



ALMONTY PROVIDES UPDATE ON THE PROJECT FINANCING FOR THE SANGDONG MINE

Toronto – October 4th, 2018 – Almonty Industries Inc. (“**Almonty**” or the “**Company**”) (TSX: AII / OTCQX: ALMTF / Frankfurt: 1MR) is pleased to announce that KfW IPEX-Bank GmbH (“**KfW IPEX-Bank**” or the “**Bank**”) has consented to the Company disclosing KfW IPEX-Bank as the lender and the general terms of the proposed debt project financing for Almonty’s Sangdong mine in Korea. The project financing approval process is now in the late stage of finalisation by the bank, with due diligence almost complete.

The general terms of the proposed project financing to be provided by KfW IPEX-Bank are attractive:

1. US\$73 million principal amount senior project finance loan secured on the Sangdong mine;
2. Interest to be on very attractive terms and based on normal commercial European lending rates.
3. Term of 8.25 years with an initial principal repayment holiday and repayments of principal commencing after the second anniversary of the initial drawdown; and
4. Oesterreichische Kontrollbank AG (“OeKB”), is committed to evaluating to provide a substantial finance cover guarantee based on the previously announced long term offtake agreement.

Negotiation of the final term sheet is ongoing and the Company expects all principal terms and commitments to be completed within the next 12 weeks. The project financing commitment will then be subject to the execution of definitive loan and security documentation. In the meantime, work is continuing at the Sangdong site to ensure the timely commissioning as requested by Almonty’s customer under the previously announced offtake agreement for the Sangdong mine.

Lewis Black, Chief Executive Officer of Almonty, commented, “**As the largest shareholder in Almonty, it was extremely important for me to advance a financing package for the development of Sangdong that I considered to be low yield, appropriate and completely in the interests of shareholders. There have been many opportunities in the last 12 months to finance the project at much higher yield rates, but I felt this was not in our shareholders’ interest. Many good projects have been crippled by high yield financing often to the benefit of the management teams but detrimental to shareholders and so our approach has been**

one of taking the right deal rather than any deal. We are extremely pleased to be working with KfW IPEX-Bank and OeKB to provide the project financing for our Sangdong mine. KfW IPEX-Bank brings extensive experience in mining project finance as well as on Governmental Export Credit Agency involvement for supporting long term tungsten supplies to Austria.”

About Almonty

The principal business of Toronto, Canada-based Almonty Industries Inc. is the mining, processing and shipping of tungsten concentrate from its Los Santos Mine in western Spain and its Panasqueira mine in Portugal as well as the refurbishment of its Wolfram Camp Mine in north Queensland, Australia, the development of its Sangdong tungsten mine in Gangwon Province, South Korea and the development of the Valtreixal tin/tungsten project in north western Spain. The Los Santos Mine was acquired by Almonty in September 2011 and is located approximately 50 kilometres from Salamanca in western Spain and produces tungsten concentrate. The Wolfram Camp Mine was acquired by Almonty in September 2014 and is located approximately 130 kilometres west of Cairns in northern Queensland, Australia and has produced tungsten and molybdenum concentrate, although the Wolfram Camp Mine is not currently producing due to ongoing refurbishment of the processing plant. The Panasqueira mine, which has been in production since 1896, is located approximately 260 kilometres northeast of Lisbon, Portugal, was acquired in January 2016 and produces tungsten concentrate. The Sangdong mine, which was historically one of the largest tungsten mines in the world and one of the few long-life, high-grade tungsten deposits outside of China, was acquired in September 2015 through the acquisition of a 100% interest in Woulfe Mining Corp. Almonty owns 100% of the Valtreixal tin-tungsten project in north-western Spain. Further information about Almonty’s activities may be found at www.almonty.com and under Almonty’s profile at www.sedar.com.

About KfW IPEX-Bank GmbH

KfW IPEX-Bank GmbH, a 100% subsidiary of the German Government owned promotional bank KfWgroup, is focused on providing financings for export and project financings in various core industries for the benefit of the European economy. KfW IPEX-Bank has more than 50 years of experience in export and project finance and is also a long-standing financier to the international mining industry.

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Disclaimer for Forward-Looking Information

When used in this press release, the words “estimate”, “project”, “belief”, “anticipate”, “intend”, “expect”, “plan”, “predict”, “may” or “should” and the negative of these words or

such variations thereon or comparable terminology are intended to identify forward-looking statements and information. These statements and information are based on management's beliefs, estimates and opinions on the date that statements are made and reflect Almonty's current expectations.

Forward-looking statements in this press release include, among others, statements regarding Almonty's future business plans and operations, the Sangdong mine project financing and commissioning thereof, completion of the project financing principal terms and commitments and the anticipated timing thereof and of the Sangdong mine commissioning, the execution of definitive loan and security documentation and other conditions to the completion of the project financing.

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

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to, the receipt of all required final approvals, no unanticipated delays in the project financing, no material unanticipated costs and expenses, no material adverse change in general market and industry conditions and no unanticipated

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

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

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

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