Revised Audited Consolidated Annual Financial Statements

For the Years Ended September 30, 2015 and 2014
Presented in Canadian Dollars

These Revised Financial Statements are being filed to correct, and are intended to replace in their entirety, the original audited consolidated annual financial statements filed for the year ended September 30, 2015. These revised audited consolidated annual financial statements have been revised to correct the independent auditor's report dated February 9, 2016. Specifically, the Revised Financial Statements are being filed to correct the "Other Matters" paragraph of the independent auditor's report dated February 9, 2016 to exclude the audit of the prior period adjustment from the predecessor auditor's opinion. The prior period adjustment was audited by the successor auditor. There are no other changes contained in these Revised Financial Statements.

This notice does not form a part of the audited annual financial statements.

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements for Almonty Industries Inc. were prepared by management in accordance with International Financial Reporting Standards (IFRS). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances. The significant accounting policies of the Company are summarized in Note 3 to the consolidated financial statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years then ended presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Lewis Black"

Lewis Black
Director, President & CEO

"Dennis Logan"

Dennis Logan
Chief Financial Officer

February 9, 2016
Toronto, Ontario

Corrected February 10, 2017

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario M5H 4C7
Canada
T: 416.480.0160
F: 416.480.2646

toronto.collinsbarrow.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Almonty Industries Inc.

We have audited the accompanying consolidated financial statements of Almonty Industries Inc. and its subsidiaries, which comprise the consolidated balance sheet as at September 30, 2015 and the consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Almonty Industries Inc. as at September 30, 2015 and its financial performance and its cash flows for the year ended September 30, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(b) of the consolidated financial statements which indicates that as of September 30, 2015, the Company has incurred losses resulting in an accumulated deficit of $18,447,000. The Company's ability to continue as a going concern depends upon the Company's ability to raise the cash required to develop its properties under exploration to commercialization and to improve the profitability of its operations. These conditions, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other matter

The consolidated financial statements of Almonty Industries Inc. and its subsidiaries for the year ended September 30, 2014 (prior to the adjustments described in note 4(b) to the consolidated financial statements) were audited by another auditor who expressed an unmodified opinion on those statements on January 28, 2015.

As part of our audit of the consolidated financial statements for the year ended September 30, 2015, we also audited the adjustments described in Note 4(b) that were applied to amend the consolidated financial statements for the year ended September 30, 2014. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply and procedures to the September 30, 2014 consolidated financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the September 30, 2014 consolidated financial statements taken as a whole.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Professional Accountants
Toronto, Ontario
February 9, 2016

Almonty Industries Inc.

Consolidated Balance Sheets

As at September 30, 2015 and 2014
(in 000's of Canadian dollars unless otherwise noted)

	September 30 2015	September 30 2014 (Restated - Notes 4(b) and 21)
Assets		
Current Assets		
Cash and cash equivalents (Note 5)	866	14,847
Trade receivables	840	483
VAT/HST/GST receivable	2,149	1,497
Inventories (Note 6)	4,076	6,648
Other current assets	612	620
Total Current Assets	**8,543**	**24,095**
Mining assets (Note 7)	88,136	43,128
Tailings inventory (Note 6)	15,410	14,514
Deferred tax assets (Note 13)	4,036	3,569
Restricted cash (Notes 5 and 11)	1,223	956
Other assets	179	285
	108,984	**62,452**
Total Assets	**117,527**	**86,547**
Liabilities		
Current Liabilities		
Bank indebtedness (Note 5)	1,794	1,041
Accounts payable and accrued liabilities (Note 9)	15,453	9,654
Deferred revenue	1,697	1,111
Current portion of long-term debt (Notes 10 and 19)	13,634	5,424
Total Current Liabilities	**32,578**	**17,230**
Long-term debt (Notes 10 and 19)	30,801	21,000
Restoration and other provisions (Note 11)	3,228	1,262
Deferred tax liabilities (Note 13)	1,918	-
	35,947	**22,262**
Total Liabilities	**68,525**	**39,492**
Shareholders' Equity		
Share capital (Note 12)	60,827	31,179
Equity portion of convertible debentures (Note 10(d))	508	167
Contributed surplus	2,578	1,731
Accumulated other comprehensive income	3,536	1,832
Retained earnings (deficit)	(18,447)	12,146
Total Shareholders' Equity	**49,002**	**47,055**
Total Liabilities and Shareholders' Equity	**117,527**	**86,547**

See accompanying notes

Going concern (Note 2(b)), Commitments and contingent liabilities (Note 18), Subsequent events (Note 20)

On behalf of the Board

"Lewis Black"	*"Mark Trachuk"*
Lewis Black	Mark Trachuk
Director, President & CEO	Director

Almonty Industries Inc.

Consolidated Statements of Operations and Comprehensive Income (Loss)

For the Years Ended September 30, 2015 and 2014
(in 000's of Canadian dollars unless otherwise noted)

	2015	2014
Revenue	36,142	29,609
Mine operating costs		
Production costs	37,743	10,287
Impairment loss (Note 8)	1,708	-
Depreciation and amortization	8,545	4,610
Earnings (loss) from mining operations	**(11,854)**	**14,712**
Expenses		
General and administrative (Note 19)	6,339	4,188
	(18,193)	**10,524**
Interest expense	1,404	443
Foreign exchange loss	1,313	188
Income (loss) before income taxes	**(20,910)**	**9,893**
Income tax provision		
Current (Note 13)	-	-
Deferred (Note 13)	(618)	(502)
	(618)	**(502)**
Net income (loss) for the year	**(20,292)**	**10,395**
Attributable to:		
Equityholders of Almonty Industries Inc.	**(19,545)**	**10,395**
Non-controlling interests	**(747)**	**-**
Comprehensive income (loss)		
Net income (loss) for the year	(20,292)	10,395
Items that will not be reclassified to profit/loss		
Actuarial gain on employee benefit obligation	9	-
Items that may be reclassified subsequently to profit/loss		
Foreign currency translation adjustment	1,695	951
Comprehensive income (loss) for the year	**(18,588)**	**11,346**
Attributable to:		
Equityholders of Almonty Industries Inc.	**(17,841)**	**11,346**
Non-controlling interests	**(747)**	**-**
Earnings (loss) per share (Note 14)		
Basic income (loss) per share	**($0.38)**	**$0.28**
Diluted income (loss) per share	**($0.38)**	**$0.28**

See accompanying notes

Almonty Industries Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended September 30, 2015 and 2014

(in 000's of Canadian dollars unless otherwise noted)

	Share Capital	Equity Portion of Convertible Debentures	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Equity Attributable to Shareholders'	Non-Controlling Interest	Total Equity
(Restated - Note 4 (b))								
Balance at September 30, 2013	**21,996**	**-**	**1,675**	**2,752**	**881**	**27,304**	**-**	**27,304**
Repurchase of common shares	(218)	-	-	-	-	(218)	-	(218)
Issuance of share options	-	-	56	-	-	56	-	56
Issuance of common shares	9,401	-	-	-	-	9,401	-	9,401
Equity component of convertible debenture	-	167	-	-	-	167	-	167
Net income for the year	-	-	-	10,395	951	11,346	-	11,346
Dividends paid	-	-	-	(1,001)	-	(1,001)	-	(1,001)
Balance at September 30, 2014	**31,179**	**167**	**1,731**	**12,146**	**1,832**	**47,055**	**-**	**47,055**
Repurchase of common shares	(197)	-	-	-	-	(197)	-	(197)
Common shares issued on acquisition of 8% of Woulfe	1,652	-	-	-	-	1,652	-	1,652
Non-controlling interest at acquisition	-	-	-	-	-	-	18,954	18,954
Equity component of convertible debentures	-	341	-	-	-	341	-	341
Issuance of share options	-	-	379	-	-	379	-	379
Common shares issued on acquisition of 92% of Woulfe	28,193	-	468	(11,048)	-	17,613	(18,207)	(594)
Net loss for the year	-	-	-	(19,545)	1,704	(17,841)	(747)	(18,588)
Balance at September 30, 2015	**60,827**	**508**	**2,578**	**(18,447)**	**3,536**	**49,002**	**-**	**49,002**

See accompanying notes

Almonty Industries Inc.

Consolidated Statements of Cash Flows

For the Years Ended September 30, 2015 and 2014

(in 000's of Canadian dollars unless otherwise noted)

	2015	2014
Operating activities		
Net income (loss) for the year	(20,292)	10,395
Add (deduct) non-cash items:		
Non–cash compensation expense	379	56
Depreciation and amortization	8,545	4,610
Impairment loss	1,708	-
Non-cash impairment charges	7,408	-
Unrealized foreign exchange gain (loss)	2,138	(26)
Deferred taxes	(618)	(502)
Accretion and other non-cash interest	607	-
Other non-cash charges	111	(494)
	(14)	14,039
Net change in non-cash working capital	4,877	(171)
Change in tailings inventory	(4,065)	(5,276)
Cash flow provided by operating activities	**798**	**8,592**
Investing activities		
Additions to mining assets	(12,783)	(7,621)
Net cash acquired on acquisitions (Note 4)	(2,275)	112
Acquistion related costs	(594)	-
Investment in loan receivable	(150)	-
Restricted cash	(314)	257
Cash flow used in investing activities	**(16,116)**	**(7,252)**
Financing activities		
Repurchase of common stock	(197)	(218)
Issuance of long-term debt	12,285	15,775
Financing costs	-	(28)
Dividends paid	-	(1,001)
Repayment of long-term debt	(11,361)	(2,173)
Cash flow provided by financing activities	**727**	**12,355**
Effect of foreign exchange on cash	**610**	**69**
Net increase (decrease) in cash and cash equivalents during the year	**(13,981)**	**13,764**
Cash and cash equivalents at beginning of year	14,847	1,083
Cash and cash equivalents at end of year	**866**	**14,847**

See accompanying notes

1. Description of Business

Almonty Industries Inc. (“Almonty” or “the Company”) is incorporated in Canada. The Company’s shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol AII. The head office of the Company is located at 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7. The principal business of Almonty is the exploration and evaluation of, and the mining, processing and shipping of tungsten concentrate. The Company's projects include the Los Santos Mine, a tungsten mine located in western Spain, the mining, processing and shipment of tungsten and molybdenum concentrate from the Wolfram Camp Mine, located in Queensland, Australia, which was acquired by the Company in September 2014, the exploration and evaluation of tungsten at the Sangdong Mine located in Gangwon Province, Republic of Korea, which was acquired by the Company in June 2015, a 25% interest in the Valtreixal Project, a tin/tungsten exploration and evaluation project located in western Spain, and the mining, processing and shipping of tungsten concentrate from the Panasquiera Mine, located in Portugal, which was acquired by Almonty in January 2016 (Note 20).

The Los Santos Mine is owned by the Company through a wholly owned subsidiary, 7887523 Canada Inc. (“Almonty Sub”). which owns 100% of Daytal Resources Spain S.L. (“Daytal”).

The Wolfram Camp Mine ("Wolfram Camp") is wholly owned through Almonty’s wholly owned subsidiaries, Tropical Metals Pty Ltd. (“TM”) (15% ownership) and Wolfram Camp Mining Pty Ltd. (“WCM”) (85% ownership).

The Sangdong Mine, located in the Gangwon Province, Republic of Korea, is owned by Woulfe Mining Corp., ("Woulfe") through four wholly-owned subsidiaries ("Woulfe Subs"). Woulfe's shares were traded on the Canadian Securities Exchange under the symbol WOF, and which shares were acquired by the Company in June and September 2015.

Almonty Sub has another wholly owned subsidiary, Valtreixal Resources Spain ("Valtreixal" or “VRS”), which owns a 25% interest in the Valtreixal tin/tungsten project located in western Spain. VRS has an option to acquire the remaining 75% of the project, of which the Company is proceeding with the acquisition of an additional 26% (Note 20). The principal business of VRS is the exploration of the Valtreixal Project.

The Panasqueira Mine ("Panasqueira Mine"), acquired in January 2016 (Note 20), is wholly owned through Almonty’s wholly owned subsidiaries, Beralt Ventures Inc. (“BVI) which owns 100% of Beralt Tin and Wolfram Portugal SA (“BTW”).

Although the Company has taken steps to verify the title to the properties on which it is conducting its exploration, development and mining activities, these procedures do not guaranty the Company's title. Property title may be subject to government licensing requirements or regulations, unrestricted prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory and environmental requirements.

2. Basis of Preparation

a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), effective for the reporting period ended September 30, 2015.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which were recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of February 9, 2016, the date these financial statements were authorized for issuance by the Board of Directors.

b) Basis of preparation and going concern

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which presumes the Company will continue operating for the foreseeable future and will be able to realize a return on its assets and discharge its liabilities and commitments in the ordinary course of its business. However, certain adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company has incurred a loss in the current year of $20,292 (2014 – net income of $10,395), resulting in negative working capital in the amount of $24,035 (2014 - positive working capital of $6,865), and an accumulated deficit of $18,447 (2014 – retained earnings of $12,146) as at September 30, 2015. The Company's ability to continue as a going concern depends upon its ability to raise the cash required to develop its properties under exploration to commercialization and to improve the profitability of its operations. Management continuously monitors the financial position of the Company with respect to working capital requirements as well as long-term capital needs in relation to a budget for the year. If the Company is unable to obtain additional financing when and if required, the Company may be unable to continue operations. Management plans to secure the necessary financing through new equity and debt arrangements, nevertheless, there is no assurance that these initiatives will be successful. Additional details on financing subsequent to September 30, 2015 are provided in Note 20, however additional financings are likely required to continue operations.

These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different than those in the accompanying consolidated financial statements. Such adjustments could be material. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which Almonty obtains control, and continue to be consolidated until the date when such control ceases. The Company controls an investee if the Company has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including but not limited to:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in loss and comprehensive loss from the date that the Company gains control until the date that the Company ceases to control the subsidiary.

The accounting policies and methods of computation adopted in the preparation of the financial statements of the subsidiaries are consistent with those adopted and disclosed in Note 3.

The consolidated financial statements include the accounts of the Company's 100%-owned subsidiaries, Daytal, VRS, Almonty Sub, TM, WCM, Woulfe and Woulfe Subs. All intercompany balances, transactions, unrealized gains and losses resulting from intercompany transactions and dividends have been eliminated on consolidation.

c) Economic dependence

Almonty's wholly owned subsidiaries, Daytal and WCM have long-term supply agreements with one customer who participates in the global tungsten business. Currently, all of the output of Almonty'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. There is no guarantee that Almonty would be able to find an alternative customer or customers on market terms similar to its existing supply agreements should this current customer cease operations or become unable to pay Almonty under the current contracts.

d) New accounting standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or IFRS Interpretation Committee ("IFRIC") that are mandatory at certain dates or later. Management is still assessing the effects of the pronouncements on the Company. The standards impacted that may be applicable to the Company are the following:

IAS 1 - Presentation of Financial Statements
IAS 1, Presentation of Financial Statements was amended by the IASB in December 2014. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements.

For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of the financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

IAS 16 and IAS 38 – Property, Plant and Equipment and Intangible Assets
IAS 16 and IAS 38, Property, Plant and Equipment and Intangible Assets were amended by the IASB in December 2013. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset are not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

IFRS 9 - Financial Instruments
IFRS 9, Financial Instruments was issued in final form by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

Most requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements.

The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. In addition, a single, forward-looking expected loss impairment model is introduced, which will require more timely recognition of expected credit losses. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. IFRS 15 supersedes the following standards: IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue - Barter Transactions Involving Advertising Services.

3. Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with a maturity of three months or less at the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are initially recorded at the fair value of the contracted sale proceeds expected to be received only when there has been a passing of significant risks and rewards of ownership to the customer, and collectability is reasonably assured.

Collectability of trade receivables is reviewed on an ongoing basis. An impairment of doubtful receivables is raised when there is objective evidence that Almonty and the entities it controls will not be able to collect the debt.

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained MTUs (defined as a Metric Tonne Unit, equal to 10 kg of contained WO_3) of WO_3 (tungsten tri-oxide) based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

The cost of raw materials, stores, finished goods and mining stocks includes direct materials, transportation costs, direct labour and an appropriate portion of variable and fixed overheads, with costs determined on the basis of weighted average cost.

Tungsten ore and WO_3 in concentrate, WO_3 in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortization, incurred in converting materials into finished goods.

Tailing inventories represents stockpiles of low grade ore that has been mined and processed and is available for reprocessing. As tailing inventories will not be reprocessed within one year of the date of these consolidated financial statements, the net carrying amount related to the tailing inventories has been classified as a non-current asset in the consolidated balance sheets.

Where direct costs are not attributable to a specific process, the allocation of costs between inventory and tailings inventory is determined by the expected recoverable tungsten.

Mining assets
Property, plant and equipment and mine properties are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation and, for qualifying assets, borrowing costs. The capitalization of certain mine construction costs ceases when a mine construction project moves into the production stage.

Accumulated mine development costs are depreciated on a unit-of-production basis over the economically recoverable resources of the mine ("ROM") concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is applied. The unit of account for the ROM costs are tonnes of ore whereas the unit of account for post-ROM costs are recoverable MTUs of WO_3. Rights and concessions are depleted on the unit-of-production basis over the total resources. The unit-of-production rate for the depreciation of mine development costs takes into account expenditures incurred to date.

The application of Almonty's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a National Instrument 43-101 – Standards of Disclosure for Mineral Projects resource is itself an estimation process that contains varying degrees of uncertainty, depending on sub-classification, and these estimates directly impact the point of deferral of exploration and evaluation expenditures. The Company's policy is to capitalize all exploration costs that are incurred on its mineral properties that currently have a NI 43-101 compliant resource estimate, provided that those expenditures are incurred to extend or enhance the resource. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in income in the period when the new information becomes available.

Other plant and equipment such as mobile mine equipment is generally depreciated on a straight-line basis over their estimated useful lives of 3 to 10 years. Leasehold improvements are amortized over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Mine rehabilitation and restoration provisions
Almonty assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditures differing from the amounts currently provided.

The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognized in the consolidated balance sheet by either increasing or decreasing the rehabilitation asset and liability if the initial estimate was originally recognized as part of an asset measured in accordance with IAS 16, Property, Plant and Equipment.

Any reduction in the rehabilitation liability and therefore any deduction from the rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to income. If the change in estimate results in an increase in the rehabilitation liability and therefore an addition to the carrying value of the asset, Almonty is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36, Impairment of Assets.

If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the recoverable value that portion of the increase is charged directly to expenses. For closed sites, changes to estimated costs are recognized immediately in income. Also, rehabilitation obligations that arise as a result of the production phase of a mine are expensed as incurred.

The expected cost of any approved decommissioning or rehabilitation program, discounted to its net present value, is provided when the environmental disturbance occurs. The cost is capitalized when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation and the increase in the net present value of the provision for the expected costs is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future costs of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related assets are adjusted and the effect is recognized in the consolidated statement of operations and comprehensive income (loss) on a prospective basis over the remaining life of the operation.

Ore reserves and mineral resources estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from Almonty's mining properties. Almonty estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the ore reserve or mineral resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortization charges.

Deferred stripping expenditures

Advanced stripping costs incurred during the production stage of its operations are deferred as part of mining assets in accordance with IFRIC 20, and amortized on a unit-of-production basis over the life of the mine components. Should the estimate of the stripping ratio change over time as a result of a change/optimization in the design of the open pits, then Almonty will revisit the deferral and amortization rates related to its deferred stripping expenditures policy. The calculation of the life-of-mine stripping ratio requires the use of judgments and estimates such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves to be extracted as a result. Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to mineral reserves ratio). These changes are accounted for prospectively.

Leases

Leases of plant and equipment under which Almonty assumes substantially all the risks and benefits identical to ownership are classified as capital leases. Other leases are classified as operating leases.

Financial instruments

Financial assets -

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL"). Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the statement of operations and comprehensive income (loss).

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities -
All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of operations and comprehensive income (loss).

The Company has elected to apply the following classifications to each of its significant categories of financial instruments:

Asset/Liability	Category	Measurement
Cash	Fair value through profit or loss	Fair value
Trade receivables	Loans and receivables	Amortized cost
Restricted cash	Fair value through profit or loss	Fair value
Bank indebtedness	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

Impairment of assets

At each reporting date of the consolidated balance sheet, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of operations and comprehensive income (loss), unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Significant Accounting Judgments and Estimates

The preparation of financial statements requires management to make judgments, estimates and form assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Significant areas requiring the use of management estimates relate to the valuation and determination of the useful lives of assets, valuation of each of the equity and debt components of convertible debentures, valuation of share-based compensation, warrants, share capital, deferred income taxes, allowance for doubtful accounts, inventory valuation, capital leases, ore reserves and mineral resource estimates, recovery rates of tungsten, units-of-production depreciation, mine rehabilitation and restoration provisions, exploration and evaluation expenditures, deferred stripping expenditures, tailing inventories, contingencies, employee benefit obligations, determining the appropriate accounting treatment of an acquisition as either a business combination or an acquisition of assets requires that management utilize judgment to determine whether the acquired entity constitutes a business, valuation of assets and liabilities acquired, non-controlling interests, whether control exists on acquisitions and the valuation of intangibles of the Company. Management believes that the estimates utilized in preparing its consolidated financial statements are reasonable and prudent; however, actual results may differ from those estimates.

Provisions

Provisions are recognized when Almonty or any of its controlled entities has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the consolidated balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to Almonty and its controlled entities and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes or duty. Almonty assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Almonty has concluded that it is acting as a principal in all of its revenue arrangements. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser. The significant risks and rewards of ownership are deemed to be transferred to the purchaser generally when product is physically transferred onto a third-party vessel, train, ship or other delivery mechanism, depending on the mode of transport, and Almonty has paid all costs of shipping, freight and insurance to the destination specified by the purchaser.

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 (as defined, based on published prices) at the date of shipment, with a subsequent adjustment made to revenue upon final determination of WO_3 concentrate.

Income taxes

Current income tax -

Current income tax assets and liabilities are estimated as the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where Almonty and/or its controlled entities operate and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred income tax -

Deferred income tax is provided using the consolidated balance sheet method on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venturer and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

Almonty recognizes neither the deferred tax asset regarding the temporary difference on the rehabilitation liability, nor the corresponding deferred tax liability regarding the temporary difference on the rehabilitation asset.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will be available to allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances arose. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it occurred during the measurement period or in income.

Earnings per share

Basic earnings per share are calculated as net income (loss) for the year attributable to Almonty shareholders, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares outstanding.

Diluted earnings per share are calculated as net income (loss) for the year attributable to Almonty shareholders divided by the weighted average number of ordinary shares and dilutive potential ordinary shares using the treasury method.

Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is Almonty's functional currency and presentation currency.

Almonty has two foreign operations which receive revenue in US dollars and incur all of their costs in Euros and Australian Dollars. Daytal has a functional currency of Euros, and translates its US dollar revenue into Euros at the respective US dollar/Euro exchange rate prevailing at the date of the transaction. Wolfram Camp has a functional currency of Australian dollars and translates its US dollar revenue into Australian dollars at the respective US dollar/Australian dollar exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Exchange differences are recognized in the statement of operations and comprehensive income (loss) in the period in which they arise.

Woulfe Subs incur the majority of their costs in South Korean Won. Woulfe has a functional currency of Canadian dollars, and translates all Won transactions into Canadian dollars at the exchange rate prevailing at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the foreign entities are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized as a separate component of equity and as a foreign currency translation adjustment in other comprehensive income in the consolidated statements of operations and comprehensive income (loss).

Share-based payment transactions

Employees, directors and service providers of the Company may receive a portion of their compensation in the form of share-based payment transactions, whereby services are rendered as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity settled transactions are measured by reference to the fair value of the equity instrument at the date on which they are granted.

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity settled transactions at each reporting date until the vesting date, and reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The income or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance or service conditions are satisfied.

Where the terms of an equity settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Acquisitions, business combinations and goodwill

At the time of acquisition, the Company determines whether what is acquired meets the definition of a business, in which case if it does, the transaction is considered a business combination, otherwise it is recorded as an asset acquisition.

For an asset acquisition, the net identifiable assets acquired and liabilities assumed are measured at the fair value of the consideration paid, based on their relative fair values at the acquisition date. Acquisition related costs are included in the consideration paid and capitalized. No goodwill is recorded and no deferred tax asset or liability arising from the assets acquired or liabilities assumed are recognized upon the acquisition of the assets.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in selling, general and administrative expenses.

When Almonty acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in income or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in income.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions, including the costs related to the transaction (ie transactions with owners in their capacity as owners).

4. Acquisitions

a) Acquisition of Woulfe

On June 4, 2015, the Company acquired 8.0% of the outstanding shares of Woulfe Mining Corp., a Canadian company whose shares were listed on the Canadian Securities Exchange, which owns and is evaluating the Sangdong tungsten mine located in Gangwon Province, Republic of Korea, complementing the Company's existing operations and increasing its potential tungsten reserves. The acquisition was made by way of three concurrently completed agreements, as described below (in addition to a $150 bridge loan made to Woulfe prior to the acquisition). The completion of the agreements resulted in the Company having the ability to nominate a sufficient number of directors to the board of Woulfe to give it effective control over Woulfe, and appoint the CEO of Almonty as a board member and CEO of Woulfe. Woulfe was a widely held company where Almonty would have been the largest shareholder if it exercised the conversion rights attached to all of the convertible securities in Woulfe that it owned. In accordance with IFRS 3, Business Combinations, Woulfe did not meet the definition of a business. Therefore the acquisition of effective control of Woulfe has been accounted for as an asset acquisition. It was Almonty's intention to seek to acquire 100% of the shares of Woulfe not already owned, which transaction was completed on September 10, 2015.

The three agreements noted above are:

- The Company subscribed for a convertible, unsecured subordinated debenture from Woulfe totalling $1,000 (the "Debenture") for cash consideration of $1,000. The Debenture has an interest rate of 12%, per year, payable quarterly in arrears and matures June 4, 2016. The Debenture was convertible at the option of Almonty into 16,667,000 common shares of Woulfe. In addition Almonty and Woulfe entered into an agreement such that Almonty was granted a right to nominate one member to the board of directors of Woulfe, provided such nominees are acceptable to regulatory authorities, for so long as Almonty held a minimum of 5% of the issued and outstanding shares of Woulfe.

- The Company entered into an agreement with Dundee Corporation ("DC") and Dundee Resources Limited ("DRL" and together with DC, "Dundee") whereby Almonty acquired 29,497,229 of Woulfe's common shares from Dundee, representing 8.0% of Woulfe's outstanding shares, at a market price of $0.056 per Woulfe share in exchange for issuing to Dundee 2,949,723 common shares of Almonty at the market price of $0.56 per Almonty common share, amounting to $1,652.

- Almonty also acquired from Dundee, $4,000 in principal amount of Unsecured Subordinated Convertible Debentures bearing interest at 12.0% per annum, due December 31, 2016 issued to Dundee by Woulfe on March 7, 2014 (the "2016 Debenture"). As consideration, the Company paid Dundee cash in the amount of $2,100 on closing, entered into an unsecured loan of $500, at an interest rate of 4% per annum, with payments of $125, plus accrued interest at each of three, six, nine and twelve months from the closing date, and issued to Dundee a term promissory note in the principal amount of $1,400 due along with accrued interest in June 2020, bearing interest at 4% per annum. In connection with the purchase of the 2016 Debenture, Dundee assigned its nomination rights to Almonty whereby Almonty is entitled to nominate up to 50% of the directors of the Board of Woulfe so long as its partially diluted ownership interest in Woulfe remains not less than 15% (on closing, Almonty held 8.0% of the outstanding Woulfe shares and had a pro-rata partially diluted ownership interest in Woulfe of approximately 18.2%).

(In 000's of Canadian dollars, unless otherwise noted)

The following represents the allocation of the purchase price, giving effect to the acquisition of 8.0% of the outstanding shares of Woulfe on June 4, 2015:

	Fair value at acquisition date
Assets acquired	
Cash and cash equivalents	1,053
GST Receivable	25
Other current assets	88
Plant and equipment	110
Exploration and evaluation projects	42,109
Total assets	**43,385**
Liabilities assumed	
Trade and other payables	2,868
Other liabilities and accruals	860
Long-term debt	12,199
Deferred tax liabilities	1,769
Restoration provision	83
Total liabilities	**17,779**
Net assets acquired	**25,606**
Non-controlling interest	**18,954**
Total net assets acquired	**6,652**
Consideration:	
Cash	3,100
Common shares	1,652
4% unsecured loan	500
4% term promissory note	1,400
Total consideration	**6,652**

Transaction costs of $228 were capitalized to the assets acquired.

On July 7, 2015 Almonty entered into an arrangement (the “Arrangement Agreement”), pursuant to which Almonty proceeded to acquire all of the outstanding common shares of Woulfe not already owned by Almonty, by way of a court approved Plan of Arrangement (“Arrangement”). The Arrangement was subsequently approved by Woulfe's shareholders on August 21, 2015 and resulted in the acquisition by the Company of the 92% of Woulfe on September 10, 2015.

Pursuant to the Arrangement, each common share of Woulfe was exchanged for 0.1029 of a common share of Almonty resulting in the issue by Almonty of 34,806,205 common shares. The share price of the Company as of the date of the Arrangement was $0.81, and as such, the value attributed to the shares issued was $28,193. In addition, the Company granted 719,271 options and 4,834,160 warrants in replacement of outstanding Woulfe options/warrants with a value of $48 and $420 respectively. Costs of the transaction, in the amount of $594, were also incurred. The value of the stock options granted in this transaction was determined using the Black-Scholes option pricing model, based on risk-free interest rates of 0.37%-0.48%, volatility of 33%-54% based on historical volatility, expected lives of 0.05-1.26 years, and an expected dividend yield of 0.0% as of the date of the grant. The value of the warrants granted was determined using the Black-Scholes option pricing model, based on a risk-free interest rates of 0.48-0.51%, volatility of 35%-37% based on historical volatility, expected lives of one to three years, and an expected dividend yield of 0.0% as of the date of the grant.

The transaction was accounted for as though Almonty acquired the non-controlling interest in Woulfe, in the amount of $18,207, as at the date of the transaction in exchange for total consideration of $29,255. As Almonty controlled Woulfe on the date of this transaction, the difference of $11,048 was charged to retained earnings.

b) Acquisition of Wolfram Camp

Almonty acquired 100% of the share capital of WCM and TM (combined, the two companies own a 100% interest in the Wolfram Camp), on September 22, 2014. The principal business of Wolfram Camp is the advancement of exploration, development and production activities at the Wolfram Camp and as such, this has been accounted for as a business combination. Wolfram Camp is a wolframite and molybdenum mineral deposit. The mine is located approximately 130 kilometres from Cairns, Queensland, Australia, near the town of Dimbulah. The Company acquired Wolfram Camp to complement its existing mining operations and expand its operations with its existing customer.

The results of Wolfram Camp were consolidated with those of the Company effective September 22, 2014 and are included in Wolfram Camp operations segment.

(In 000's of Canadian dollars, unless otherwise noted)

The total initial consideration paid to the seller at closing was $16,901 and was comprised of:

Issuance of Convertible debenture	7,500
Issuance of 12,209,302 common shares	9,401
Total consideration transferred	**16,901**

On February 25, 2015, the Company agreed with the seller, pursuant to original agreement, which allowed for the adjustment of the purchase price based under certain criteria, to settle all remaining claims in respect of working capital balances from the original sale agreement, with full mutual releases against future claims. Under the terms of the agreement, the seller reduced by $1,500 the principal amount of the $7,500 Convertible debenture issued by the Company at the time of the acquisition.

As a result of the settlement, the purchase price was reduced to $15,401, where the change has been accounted for retroactively as a reduction of Mine development costs.

(In 000's of Canadian dollars, unless otherwise noted)

The following table presents the allocation of purchase price to the fair value of the assets acquired and the liabilities assumed at the date of acquisition, taking into effect the settlement agreement with the seller.

Net assets acquired:

	Fair value at acquisition date
Assets	(Restated)
Cash and cash equivalents	185
GST Receivable	45
Inventories	3,952
Other current assets	349
Restricted cash	954
Plant and equipment	6,644
Mine	10,022
	22,151
Liabilities	
Trade and other payables	3,591
Other liabilities and accruals	2,367
Restoration provision	792
	6,750
Total identifiable net assets	**15,401**
Net cash acquired with WCM	185
Transaction costs incurred	(873)
Net consolidated cash outflow	**(688)**

Direct transaction costs of $873 were expensed and included in the consolidated statement of operations and comprehensive income (loss) for the year ended September 30, 2014.

5. Cash and Cash Equivalents, Restricted Cash, and Bank Indebtedness

The Company deposits surplus cash with major banks of high quality credit standing, in interest bearing accounts that earn interest at floating rates, and has no cash equivalents.

Bank indebtedness consists of a line of credit agreement in a subsidiary company. The facility is denominated in Euros, is unsecured, and is without interest.

As at September 30, 2015, the Company had $1,223 (September 30, 2014 - $956) in restricted cash on deposit with the Queensland Government, Department of Natural Resources and Mines, as required by the Department of Environment and Heritage Protection, based on a revised mine plan in effect as of October 2014.

(In 000's of Canadian dollars, unless otherwise noted)

6. Inventories

	September 30 2015	**September 30 2014**
Stores and fuel	1,029	820
Ore and in-process ore	17,082	17,582
Finished goods - WO3 concentrate	1,375	2,760
Total inventories	19,486	21,162
Less: non-current tailing inventory	15,410	14,514
	4,076	6,648

Stores and fuel are carried at cost. Ore and in-process ore, finished goods, and tailing inventory are carried at the lower of cost and net realizable value.

As at September 30, 2015, the Company wrote down the following inventories to their net realizable values:

	Los Santos	**Wolfram Camp**	**Total**
Ore and in-process ore	-	70	70
Finished goods - WO3 concentrate	-	787	787
Non-current tailing inventory	6,551	-	6,551
	6,551	857	7,408

The change in inventories and the write downs have been recognized as an expense through mine operating costs in the statements of operations and comprehensive income (loss).

(In 000's of Canadian dollars, unless otherwise noted)

7. Mining assets

	Plant and Equipment	Mineral Properties and Mine Development Costs: Operating Mines	Mineral Properties and Mine Development Costs: Exploration and Evaluation Projects	Total
Cost				
Balance at September 30, 2013	13,972	19,583	194	33,749
Additions	1,026	5,623	940	7,589
Assets acquired on Wolfram Camp acquisition (Note 4(b))	6,644	10,022	-	16,666
Translation adjustment	217	169	(43)	343
Balance at September 30, 2014	21,859	35,397	1,091	58,347
Additions	**4,204**	**6,720**	**3,443**	14,367
Assets acquired on Woulfe acquisition (Note 4(a))	**110**	**-**	**42,109**	42,219
Costs of acquisition	**-**	**-**	**228**	228
Impairment loss	**-**	**(1,708)**	**-**	(1,708)
Asset disposals	**(61)**	**(110)**	**-**	(171)
Translation adjustment	**633**	**1,220**	**201**	2,054
Balance at September 30, 2015	**26,745**	**41,519**	**47,072**	**115,336**
Accumulated Amortization				
Balance at September 30, 2013	1,804	7,095	-	8,899
Amortization	1,998	4,348	-	6,346
Translation adjustment	(18)	(8)	-	(26)
Balance at September 30, 2014	3,784	11,435	-	15,219
Amortization	**2,452**	**8,240**	**-**	10,692
Asset disposals	**(80)**	**(110)**	**-**	(190)
Translation adjustment	**405**	**1,074**	**-**	1,479
Balance at September 30, 2015	**6,561**	**20,639**	**-**	**27,200**
Carrying Value				
Balance at September 30, 2014	18,075	23,962	1,091	43,128
Balance at September 30, 2015	**20,184**	**20,880**	**47,072**	**88,136**

8. Impairment of Operating Mine Assets

In accordance with the Company's accounting policy, operating mines are tested for impairment when events or changes in circumstances suggest that their carrying amount may not be recoverable. The Company generally uses a discounted cash flow model to determine the value in use (VIU) for its operating mines where there are indicators of impairment. The assessment is done at the CGU level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. A CGU is generally an individual operating mine and its related long-term assets. An impairment loss is recognized when the carrying amount of the CGU exceeds the recoverable amount.

(In 000's of Canadian dollars, unless otherwise noted)

The Company considers the significant decrease in tungsten prices during 2015 as an indicator of possible impairment for its operating mines. Accordingly, management performed an impairment assessment for each of its two operating mines, Los Santos and Wolfram Camp.

The VIU was determined for each mine based on the NPV of future cash flows expected to be generated using the most recent life of mine plans. Future tungsten prices are estimated based on observable market or publicly available data to estimate future revenues and operating costs estimated based on current costs adjusted for anticipated changes. The future cash flows for each CGU were discounted using comparable discount rates for similar companies with the same market risk factors.

The key assumptions used in these impairment tests are summarized as follows:

	Assumption
Future tungsten prices, per MTU	US$231 - US$398
Discount rate - Spain	8%
Discount rate - Australia	12%
Life of mine – Daytal, Spain	8 years
Life of mine – Wolfram Camp, Australia	4 years

At September 30, 2015, the Company recognized an impairment loss relating to its Wolfram Camp asset of $1,708, before tax, which was applied against mine development costs.

For the year ended September 30, 2014, there were neither recorded impairment losses nor reversals of impairments.

Any variation in these key assumptions would result in a change of the assessed fair value. If a variation in assumption had a negative impact on fair value, it could indicate a requirement for impairment to the Company's mining assets.

It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of each mine as at September 30, 2015, holding all other assumptions constant:

	Los Santos	**Wolfram Camp**
10% change in tungsten prices	24.0%	38.0%
1% change in discount rate	4.0%	3.0%

9. Accounts Payable and Accrued Liabilities

The balance as of September 30, 2015 includes $10,660 (September 30, 2014 - $7,407) of trade accounts payable, and $4,793 (September 30, 2014 - $2,247) of accrued liabilities.

(In 000's of Canadian dollars, unless otherwise noted)

10. Long-term Debt

		September 30 2015	September 30 2014
			(Restated)
Term loans - Euro	(a)	9,107	9,096
Term loan - US dollar	(b)	13,394	11,200
Term and other loans - Canadian dollar	(c)	10,820	-
Convertible debentures	(d)	9,981	5,833
Obligations under capital leases	(e)	1,133	295
		44,435	26,424
Less: Current portion		(13,634)	(5,424)
		30,801	21,000

a) The Company's wholly-owned Spanish subsidiary has in place a number of Euro denominated, term loan facilities, with maturities ranging between 2016 and 2019. Except for a $664 loan (September 30, 2014 - $1,572) partially secured by the subsidiary's assets, the loans are unsecured, with $8,467 of the loans (September 30, 2014 - $7,868) guaranteed by the parent company. Of the loans, $5,922 (September 30, 2014 - $2,129) have fixed interest rates, with a weighted average interest rate on these loans of 3.05% (September 30, 2014 - 5.25%), while the remaining $3,185 (September 30, 2014 - $6,967) of the loans have floating interest rates, and as of September 30, 2015, the weighted average interest rate on these loans was 4.88% (September 30, 2014 - 5.13%).

b) The $13,394 (US$10,000) term loan has a five-year term, with interest only payments until 2018. The loan bears interest based on 3-month Libor rates, with a rate of 1.75% as of September 30, 2015 (September 30, 2014 - 1.73%). The loan is secured by the assets of a subsidiary, and is guaranteed by a third party.

c) The Company's Canadian dollar term and other loans are summarized as follows:
- Woulfe has a term loan with a balance as of September 30, 2015 of $6,339, which bears interest at 5.0% per annum, with the loan and interest due on March 31, 2016. The loan is secured by Woulfe's Sangdong project. The loan previously had a due date of September 15, 2015, at which time, in addition to the Company making a payment of $5,000, the lender agreed to extend the due date.
- Woulfe has an unsecured promissory note with a balance of $481, including accrued interest, which is due on demand, with interest at 12.0% per annum.
- The Company issued an unsecured loan of $500 in connection with the acquisition of Woulfe, bearing interest at 4.0% per annum, due in four quarterly instalments of $125 each, plus accrued interest, to June 2016.
- The Company issued unsecured loan of $1,400 in connection with the acquisition of Woulfe, bearing interest at 4% per annum, with the loan and accrued interest due in June 2020.
- The Company entered into a bridge loan of $2,100 on September 10, 2015, which is unsecured and bears interest at 12%, due at maturity. The loan will mature on the earlier of (i) two years

from the date of the loan, and (ii) the date on which the Company completes an equity offering within 12 months of the start of the loan, with proceeds of more than $11,000, or in the event less than $11,000 of equity is raised, such proportionately lesser amount of the loan will mature on that date.

d) The Company is obligated under the following convertible debentures:

- The Company entered into a $7,500 convertible debenture agreement in September 2014, in connection with the acquisition of TM and WCM (see Note 4(b)). As a result of a settlement agreement with the seller in 2015, the amount of the debenture was reduced to $6,000. The convertible debenture is due in 2017, with interest payable at 4.0% per year, payable quarterly in arrears. The convertible debenture (including any accrued and unpaid interest) may be converted by the holder, at their option, into common shares of Almonty at an exercise price of $1.45 per share. There have been no conversions to date. Because the debenture has a conversion feature it is a compound financial instrument. Accordingly, the Company estimated the liability and equity components initially as $7,292 and $208 respectively. The liability component was determined based on the fair value of a similar liability without a conversion feature. The equity component was determined based on the difference between the fair value of the debenture as a whole and the fair value of the liability component. As result of the settlement agreement with the seller in 2015 the Company retroactively revised the liability and equity components to $5,833 and $167 respectively. Over the term of the debenture the debt component will be accreted to its face value using the effective interest method. Accretion expense for the year ended September 30, 2015 relating to this debenture was $304 (2014 - $nil).
- The Company entered into a $4,000 convertible debenture agreement on September 15, 2015, in connection with a refinancing. The convertible debenture is due in September 2017, with interest payable at 5.0% per year, payable quarterly in arrears. The convertible debenture (including any accrued and unpaid interest) may be converted by the holder, at their option, into common shares of Almonty at an exercise price of $0.81 per share. Because the debenture has a conversion feature it is a compound financial instrument. Accordingly, the Company estimated the liability and equity components initially as $3,659 and $341 respectively. The liability component was determined based on the fair value of a similar liability without a conversion feature. The equity component was determined based on the difference between the fair value of the debenture as a whole and the fair value of the liability component. Over the term of the debenture the debt component will be accreted to its face value using the effective interest method. Accretion expense for the year ended September 30, 2015 relating to this debenture was $15.
- Woulfe has an unsecured convertible debenture with a balance as of September 30, 2015 of $424, including accrued interest of $74 (of which $20 was accrued in the current year), which is due on demand, and accrues interest at 12% per annum. As the debenture was extended beyond its original due date, the difference between the carrying value and the face value when the loan was advanced has been fully accreted. The $350 principal portion of the loan is convertible, under the Arrangement, into 313,173 Units, with an exercise price of $1.12 per Unit. Each Unit

(In 000's of Canadian dollars, unless otherwise noted)

is comprised of one common share of Almonty, and one common share purchase warrant which may be exercised for a period of two years from the date the Units are exercised, to acquire one common share of Almonty for $1.12.

As at September 30, 2015, the components of the convertible debentures are summarized as follows:

	September 30 2015	**September 30 2014**
Face value	10,424	6,000
Balance to be accreted	(443)	(167)
	9,981	5,833

Changes in the balances of the convertible debentures during the year are summarized as follows:

	September 30 2015	**September 30 2014**
Balance, beginning of year	5,833	-
Debentures issued, liability component	3,659	7,292
Reduction re: settlement agreement, liability component	-	(1,459)
Debenture assumed on acquisition	409	-
Interest	339	-
Interest paid	(259)	-
Balance, end of year	9,981	5,833

e) The capital leases relate to certain equipment and vehicles. The leases carry implied interest rates of between 3.00% and 8.50%.

f) Payments are due as follows under the terms of the various debts, as of September 30, 2015:

Within the next year	13,904
Between one and five years	31,040
	44,944
Less: Imputed interest on capital lease obligations	(66)
Less: Equity balance to be accreted	(443)
	44,435

(In 000's of Canadian dollars, unless otherwise noted)

11. Restoration and Other Provisions

Included in liabilities are reserves for the future restoration of the Company's mining properties, in accordance with local requirements, as follows:

Balance at September 30, 2013	502
Revisions in estimated cash flows and changes in assumptions	(74)
Provision assumed on acquisition	792
Accretion expense	29
Translation adjustment	13
Balance at September 30, 2014	1,262
Revisions in estimated cash flows and changes in assumpti	**1,584**
Provision assumed on acquisition	**83**
Accretion expense	**82**
Translation adjustment	**(24)**
Balance at September 30, 2015	**2,987**

There is a restoration provision of $638 (September 30, 2014 - $468) with respect to Daytal's future obligation to restore and reclaim the mine once it has ceased to mine tungsten ore from the Los Santos Project. The restoration provision, which increased by $109 during the year, represents management's estimate of the present value of the rehabilitation costs relating to the mine site which are expected to be incurred in 2019 after the mine ceases production. Daytal has used a 5% discount rate and assumes an inflation rate of 2% per year in calculating its estimates. The Company is in the process of having its mine plan and restoration provision reviewed by the relevant authorities in Spain, and until this is completed, the Company has posted an insurance policy for $4,406, that is valid until July 2016, designed to cover the reclamation costs should Daytal cease operations before July 2016 and be unable to fulfill its reclamation obligations.

Banco Popular has posted a bank warranty of $245 on behalf of Daytal with the Region of Castilla y Leon, Trade and Industry Department as a form of deposit to cover the expected costs of restoring the mining property. This was required by Daytal's Environmental Impact Statement, that forms a part of its mining and exploitation license on the Los Santos Project, and is valid until July 2016.

There is a restoration provision of $2,268 (September 30, 2014 - $794) with respect to Wolfram Camp's future obligation to restore and reclaim the mine once it has ceased to mine tungsten and molybdenum ore from Wolfram Camp. The restoration provision, which was increased by $1,475 during fiscal 2015, represents management's estimate of the present value of rehabilitation costs relating to the mine site which are expected to be incurred in 2019 after the mine ceases production. Wolfram has used a 3.25% discount rate and assumes an inflation rate of 1.5% per year in calculating its estimates.

(In 000's of Canadian dollars, unless otherwise noted)

As at September 30, 2015, the Company had $1,223 (September 30, 2014 - $956) in restricted cash on deposit with the Queensland Government, Department of Natural Resources and Mines as required by the Department of Environment and Heritage Protection, based on a revised mine plan approved during the year, that required an increase in the deposit of $314.

There is a restoration provision of $81 with respect to the Woulfe properties. The provision was determined based on the levy imposed by the relevant local government authority.

Included in provisions is $241 related to employee benefit obligations in respect of a government mandated pension plan in Woulfe's Korean subsidiary.

12. Share Capital

Common Shares -

	Number of Shares	Amount $
Authorized - Unlimited number of common shares		
Issued and outstanding		
Outstanding at September 30, 2013	37,044,389	21,996
Shares repurchased under NCIB	(257,200)	(218)
Shares issued on the acquisition of Wolfram Camp	12,209,302	9,401
Outstanding at September 30, 2014	**48,996,491**	**31,179**
Shares issued on the acquisition of Woulfe	37,755,928	29,845
Shares repurchased under NCIB	(270,000)	(197)
Outstanding at September 30, 2015	**86,482,419**	**60,827**

As described in Note 4(a), on June 4, 2015, the Company issued 2,949,723 shares, at a market price of $0.56 per share, amounting to $1,652, as consideration for the acquisition from Dundee of 29,497,229 shares of Woulfe.

As described in Note 4(a), on September 10, 2015, the Company issued 34,806,205 shares, at a market price of $0.81 per share, amounting to $28,193, as consideration for the remaining 92% of the shares of Woulfe.

As described in Note 4(b), the Company issued 12,209,302 common shares on September 22, 2014, to the seller, in connection with the acquisition of Wolfram Camp. The shares were valued at $0.77 per share, or $9,401 based on the fair market value of the shares on the date of the transaction.

The Company commenced a Normal Course Issuer Bid (“NCIB”), through the facilities of the TSX-V, on December 20, 2013, with the intention of purchasing up to 901,627, or 2.4% of the shares outstanding at that time, on the open market at the prevailing market price on the TSX-V, with any shares acquired to be cancelled. The bid terminated on December 19, 2014, and 257,200 shares were purchased during the year ended September 30, 2014 for $218, and 9,000 shares were purchased during the year ended September 30, 2015, for $6. The purchased shares were cancelled.

(In 000's of Canadian dollars, unless otherwise noted)

The Company commenced another NCIB on December 29, 2014, which terminated on December 28, 2015, with the intention to purchase, from time to time, as it considers advisable, up to 1,431,007 common shares (which is equal to 2.9% of the outstanding common shares at that time) on the open market through the facilities of the TSX-V. The price that Almonty will pay for any common share under the Bid will be the prevailing market price on the TSX-V at the time of such purchase, with any such shares acquired to be cancelled. During the year ended September 30, 2015, a total of 261,000 shares were purchased for $191. The purchased shares were cancelled.

Warrants -

The Company has issued warrants in connection with share offerings and acquisitions. A total of 3,701,144 warrants outstanding as of September 30, 2013, previously issued in connection with an acquisition, expired during the year ended September 30, 2014.

In connection with the Arrangement transaction with Woulfe, warrants that were outstanding in Woulfe were carried forward to become warrants to acquire 4,834,160 common shares of Almonty.

The outstanding warrants as of September 30, 2015 are summarized as follows:

Expiry Date	Exercise Price	Warrants
September 13, 2016	$1.17	1,029,000
September 16, 2016	$1.17	322,391
March 7, 2019	$1.27	3,482,769
		4,834,160

Incentive Stock Options -

	Number of Share Options
Options outstanding at September 30, 2013	1,700,000
Options expired/forfeited	(50,000)
Options granted	150,000
Options outstanding at September 30, 2014	**1,800,000**
Options expired/forfeited	(125,725)
Options granted	2,769,271
Options outstanding at September 30, 2015	**4,443,546**

Under Almonty's stock option plan, the Company can grant options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of an option may not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the TSX-V. The options can be granted for a maximum term of 10 years and vest at the discretion of the Company's Board of Directors. The plan was approved by Almonty's shareholders at its Annual and Special Meeting of Shareholders held on March 26, 2014.

The Company granted 150,000 incentive stock options to an employee on November 23, 2013, that vested immediately. Each option is exercisable into one common share at a price of $0.80 per share for a period of ten years from the date of grant. The grant resulted in stock-based compensation expense of $56 being recorded in general and administrative expenses and in Contributed surplus during the year ended September 30, 2014. The weighted average fair value of the stock options granted was $0.38 per option, determined using the Black-Scholes option pricing model based on a risk-free interest rate of 2.06%, volatility of 35% based on historical volatility, expected life of 10 years, and expected dividend yield of 0%, as of the date of the grant.

The Company granted 700,000 incentive stock options to consultants on December 5, 2014, that vest evenly over the following twelve-month period, and were subject to shareholder approval, which was obtained on March 26, 2015. Each option is exercisable into one common share at a price of $0.67 per share for a period of ten years from the date of grant. The value of the services rendered in exchange for these options was not readily determinable. As a result, the value was determined using the Black-Scholes option pricing model. The grant resulted in stock-based compensation expense of $114 being recorded in general and administrative expenses and Contributed surplus. The value of the stock options granted was determined using the Black-Scholes option pricing model, based on a risk-free interest rate of 1.96%, volatility of 35% based on historical volatility, expected life of 10 years, and expected dividend yield of 4.06%, as of the date of the grant.

The Company granted 700,000 incentive stock options to Board members and employees on January 6, 2015, that vested immediately. Each option is exercisable into one common share at a price of $0.65 per share for a period of ten years from the date of grant. The grant resulted in stock-based compensation expense of $110 being recorded in general and administrative expenses and Contributed surplus. The value of the stock options granted was determined using the Black-Scholes option pricing model, based on a risk-free interest rate of 1.65%, volatility of 35% based on historical volatility, expected life of 10 years, and expected dividend yield of 4.06%, as of the date of the grant.

The Company granted 250,000 incentive stock options to employees on February 10, 2015, that vested immediately. Each option is exercisable into one common at a price of $0.69 per share for a period of ten years from the date of grant. The grant resulted in stock-based compensation expense of $40 being recorded in general and administrative expenses and Contributed surplus. The value of the stock options granted was determined using the Black-Scholes option pricing model, based on a risk-free interest rate of 1.43%, volatility of 35% based on historical volatility, expected life of 10 years, and expected dividend yield of 3.94%, as of the date of the grant.

The Company granted 50,000 incentive stock options to an employee on April 16, 2015, that vested immediately. Each option is exercisable into one common share at a price of $0.64 per share for a period of ten years from the date of grant. The grant resulted in stock-based compensation expense of $7 being recorded in general and administrative expenses and Contributed surplus. The value of the stock options granted was determined using the Black-Scholes option pricing model, based on a risk-free interest rate of 1.43%, volatility of 35% based on historical volatility, expected life of 10 years, and expected dividend yield of 3.94%, as of the date of the grant.

(In 000's of Canadian dollars, unless otherwise noted)

The Company granted 350,000 incentive stock options to employees on June 24, 2015, that vested immediately. Each option is exercisable into one common share at a price of $0.64 per share for a period of ten years from the date of grant. The grant resulted in stock-based compensation expense of $108 being recorded in general and administrative expenses and Contributed surplus. The value of the stock options granted was determined using the Black-Scholes option pricing model, based on a risk-free interest rate of 2.25%, volatility of 35% based on historical volatility, expected life of 10 years, and no expected dividend yield, as of the date of the grant.

On September 10, 2015, the Company granted 719,271 incentive stock options to holders of outstanding Woulfe options on the closing of the Plan of Arrangement, as replacement options, which vested immediately, and which expire at various dates before December 14, 2016, with exercise prices between $0.97 and $1.70 per share (Note 4(a)).

As at September 30, 2015, the following options are outstanding:

	Number of Options	Exercise Price	Expiry Date
Options granted to directors	1,150,000	$1.00	26-09-21
Options granted to employees	50,000	$0.85	30-01-22
Options granted to employees	50,000	$1.02	19-06-22
Options granted to directors, officers and employees	300,000	$1.07	27-05-23
Options granted to employees	150,000	$0.80	23-11-23
Options granted to consultants	700,000	$0.67	05-12-24
Options granted to directors and employees	700,000	$0.65	06-01-25
Options granted to employees	250,000	$0.69	10-02-25
Options granted to employees	50,000	$0.64	16-04-25
Options granted to employees	350,000	$0.64	24-06-25
Options granted to employees	693,546	$0.97 - $1.70	15-09-2016 to 14-12-2016
	4,443,546		

(In 000's of Canadian dollars, unless otherwise noted)

13. Income Taxes

The major components of income tax expense for the year ended September 30, 2015 and 2014 are:

Tax expense

	2015	2014
Tax expense applicable to:		
Current	-	-
Deferred	(618)	(502)
Income tax provision (recovery)	**(618)**	**(502)**

A reconciliation between income tax recovery and the product of accounting profit multiplied by Almonty's domestic tax rates for the year ended September 30, 2015 and 2014 is as follows:

Reconciliation to statutory tax rate:

	2015	2014
Income (loss) before income taxes	(20,910)	9,893
Tax expense at statutory rate:	26.50%	26.50%
Expected income tax expense (recovery) at statutory rates	(5,541)	2,622
Permanent differences and other	(400)	17
Change in benefit of current year tax losses not recognized	1,646	336
Change in benefit of previous unrecognized tax losses	2,129	(3,914)
Foreign tax differential	1,548	437
Income tax provision (recovery)	**(618)**	**(502)**

The enacted or substantively enacted tax rates for the Company are 26.50% in Canada (2014 - 26.50%), 25.00% in Spain (2014 - 30.00%), 30.00% in Australia (2014 - 30.0%), and 22.00% in Korea (2014 - 22.00%). The rates applied in the tax provision are based on where the Company's principal subsidiary operates.

Deferred income taxes:
Deferred income taxes relate to the following:

Deferred Income Taxes Asset (Liability):

	2015	2014
Non-capital losses (Spain DTA)	4,036	3,569
Other assets (Woulfe DTL)	(1,918)	-
	2,118	**3,569**

Balance at September 30, 2014	3,569
Korea: DTL recognized on Woulfe acquisition	(1,769)
Tax recovery during the year recognized in net income (loss)	618
Impact of change in foreign exchange rates	(300)
Balance at September 30, 2015	**2,118**

(In 000's of Canadian dollars, unless otherwise noted)

The following temporary differences and non-capital losses have not been recognized in the consolidated financial statements as at September 30, 2015 and 2014:

	September 30 2015	September 30 2014
Eligible capital expenditures	1,386	523
Share issue costs	37	520
Depreciable properties	5,517	31,919
Capital losses	1,440	-
Non-capital losses	40,509	3,299
	48,889	**36,261**

Almonty has the following non-capital tax losses that expire in the years indicated:

Year	Canada CAD$	Spain EUR	Korea CAD	Australia AUD$
2020	-	-	94	-
2021	-	-	1,094	-
2022	-	-	3,289	-
2023	-	-	2,383	-
2024	-	-	22	-
2025	-	-	4,888	-
2026	-	-	2,092	-
2027 or later	5,424	12,669	22,092	20,947
Non-capital losses in local currency	5,424	12,669	35,955	20,947
Non-capital losses in CAD$	**5,424**	**17,903**	**35,955**	**19,879**
Total non-capital losses in CAD$				**79,161**

14. Earnings (loss) per Share

Basic income (loss) per share amounts are calculated by dividing net income (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share amounts are calculated by dividing net income (loss) for the year by the weighted average number of fully diluted common shares outstanding during the year using the Treasury Method.

(In 000's of Canadian dollars, unless otherwise noted)

Basic	**2015**	**2014**
Net income (loss) for the year	(20,292)	10,395
Non-controlling interest	(747)	-
Net income (loss) for the year attributable to shareholders	(19,545)	10,395
Weighted average common shares outstanding	51,787,123	37,190,723
Basic income (loss) per common share	($0.38)	$0.28

Fully Diluted	**2015**	**2014**
Net income (loss) for the year	(20,292)	10,395
Non-controlling interest	(747)	-
Net income (loss) for the year attributable to shareholders	(19,545)	10,395
Weighted average fully diluted common shares	51,787,123	37,190,723
Fully diluted income (loss) per common share	($0.38)	$0.28

The weighted average number of fully diluted common shares outstanding is derived by adding the effect of all dilutive securities (calculated using the treasury method) to the weighted average number of common shares outstanding.

As at September 30, 2015 and September 30, 2014, the exercise price of all outstanding share options, warrants and the convertible debentures were higher than the market price of the Company's shares, combined with the fact the Company was in a loss position in 2015, such that the exercise of the options and warrants and conversion of the debentures would have been anti-dilutive.

15. Segment Information

The Company’s operations are segmented on a regional basis and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been defined as the Chief Executive Officer.

Management monitors the business of Almonty as a single commodity segment, whose operations relate to the exploration and mining of tungsten across three geographical locations; Spain, Australia and the Republic of Korea.

For management reporting purposes, the Company is organized into business units based on its products and activities, and has four reportable operating segments, as follows:

- The Los Santos Mine located in Spain, whose operations relate to the exploration and mining of tungsten, that is ultimately sold as tungsten concentrate;
- Wolfram Camp located in Queensland, Australia, whose operations relate to the exploration and mining of tungsten and molybdenum, that is ultimately sold as tungsten concentrate and molybdenum concentrate;

(In 000's of Canadian dollars, unless otherwise noted)

- The Valtreixal Project located in Spain, whose operations relate to the exploration and evaluation activities related to the Valtreixal tin/tungsten project; and
- Woulfe, which is evaluating the Sangdong tungsten mine located in Gangwon Province, Republic of Korea, which was acquired in June 2015.

The Company monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings (losses) from mining operations and is measured consistently with earnings (losses) from mining operations in the consolidated financial statements. However, Almonty's financing (including finance costs and finance income) and income taxes are managed on a group basis, and are not allocated to operating segments.

The accounting policies used by Almonty in reporting segments internally are the same as those contained in Note 3.

Year ended September 30, 2015	**Los Santos**	**Wolfram Camp**	**Valtreixal**	**Woulfe**	**Corporate**	**Adjustments and eliminations**	**Consolidated**
Revenue	26,681	10,392	-	-	1,704	(2,635)	36,142
Production costs	18,617	19,126	-	-	-	-	37,743
Impairment of mine assets	-	1,708	-	-	-	-	1,708
Depreciation and amortization	7,341	1,204	-	-	-	-	8,545
Earnings (loss) from mining operations	723	(11,646)	-	-	1,704	(2,635)	(11,854)
Expenses							
General and administrative	4,303	1,034	18	586	3,000	(2,602)	6,339
Interest expense	434	166	-	581	583	(360)	1,404
Foreign exchange (gain) loss	(46)	97	-	(129)	1,972	(581)	1,313
Income (loss) before income taxes	(3,968)	(12,943)	(18)	(1,038)	(3,851)	908	(20,910)
Capital expenditures	4,854	4,473	2,442	1,014	-	-	12,783
Assets							
Current	5,013	2,045	744	296	445	-	8,543
Non-current	41,657	20,098	3,741	43,460	28	-	108,984
Total assets	46,670	22,143	4,485	43,756	473	-	117,527
Total Liabilities	17,092	7,699	590	13,140	30,004	-	68,525

(In 000's of Canadian dollars, unless otherwise noted)

Year ended September 30, 2014	Los Santos	Wolfram Camp	Valtreixal	Woulfe	Corporate	Adjustments and eliminations	Consolidated
Revenue	28,417	1,192	-	-	1,738	(1,738)	29,609
Production costs	8,966	1,321	-	-	-	-	10,287
Depreciation and amortization	4,536	74	-	-	-	-	4,610
Earnings (loss) from mining operations	14,915	(203)	-	-	1,738	(1,738)	14,712
Expenses							
General and administrative	2,844	72	10	-	3,084	(1,822)	4,188
Interest expense	442	1	-	-	31	(31)	443
Foreign exchange (gain) loss	140	-	-	-	21	27	188
Income (loss) before income taxes	11,489	(276)	(10)	-	(1,398)	88	9,893
Capital expenditures	6,799	12	810	-	-	-	7,621
Assets							
Current	8,912	5,571	235	-	9,377	-	24,095
Non-current	43,753	17,573	1,098	-	28	-	62,452
Total assets	52,665	23,144	1,333	-	9,405	-	86,547
Total Liabilities	15,884	6,026	55	-	17,527	-	39,492

Geographic Information -

	Revenue		**Non-current Assets**	
	Year ended September 30		**September 30**	
Country	**2015**	**2014**	**2015**	**2014**
Spain	25,750	28,417	45,398	44,851
Australia	10,392	1,192	20,098	17,573
South Korea	-	-	43,460	-
Canada	-	-	28	28
Total	36,142	29,609	108,984	62,452

16. Financial Instruments, and Financial Risk Management Objectives and Policies

Classification of Financial Instruments

Financial instruments classified as fair value through profit or loss are carried at fair value on the Consolidated balance sheet, and changes in fair values are recognized in net income (loss) for the year.

(In 000's of Canadian dollars, unless otherwise noted)

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at September 30, 2015:

	FVTPL*	Loans and receivables / Other financial liabilities	Total
Measurement basis	(Fair value)	(Amortized cost)	
Financial assets			
Cash and cash equivalents	866	-	866
Restricted cash	1,223	-	1,223
Trade receivables	-	840	840
Total	2,089	840	2,929
Financial Liabilities			
Bank indebtedness	-	1,794	1,794
Accounts payable and accrued liabilities	-	15,453	15,453
Long-term debt	-	44,435	44,435
Total	-	61,682	61,682

**Financial instruments classified as fair value through profit and loss*

Fair Value Hierarchical Levels

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation inputs of these assets and liabilities, and are as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 - Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to determining the estimate.

As of September 30, 2015, cash and cash equivalents and restricted cash, which are carried at fair value, were based on Level 1 inputs. Management has assessed the carrying values of financial assets and financial liabilities, other than Level 1inputs, and believes the amortized cost of these assets and liabilities is a reasonable approximation of fair value.

Financial Risk Management Objectives and Policies

Almonty's principal financial instruments comprise cash deposits and long-term debt.

The main purpose of these instruments is to provide cash flow funding for the operations of Almonty and its controlled subsidiaries, Almonty Sub, Daytal, VRS, TM, WCM, Woulfe and

Woulfe Subs. Almonty has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from operations.

The main risks arising from Almonty's financial instruments are interest rate risk, foreign currency risk, commodity price risk, credit risk and liquidity risk.

Interest rate risk
Almonty's exposure to the risk of changes in market interest rates relates to cash at banks, and long-term debt with a floating interest rates, and amounts payable to Almonty under its supplier finance program that is part of its long-term supply agreement with its major customer.

The Company currently has $44,126 in short and long-term debt outstanding at varying levels of fixed and floating interest rates of between 0.0% - 12.0%. A portion of the floating rate debt totaling $3,185 is based on a fixed spread over the 6-month Euribor rate. Any movement in the 6-month Euribor rate over remaining term of the long-term debt with have an impact on the amount of interest paid by the Company. For every 100 basis point (1.0%) movement in the Euribor rate will cause the amount the Company is required to pay in monthly interest to fluctuate +/- $3. The remaining floating rate debt of $13,394 is based on a fixed spread over the 3-month Libor rate. Any movement in the 3-month Libor rate over remaining term of the long-term debt with have an impact on the amount of interest paid by the Company. For every 100 basis point (1.0%) movement in the 3-month Libor rate will cause the amount the Company is required to pay in monthly interest to fluctuate +/- $11.

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, Australia and Korea. The ongoing uncertainty in the financial markets may have a negative impact on both the Company's future borrowing costs and its ability to obtain debt financing.

Foreign currency risk
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 (US$) and Almonty's reporting currency is in Canadian dollars (CAD$). As such, Almonty's consolidated balance sheet can be significantly affected by movements between the three currencies (CAD$, US$ and €).

During the year ended September 30, 2015, the value of the € relative to the CAD$ decreased from €1.00 = CAD$1.4153 as at October 1, 2014 to €1.00 = CAD$1.495 as at September 30, 2015. A 5% change in the value of the CAD$ relative to the Euro would have an impact on net income of approximately $200 (2014 - $574).

During the year ended September 30, 2015, the value of the US$ relative to the CAD$ increased from US$1.00 = CAD$1.1200 as at October 1, 2014 to US$1.00 = CAD$1.3394 as at September

30, 2015. A 5% change in the value of the CAD$ relative to the US$ would have an impact on net income of approximately $1,854 (2014 - $1,483).
Almonty's wholly-owned indirect subsidiary, Wolfram Camp, operates in Australia in Australian dollars (AUD$). Its output is a commodity that is primarily denominated in United States dollars (US$) and Almonty's reporting currency is in Canadian dollars (CAD$). As such, Almonty's Consolidated balance sheet can be significantly affected by movements between the three currencies (CAD$, US$ and AUD$).

During the year ended September 30, 2015, the value of the AUD$ relative to the CAD$ decreased from AUD$1.00 = CAD$0.9790 as at October 1, 2014 to AUD$1.00 = CAD$0.9402 as at September 30, 2015. A 5% change in the value of the CAD$ relative to the AUD$ would have an impact on net income of approximately $647 (2014 - $14).

Currency movements during the year ended September 30, 2015 resulted in the Company recording a cumulative translation adjustment gain of $1,695 (2014 - $951). This amount is recorded as other comprehensive income (loss) on the consolidated Statements of Operations and Comprehensive Income (Loss) and accumulated other comprehensive income (loss) as a separate line item in Shareholders' Equity.

Commodity price risk
Almonty's policy is to maintain exposure to 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 ammonium para tungstate as quoted on the Metal Bulletin Exchange impacts the Company's revenue by +/- US$8.00 per MTU of WO_3.

Credit risk
Almonty's maximum exposure to credit risk, excluding the value of any collateral or other security, is the creditworthiness of its customer that is operating as counterparty to Almonty's supplier financing program. All invoices submitted to its major customer under its long-term supply agreements are subject to a supplier finance program and a factoring fee that varies with a fixed spread to the 6-month LIBOR rate. Almonty is exposed to fluctuations in the 6-month LIBOR rate up to a maximum of movement of 250 basis points. For every 100 basis point movement in the 6-month LIBOR rate would impact the Company's cash flow by +/- US$1.00 for each US$100.00 in revenue. 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 WO_3 concentrate to its customer under the agreement. If the 6-month LIBOR rate were to exceed the maximum amount or if Almonty were to no longer have access to the supplier financing program it would revert to normal trade terms with its customer.

(In 000's of Canadian dollars, unless otherwise noted)

Liquidity risk

Almonty's objective is to use cash and cash equivalents, finance leases, inter-company participating loans, third party loans (see Note 10, Long-term Debt for debt maturities) and equity in order to maintain liquidity. Almonty's policy is to maximize liquidity in order to enable the continued development of the mines and operations of the plants and to enable the development of its projects. All financial liabilities with a contractual term of 12 months or less are classified as current.

17. Capital Management

The primary objective of Almonty's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, Almonty may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Almonty monitors capital using a gearing ratio, which is net debt, divided by equity plus net debt. Almonty's policy is to maintain the gearing ratio between 5% and 40%. Net debt for this purpose includes interest-bearing loans and borrowings and trade and other payables, less cash and cash equivalents and receivables from government tax authorities. Almonty is not exposed to any externally imposed capital requirements.

	September 30 2015	**September 30 2014**
		(Restated)
Accounts payable and accrued liabilities	15,453	9,654
Bank indebtedness	1,794	1,041
Long-term debt	44,435	26,424
Less: Cash and receivables	(3,855)	(16,827)
Net debt	**57,827**	**20,292**
Shareholders' equity	49,002	47,055
Equity and net debt	**106,829**	**67,347**
Gearing ratio	**54.1%**	**30.1%**

The gearing ratio exceeded the targeted range as at September 30, 2015 due to the continued deterioration in the commodity price environment having a negative impact on net income. The Company is working to improve its profitability, raise additional equity capital and /or reduce its outstanding debt levels in order to return the gearing ratio to targeted levels.

(In 000's of Canadian dollars, unless otherwise noted)

18. Commitments and Contingent Liabilities

The Company's subsidiary, Daytal, owns the Los Santos Project, near the town of Los Santos, Salamanca in western Spain. Daytal rents the land where the Los Santos Project is located from local property owners and municipalities. The leases range from 10 to 25 years and have expiry dates between 2017 and 2032. On all leases greater than 10 years, Daytal has the right to terminate the leases under certain circumstances without penalty. Annual lease commitments total approximately $258, payable throughout the year on the anniversary dates of the individual leases.

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 pays minimal land taxes, and there are no other royalty payments associated with the license. 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.

Daytal has a long-term contract with MOVITEX – Movimentos de Tierras Y Excavaciones, S.L.U. ("**MOVITEX**") under which MOVITEX carries out contract mining activities for Daytal on the Los Santos Project. 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. The current contract with MOVITEX runs for the life of the mine. Any disruption in the contract mining services provided by MOVITEX would have a negative impact on Daytal's short-term economic viability.

The Company has the following tenement commitments in relation to exploration tenements held by TM and WCM. The Department of Mines and Natural Resources (Queensland, Australia) aggregates expenditure commitments over the first three to five years of the term and allows for variations to commitments should these be required due to operational practicalities:

Year ending September 30:	
2016	771
2017	273
2018	324
	1,368

The Company's mining and exploration activities are subject to laws and regulations relating to the environment, which are continually changing, and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to remain in compliance.

19. Related Party Transactions

During the year ended September 30, 2015, the Company issued a $4,000 convertible debenture to Deutsche Rohstoff AG ("DRAG"), a company that is an existing shareholder of Almonty, and whose CEO is a member of the Board of Directors of the Company. There were no related party transactions during the year ended September 30, 2014.

During the year ended September 30, 2015 the Company incurred costs for officers and directors, in accordance with the terms of their compensation arrangements, of $447 (2014 - $382), none of which was owing as at September 30, 2015. In addition, $80 (2014 - nil) of share-based compensation expense for the year ended September 30, 2015 was attributable to officers and directors.

20. Subsequent Events

Subsequent to September 30, 2015, Daytal entered into two unsecured debt facilities with local Spanish banks for total loan proceeds of $1,900. The first facility is fully drawn at $875, which matures on July 30, 2016, carries an interest rate of 2.25% per annum and is fully repayable on a quarterly basis up to maturity. The second facility is an increase in Daytal's working capital operating line (as described in Note 5) by $1,025.

Subsequent to September 30, 2015, the Company completed an agreement with respect to the payment of $1,047 that will increase the Company's ownership in the Valtreixal project to 51%. The Company made a payment of $150 on December 19, 2015, and is required to make monthly payments of $75 beginning in January 2016 and ending in May 2016 followed by a final payment of $522 in June 2016. Almonty will own 51% of the project upon completion of the installment payments and has an irrevocable option to acquire the balance of the ownership interest in the project for an additional payment of $1,532.

On October 9, 2015, the Company completed a non-brokered private placement of 625,000 units (the "Units") at a price of $0.80 per Unit, for gross proceeds of $500. Each Unit is comprised of one Common share in the capital of the Company and one half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant being exercisable to acquire one Common share at a price of $0.90 for a period of two years following the closing date of the placement.

On December 24, 2015, the Company granted 900,000 share options to Directors and management pursuant to the Company's stock option plan. The options vest immediately, and are exercisable for a period of ten years at $0.80 per share.

On January 6, 2016 Almonty acquired a 100% ownership interest in Beralt Ventures Inc. ("BVI") from Sojitz Tungsten Resources, Inc. BVI, through its wholly-owned subsidiaries, is the 100% owner of the various rights and interests comprising the Panasqueira tungsten mine in Covilha, Castelo Branco, Portugal (the “Panasqueira Mine”). Almonty acquired 100% of the shares of BVI for €1.00 and purchased €12,260 of debt owed to a third party by a wholly-owned subsidiary of BVI, in exchange for a cash payment of €1,000 on closing and a promissory note issued by Almonty in the principal amount of €500, bearing interest at 4% per annum, maturing December 29, 2017. The Panasqueira tungsten mine has been in production since 1896, and is located approximately 260 kilometres northeast of Lisbon, Portugal.

On January 6, 2016 the Company entered into an agreement with respect to an expansion of its existing US$10.0 million term loan by up to US$14.0 million (the “Support Agreement”). The Company has entered into a long-term US$7.0 million working capital loan agreement (the “Working Capital Loan”), representing the first tranche of funds under the Support Agreement, whereby the Company will be able to draw down on the facility based on production and the granting security over certain assets of the Company. The second tranche is expected to be available in March 2016 on similar terms. Principal and interest under the Working Capital Loan is due under a revolving facility based on production and APT pricing levels, and payments will only begin when the price of APT exceeds US$254 MTU, with accelerating payments when the price of APT exceeds $320 MTU. The loan carries an interest rate of LIBOR plus 1.5%.

On January 1, 2016 Almonty issued a secured promissory note for gross proceeds of US$1.0 million to DRAG, an existing shareholder and related party of the Company, that will mature on January 1, 2017, and bears interest at a rate of 6% per annum, payable at the maturity date. The note is secured by the existing security granted to DRAG in connection with their existing $4,000 debenture.

21. Comparative Amounts

Certain comparative figures have been reclassified to conform to the current year's presentation.