&A FOR THE YEAR ENDED SEPTEMBER 30, 2016
AND
ALMONTY ANNOUNCES IT HAS REACHED AN AGREEMENT WITH RESPECT TO A
SECURED PROMISSORY NOTE FOR US\$1.0 MILLION**

Toronto - January 31st, 2017 – Almonty Industries Inc. (“**Almonty**” or the “**Company**”) (TSX-V: AII) today announced the filing of its audited consolidated financial statements, management discussion & analysis (“**MD&A**”) and annual information form (“**AIF**”) for the year ended September 30, 2016. Unless otherwise indicated, all currency amounts contained in this news release are in thousands of Canadian dollars.

The following financial information is for the three months and years ended September 30, 2016, and 2015:

	Three Months Ended 30-Sep-16 \$'000	Three Months Ended 30-Sep-15 \$'000	Three Months Ended 30-Jun-16 \$'000	Year Ended 30-Sep-16 \$'000	Year Ended 30-Sep-15 \$'000
Gross Revenue	10,472	8,415	8,280	37,310	36,142
Mine production costs	4,996	10,930	6,733	26,204	31,192
Inventory write-down	1,650	6,551	-	6,765	6,551
Mine impairment	5,345	1,708	-	5,345	1,708
Depreciation and amortization	2,011	2,413	1,089	8,200	8,545
Earnings (loss) from mining operations	(3,530)	(13,187)	458	(9,204)	(11,854)
General and administrative costs	2,645	1,871	2,561	8,962	6,339
Earnings (loss) before the under noted items	(6,175)	(15,058)	(2,103)	(18,166)	(18,193)
Interest expense	1,044	564	574	2,709	1,404
Foreign exchange (gain) loss	490	1,017	28	(360)	1,313
Non-controlling interest	-	(774)	-	-	(747)
Tax provision	676	(2,684)	376	660	(618)
Net income (loss) for the period	(8,385)	(13,181)	(3,081)	(21,175)	(19,545)
Income (loss) per share basic	(\$0.08)	(\$0.22)	(\$0.05)	(\$0.22)	(\$0.38)
Income (loss) per share diluted	(\$0.08)	(\$0.22)	(\$0.05)	(\$0.22)	(\$0.38)
Dividends	-	-	-	-	-
Cash flows provided by (used in) operating activities	560	2,088	(2,544)	(1,566)	798
Cash flows provided by (used in) investing activities	(3,382)	(4,671)	(3,918)	(13,030)	(16,116)
Cash flows provided by (used in) financing activities	1,957	(800)	8,008	17,926	727

	30-Sep-16 \$'000	30-Sep-15 \$'000
Cash	4,215	866
Restricted cash	1,336	1,223
Total assets	167,766	117,527
Bank indebtedness	4,456	1,794
Long-term debt	56,497	44,435
Shareholders' equity	35,569	49,002
<u>Other</u>		
Outstanding shares ('000)	110,896	86,482
Weighted average outstanding shares ('000)		
Basic	107,871	51,787
Fully diluted	107,871	51,787
Closing share price	\$0.27	\$0.68

Earnings from mining operations, excluding non-cash impairment charges and inventory write-downs, was \$3,465 during Q4, 2016 as a result of the addition of the more cost-efficient production from the Company's Panasqueira Mine and the curtailment of production at the Company's higher cost Wolfram Camp Mine when compared to a loss of (\$4,928) in Q4 2015

This represents an increase of \$8,393, a 170% reversal of the loss from Q4 2015. The positive earnings from mining operations, excluding non-cash impairment charges and inventory write-downs, in Q4 2016 would have been higher had the price of APT remained constant as opposed to decreasing to US\$190 per MTU of APT during Q4 2016, a decrease of over 9% when compared to the price of US\$209 experienced during Q4 2015.

Almonty ceased production at the Wolfram Camp Mine in Q2, 2016 while it continues with the optimization of the milling circuit and revises the mine plan. The Company anticipates that unit production costs will decrease significantly when production restarts once the optimization has been completed.

Almonty also announces that it issued a secured promissory note (the "2017 Note") for aggregate gross proceeds of US\$1.0 million (the "2017 Note Financing"). The Note was issued to Deutsche Rohstoff AG ("DRAG"), an existing shareholder of, and lender to, Almonty, and will mature on January 1, 2019, and bears interest at a rate of 6% per annum, payable semi-annually on July 1, and January 1 each year in cash or, subject to approval of the TSX Venture Exchange, shares at the option of Almonty, up to the maturity date. To the extent interest is paid in shares, such shares would be issued at the 5-day volume weighted average price on the day prior to the issuance.

Almonty has also reached an agreement with DRAG to extend the US\$1.0 million promissory note issued on January 1, 2016 (the "2016 Note") and originally due on January 1, 2017 to January 1, 2019 and to provide for interest to be paid in cash or, subject to

approval of the TSX Venture Exchange, shares at the option of Almonty at the maturity date (the “**2016 Note Amendments**”).

The 2017 Note is secured by the existing security granted to DRAG in connection with their existing \$4 million debenture and 2016 Note.

The 2017 Note Financing and 2016 Note Amendments each constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions* (“**MI 61-101**”). For these transactions, Almonty is relying on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(b) of MI 61-101 and on the exemption from the minority shareholder approval requirements of MI 61-101 contained in Section 5.7(1)(a) of MI 61-101.

The 2017 Note Financing closed on January 23, 2017 and will be funded in two tranches. The first tranche of US\$500,000 was received on closing and the second tranche is due to close on or before March 15, 2017. Almonty intends to use the net proceeds of the 2017 Note Financing for working capital and general corporate purposes

Lewis Black, Chief Executive Officer of Almonty, commented, “These results are testament to the strength of the Almonty team. We have dramatically reduced costs and improved numerous efficiencies in all areas of the company in what has been one of the lowest price environments in Tungsten over the past 30 years. Notwithstanding the various challenges of the past year, we are now uniquely positioned as the largest Non-Chinese multi mine producer to capture the upside of the currently increasing Tungsten price.

Sangdong continues to garnish significant interest, not only from our ongoing negotiations with an Industry participant, but also from numerous other areas within our industry. There is now a serious supply issue for concentrate in the West and multiple parties are expressing significant interest in working with us on the development of Sangdong. We feel that the way Almonty has demonstrated its strength in being able to succeed in this bear market, consolidate the sector and demonstrate cost competitiveness with Chinese producers has built on our reputation within the industry as the leading operator in Tungsten outside of China.

About Almonty

The principal business of Toronto, Canada-based Almonty Industries Inc. is the mining, processing and shipping of tungsten concentrate from its Los Santos Mine in western Spain and its Panasqueira mine in Portugal as well as the refurbishment of its Wolfram Camp Mine in north Queensland, Australia, the development of its Sangdong tungsten mine in Gangwon Province, South Korea and the development Valtreixal tin/tungsten project in north western Spain. The Los Santos Mine was acquired by Almonty in September 2011 and is located approximately 50 kilometres from Salamanca in western Spain and produces tungsten concentrate. The Wolfram Camp Mine was acquired by

Almonty in September 2014 and is located approximately 130 kilometres west of Cairns in northern Queensland, Australia and has produced tungsten and molybdenum concentrate, although the Wolfram Camp Mine is not currently producing due to ongoing refurbishment of the processing plant. The Panasqueira mine, which has been in production since 1896, is located approximately 260 kilometres northeast of Lisbon, Portugal, was acquired in January 2016 and produces tungsten concentrate. The Sangdong mine, which was historically one of the largest tungsten mines in the world and one of the few long-life, high-grade tungsten deposits outside of China, was acquired in September 2015 through the acquisition of a 100% interest in Woulfe Mining Corp. Almonty owns 100% of the Valtreixal tin-tungsten project in north-western Spain. Further information about Almonty's activities may be found at www.almonty.com and under Almonty's profile at www.sedar.com.

For further information, please contact:

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

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Disclaimer for Forward-Looking Information

When used in this press release, the words “estimate”, “project”, “belief”, “anticipate”, “intend”, “expect”, “plan”, “predict”, “may” or “should” and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. This press release contains forward-looking statements and information including, without limitation the closing of the second tranche of the 2017 Note Financing by March 15, 2017; we are now uniquely positioned as the largest Non-Chinese multi mine producer to capture the upside of the currently increasing Tungsten price; and multiple parties are expressing significant interest in working with us on the development of Sangdong; and, being able to

succeed in this bear market. These statements and information are based on management's beliefs, estimates and opinions on the date that statements are made and reflect Almonty's current expectations.

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

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to, no material adverse change in the market price of ammonium para tungstate (APT), the continuing ability to fund or obtain funding for outstanding commitments, expectations regarding the resolution of legal and tax matters, no negative change to applicable laws, the ability to secure local contractors, employees and assistance as and when required and on reasonable terms, and such other assumptions and factors as are set out herein. Although Almonty has attempted to identify important factors that could cause actual results, level of activity, performance

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

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

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

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