



**ALMONTY INVESTIGATING THE CONSTRUCTION OF A VERTICALLY
INTEGRATED NANO TUNGSTEN OXIDE DOWNSTREAM PROCESSING
PLANT TO SUPPLY SOUTH KOREAN BATTERY ANODE AND CATHODE
MANUFACTURING INDUSTRY**

**LOI WITH KFW IPEX-BANK FOR A FURTHER US\$50 MILLION FOR
DOWNSTREAM FUNDING**

Toronto – March 30, 2022 - Almonty Industries Inc. (“**Almonty**” or the “**Company**”) (TSX: AII / ASX: AII / OTCQX: ALMTF / Frankfurt: ALI) is pleased to announce it is investigating the construction of a vertically integrated nano tungsten oxide downstream processing plant (**Sangdong Downstream Extension Project**) to supply the South Korean battery anode manufacturing industry and the execution of a letter of intent (**LOI**) for the funding of the Sangdong Downstream Extension Project with the Company’s existing debt provider, KfW IPEX-Bank, for the funding of the Sangdong Downstream Extension Project.

Almonty’s Chairman, President and CEO Lewis Black commented:

“The battery and semiconductor industry offers massive additional growth potential for the tungsten market and specifically for Almonty in South Korea. As the largest per capita consumer users of tungsten globally and with some of the largest semiconductor and battery manufacturers in the world located in South Korea, we are very pleased to be investigating this key growth initiative to supply the green energy revolution which should add further layers of value to the Sangdong Tungsten Mine and Almonty as a company.

We are also pleased to have the continued support of KfW IPEX-Bank who have signed a LOI to provide a further US\$50m of debt funding for the Sangdong Downstream Extension Project.”

Sangdong Downstream Extension Project

Demand for tungsten has been growing due to rising demand for semiconductors from the automotive, industrial and consumer electronics industries, powered by remote working and learning trends as well as business digitalization. The growing EV market has led to the development of new battery technologies, such as Niobium Tungsten Oxide (NWO) batteries that uses NWO anodes based on nano Tungsten Oxide Powder to improve life cycles, cost efficiency & fast charging technologies. Almonty understands that the use of nano Tungsten Oxide Powder, due to their high intrinsic density and rich framework diversity as well as heat resistance, increases the safety features of the battery. The battery industry also directly implements tungsten oxide into their formulations for anodes and cathodes.

South Korea is the largest per capita consumer of tungsten worldwide, however it imports 94.7% of its tungsten oxide from China. Further, South Korea consumes ~40% of global Tungsten Hexafluoride gas (WF6), which is used in the production of semiconductors, the raw material of which is nano tungsten oxide which Almonty is investigating production of.

Given South Korea’s continuing and increasing demand for tungsten and the fact that Almonty is the only tungsten miner in the country, the Company has been in constant dialogue and has a strong relationship with the South Korea government.

In order to generate additional returns from the Sangdong Tungsten Mine, Almonty has therefore undertaken high level investigation of a vertically integrated nano tungsten oxide downstream processing plant which would be located on-site at the Sangdong Tungsten Mine.

The initial parameters that the Company has outlined for the Nano Tungsten Oxide Downstream Processing Plant include:

- Size: 3,000t – 4,000t p.a.
- Located: On-site at Sangdong Mine, South Korea.
- Feed material: Sangdong Tungsten Mine and other Almonty mines globally as / if required. Locally produced scrap.
- Equipment/Plant to be provided by: Metso Outotec (Finland), Inductotherme Europe (UK), Pfeiffer (Austria)

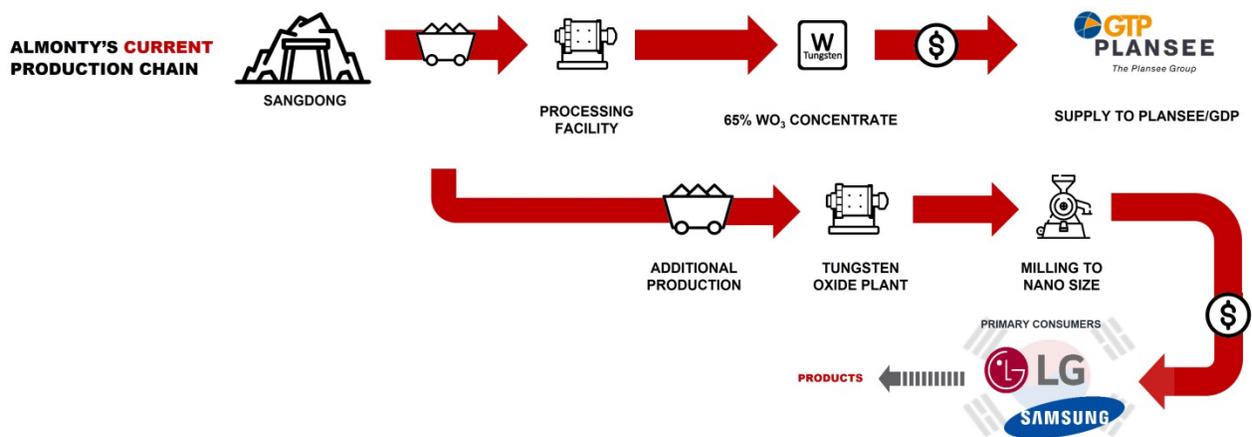


Figure 1: Sangdong Tungsten Mine - Downstream Extension Project Processing Flow Sheet

The initial investigation report has now been completed and discussions are ongoing with the South Korean Government and the major South Korean consumers how best to accelerate this program. The current timeline is that this program would run concurrently with the build out and reopening of the Sangdong mine currently underway. Once this tungsten program has been clearly defined and initiated, the Company and the South Korean Government would then look at a similar downstream domestic consumption program for the Company's Molybdenum project also located at the Sangdong mine where South Korea is now the 4th largest importer of Molybdenum in the World.

LOI for US\$50m Funding from KfW IPEX-Bank

Following a period of initial due diligence, Almonty is pleased to also announce it has signed a LOI for US\$50m funding from KfW IPEX-Bank for the Downstream Extension Project.

KfW IPEX-Bank is the German 100% state-owned development bank which after extensive environmental and commercial project due diligence which confirmed our project's quality, separately provided a US\$75.1 million project debt facility for the construction of the Sangdong Tungsten Mine at the very low interest rate of LIBOR/SOFR +2.5%.

Almonty does note that whilst this LOI is positive it is not a formal offer of finance or a representation that financing will be available and does not create any form of legal or other obligation on KfW IPEX-Bank

whatsoever. The LOI is non-binding and remains subject to satisfactory due diligence, all relevant approvals (including credit approvals and other internal approvals), execution of relevant project and finance documentation under a contractual framework satisfactory to KfW IPEX-Bank and fulfilment of any applicable conditions precedent set out in definitive financing documentation.

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 <https://almonty.com> and under Almonty's profile at www.sedar.com.

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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.

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