

Almonty Industries Inc. Announces Execution of Project Financing Loan Agreements and Project Guarantee Documents for Its Sangdong Mine in South Korea

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[Almonty Industries Inc.](#) (TSX:All / OTCQX:ALMTF / Frankfurt:1MR) is pleased to announce the execution of the Facility Agreement (loan agreement) and the Completion Agreement with KfW-IPEX Bank GmbH for the US\$75.1 million project financing for its wholly-owned Sangdong Mine located in South Korea.

In addition, the Company also announces the execution of a US\$20 million Cost Overrun (COG) guarantee and the US\$9.8 million Debt Service Reserve Account (DSRA) guarantee as required for the completion of the project financing and both provided by the Plansee Group. The US\$20 million COG guarantee is an instrument in case of any cost overrun during the build and is in addition to the contingency already contained within the project finance budget. The US\$9.8 million DSRA guarantee covers part of the required US\$24 million equity raise required by the Company, leaving US\$14.1 million of equity to be raised by the Company as the final material Conditions Precedent.

The condition of the Plansee Group providing the COG and the DSRA guarantees to the Company, and in order to become the largest shareholder, Plansee Group will acquire a portion of Lewis Black's stock in Almonty, as well as join the board of directors of the Company.

The Company will now move to the closing of the Project Financing issuance of drawdown.

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

"After 4 years and 12 days, we have finally concluded the exhaustive and forensic process to secure a sub 3% variable rate financing pegged to libor for the build of the world's flagship Tungsten project. I believe that the addition of the extra US\$20 million COG guarantee ensures an even higher degree of security in successfully completing the build and further significantly reduces the risk profile for all shareholders. And just as importantly, the US\$9.8m DSRA Guarantee is a non-dilutive and non-obligatory instrument which again is extremely important to retain shareholder value. The benefits to the Company and all the shareholders of these guarantees outweigh the personal cost of these guarantees. In short, the bigger picture is a bright value add future with our primary customer now joining the Board, committing a further US\$29.8 million toward the build with these guarantees on top of the 15 year offtake agreement with a minimum CAD\$750 million of value hard floor. This was an extraordinarily complex financing involving multiple parties that included KfW- IPEX Bank, OeKB, the Plansee Group and Global Tungsten & Powders and is, we understand, quite unique in its construction. Given our more than 70 years of Tungsten high grade reserves and resources in Korea it was important to get this financing right and that current and future shareholders would be richly rewarded for both their patience and commitment. We have now given ourselves the best possible platform to work from as we now transition from junior to mid-sized mining company. As previously stated, we have already commenced construction at site with the Monty B portal now finished, the next 600m of mine development about to commence, the office lab due for completion in 12 days and Metso and the EPC now beginning their scheduling. Drawdown will occur once the equity/hybrid of US\$14.1m is met and news on this is forthcoming now that we have the Facility Agreement and Completion Agreement executed."

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, 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 SEDAR 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 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, 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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