



ALMONTY ANNOUNCES POSITIVE Q1-2020 EBITDA FROM MINING OPERATIONS⁽¹⁾ AND THE FILING OF ITS UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND MD&A FOR THE THREE MONTHS ENDED MARCH 31, 2020

Toronto – June 29, 2020 - Almonty Industries Inc. (“Almonty” or the “Company”) (TSX: AII / OTCQX: ALMTF / Frankfurt: IMR) today announced the filing of its unaudited interim consolidated financial statements and management’s discussion & analysis (“MD&A) for the three months ended March 31, 2020. Unless otherwise indicated, all currency amounts contained in this news release are expressed in Canadian dollars.

The following financial information is for the three months ended March 31, 2020 and 2019:

	Three months ended	
	31-Mar-20	31-Mar-19
	\$'000	\$'000
Gross Revenue	6,391	13,051
Mine production costs	5,728	5,733
Care and maintenance costs	598	-
Depreciation and amortization	709	1,630
Earnings from mining operations	(644)	5,688
General and administrative costs	1,620	1,620
Non-cash compensation costs	207	-
Loss before the under noted items	(2,471)	4,068
Interest expense	664	654
(Gain) Loss on debt settlement	(1,619)	-
Foreign exchange (gain) loss	2,544	(718)
Tax provision	-	168
Net income for the period	(4,060)	3,964
Income (loss) per share - basic	\$ (0.02)	\$ 0.02
Income (loss) per share - diluted	\$ (0.02)	\$ 0.02
Dividends	-	-
Cash flows provided by (used in) operating activities	(1,258)	3,890
Cash flows provided by (used in) investing activities	(1,074)	(1,729)
Cash flows provided by (used in) financing activities	4,336	(1,950)

The following financial information is as at March 31, 2020 and December 31, 2019:

	31-Mar-20	31-Dec-19
	\$'000	\$'000
Cash	3,624	1,496
Total assets	144,124	133,646
Long-term debt	57,675	49,499
Shareholders' equity	33,239	33,816
<u>Other</u>		
Outstanding shares ('000)	183,464	182,717
Weighted average outstanding shares ('000)		
Basic	183,062	181,493
Fully diluted	183,062	181,493
Closing share price	\$0.38	\$0.43

Lewis Black, Chief Executive Officer of Almonty commented: “This was a difficult quarter with the Covid-19 backdrop but the Company now feels the worst is behind us. During the three months ended March 31, 2020, we raised \$875,000 in conjunction with closing the third of three tranches of our private placement and US\$3,000,000 through debt financings. We recorded a positive EBITDA from mining operations even with putting our Los Santos mine into a planned temporary care and maintenance closure while we finalized plans to modify the plant’s infrastructure. It will require a EUR one million capital expenditure, which is expected to result in significantly higher recovery rates from the future processing of its tailings inventory. The modifications have been complicated with the emergency laws that were put into place in Spain but the country is now emerging from that state and so the modifications can continue. Naturally, it’s disappointing that it was necessary to record a non-cash unrealized foreign exchange loss of \$2.54 million during Q1-2020 which was mainly attributed to the current pandemic crisis and the extraordinary currency fluctuations that we witnessed, but as stated before, fiscal 2020 will be the major turning point for the Company.

We have also seen the recently announced news of the reclassification of the land zones of our Valtreixal property significantly add to the value of the project and now offers a clear road to finalise permits during this year. We expect that, as we start full construction at our Korean Sangdong project, the planning for the project build of Valtreixal will begin with the target of commencing construction as we finish construction in Korea. This further adds to our growth and our dominance as the premier non-Chinese producer. Finally, in regard to our Korean Sangdong project, we are now reviewing the definitive loan documents and have a clear path to complete all conditions precedent. We expect to have a good summer with the anticipated news flow.”

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 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 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.

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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 are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Almonty to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: any specific risks relating to fluctuations in the

price of ammonium para tungstate (“APT”) from which the sale price of Almonty’s tungsten concentrate is derived, actual results of mining and exploration activities, environmental, economic and political risks of the jurisdictions in which Almonty’s operations are located and changes in project parameters as plans continue to be refined, forecasts and assessments relating to Almonty’s business, credit and liquidity risks, hedging risk, competition in the mining industry, risks related to the market price of Almonty’s shares, the ability of Almonty to retain key management employees or procure the services of skilled and experienced personnel, risks related to claims and legal proceedings against Almonty and any of its operating mines, risks relating to unknown defects and impairments, risks related to the adequacy of internal control over financial reporting, risks related to governmental regulations, including environmental regulations, risks related to international operations of Almonty, risks relating to exploration, development and operations at Almonty’s tungsten mines, the ability of Almonty to obtain and maintain necessary permits, the ability of Almonty to comply with applicable laws, regulations and permitting requirements, lack of suitable infrastructure and employees to support Almonty’s mining operations, uncertainty in the accuracy of mineral reserves and mineral resources estimates, production estimates from Almonty’s mining operations, inability to replace and expand mineral reserves, uncertainties related to title and indigenous rights with respect to mineral properties owned directly or indirectly by Almonty, the ability of Almonty to obtain adequate financing, the ability of Almonty to complete permitting, construction, development and expansion, challenges related to global financial conditions, risks related to future sales or issuance of equity securities, differences in the interpretation or application of tax laws and regulations or accounting policies and rules and acceptance of the TSX of the listing of Almonty shares on the TSX.

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

Investors are cautioned against attributing undue certainty to forward-looking statements. Almonty cautions that the foregoing list of material factors is not exhaustive. When relying on Almonty’s forward-looking statements and information to make decisions,

investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

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

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

(1) Non-GAAP Financial Measures

This press release makes reference to certain non-GAAP financial measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS financial measures by providing further understanding of Almonty's results of operations from management's perspective. Almonty's definitions of non-GAAP measures used in this press release may not be the same as the definitions for such measures used by other companies in their reporting. Non-GAAP measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of Almonty's financial information reported under IFRS. Almonty uses non-GAAP financial measures, including "EBITDA", to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions, and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Almonty defines "EBITDA from mining operations" as gross revenue less mine production costs.

Almonty believes that securities analysts, investors and other interested parties frequently use non-GAAP financial measures in the evaluation of issuers. Almonty's management also uses non-GAAP financial measures in order to facilitate operating performance comparisons from period to period.