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HALLGARTEN + COMPANY

Coverage Update

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Almonty Industries

(NASDAQ: ALM | TSX: AII | ASX: AII | FSE: ALI1)

Strategy: LONG

Key Metrics		
Price	(CAD)	$22.63
	(USD)	$16.31
	(AUD)	$21.19
12-Month Target Price (CAD)		$24.50
Upside to Target		8%
12mth high-low (CAD)		$2.19 to $22.63
Market Cap (CAD mn)		$6,295.21
Shares Outstanding (mns)		278.18
Warrants & CDIs (mns)		21.05
Fully diluted (mns)		299.23

Almonty Industries

Pulling Further Ahead of the Tungsten Pack

- + **Almonty, with the perspective to be the largest Tungsten (W) producer outside China, has seen a massive revaluation by the markets over the last year**
- + **It is the leading producer in Portugal and in the throes of initiating tailings reprocessing at its Los Santos mine in Spain, regaining the lead as largest W producer in Europe**
- + **The Sangdong mine came online in late 2025 and is ramping up to nameplate capacity with enormous potential to remake the non-Chinese Tungsten space and be a significant disruptor of volumes & pricing**
- + **In these bellicose times, Tungsten´s essential role in military applications has driven the price for the metal into a feeding frenzy**
- + **The price recently surpassed $1800 per MTU of APT, more than six times the average price over the last decade**
- + **The rapid redomiciling of the company into a US-based entity has put it firmly on Washington´s radar**
- + **This has been accentuated by its purchase of the Gentung Tungsten complex in Montana in late 2025**
- × **The soaring price Tungsten (APT) price in an almost vertical trajectory in recent months raises the possibly of an equally steep correction**
- × **The Tungsten space has fallen victim to vicious backbiting, misinformation and fake news being propagated by some players**
- × **China still has the firepower to cause damage by predatory actions (e.g. on price) to the downside**

The Champion of the Tungsten Fightback

We have covered this company for over ten years now. Almonty's survival and expansion, through the dire years of low Tungsten pricing, was initially encouraged by European machine tool makers prepared to pay over the "market" price for APT to ensure that Almonty survived and prospered as an alternative to the inevitable Chinese near-monopoly if it had gone under.

As a result of this early sponsorship and a series of astute buys, Almonty is now by far the leading non-

Chinese producer and looks set to extend that lead when its “new” mine, Sangdong, in Korea gets into its stride. Almonty´s management claims that it’s mines have the potential to produce 40% of the world’s Tungsten supply (ex-China output).

A key differentiator between Almonty and some of the other players is that Almonty has not pursued a vertical integration strategy. At least not thus far.

In this update, we shall review the recent purchase of an important Tungsten asset in the US, the progress at other projects that Almonty (Sangdong and Los Santos) and where it is on the continuum towards production at this point. We also look at the so-called “competitors” in the Tungsten space.

Tungsten Returns to its Place in the Sun

Long known for its role in lighting filaments, drill bits and cutting and machining tools, the military side of Tungsten´s usage has been seldom trumpeted… that is, until now.

If we had to choose a metal to crown as the military metal *par excellence* it would undoubtedly be Tungsten for its usage in shells and in armour-plating to resist said shells. Tungsten’s essential industrial and military place has been well known since the 1940’s. During WW2, Sweden, Canada and Iberia were important producers of the critical military metal.

The Los Santos Revival

Almonty originally was synonymous with the Los Santos open-pit mine, which is located approximately 50 kilometres from Salamanca in western Spain. The Los Santos mine was originally opened in 2008, commissioned in July 2010 and was acquired by Almonty in September 2011.

The Los Santos mine (which we visited and wrote up in 2015) came to the end of its (open pit) mine-life around two years ago. There was perceived to be potential for tailings reprocessing at the site and thus the processing facilities were kept on Care & Maintenance since 2020.

Since that time, Almonty has been undertaking studies into the re-commencement of production from Los Santos via the retreating of tailings, utilizing Almonty’s flotation technology developed for the Sangdong Tungsten Mine.

Management estimated that re-opening will be effective from late-2026 depending on the delivery times of some floatation plant items. Under normal conditions these items are readily available. The company intends to retreat the tails to capture the more than 800,000 MTUs of $W0_3$ contained within its sands and *torta*. Torta is a specific method of managing mining waste where filtered tailings (the waste material remaining after processing ore) are deposited in a "cake" or stacked form.

The overall average grade of the tails, as published in the latest JORC report is 0.14%.

Capital expenditure for this reboot was expected to be ~US$1.3mn.

In 2023, management stated that it expected that earnings from reopening of the Los Santos Mine would be similar to the earnings at the Panasqueira mine in Portugal. With the massive uplift in the price of APT, the economics of the tailings operation have changed dramatically. It might be expected that Los Santos might be producing as much as 22,000 MTUs of WO_3 per annum for as long as that operation lasts. This would propel Almonty back into the position of being the leading W producer in Europe.

By our calculations the tailings operation might add topline revenues of US$30mn per annum.

Panasqueira

In the run-up to the opening of Sangdong, Almonty's main operation has been the aforementioned Panasquiera mine in Portugal since Los Santos was shuttered.

As mentioned earlier, Panasquiera is on its second go-around with the current management team, having been bought and sold once before in a different vehicle, Primary Metals. That TSX-V listed entity had acquired the Panasquiera mine in Portugal, from Avocet Minerals at a time Avocet was in retreat from a number of its activities.

Primary Metals was taken over in 2007 by Sojitz Corporation, one of Japan's leading trading companies,

then, in January of 2016, the opportunity arose to acquire the mine again for Almonty from Sojitz.

Valtreixal

This project (in northern Spain), which we discussed in our Initiation, remains a secondary priority while Los Santos is back in operation. Its capital cost will be minimized by relocating Los Santos´s plant & equipment there when Los Santos has reached its conclusion.

Adding Tungsten in the US

In mid-November of 2025, Almonty announced that it had closed on its acquisition of a 100% ownership of the Gentung Tungsten Project in Beaverhead County, Montana. Almonty regards the project as one of the most advanced undeveloped tungsten assets in the United States.

On the 28th of October 2025, Almonty had announced that it has entered into a binding share purchase transaction involving U.S. Tungsten Inc., a U.S.-based privately-owned minerals explorer, to acquire the exclusive right to explore, develop and mine unpatented tungsten mining claims that constituted the Gentung Tungsten Projectfor aggregate consideration of US$9.75 million, composed of US$750,000 of cash and US$9mn of common shares of Almonty issued at a price per common share determined on the day of signing.

In late October it had also announced that, in a separate transaction, it had agreed to acquire the shares of a privately-held Montana corporation holding a number of assets including, but not limited to, a plant permit, water rights and Tungsten mining equipment for use in the processing of Tungsten from the Gentung Tungsten Project for US$250,000 in cash.

The Gentung Project

The Lentung project was renamed the Gentung project in homage to Gene Nelson, who was a pioneer geologist on the project. The deposit is a contact metasomatic garnet skarn hosting scheelite mineralization at an advanced stage of exploration and early stage of development. This project is the buried extension of the Ivanhoe Mine that was mined in the 1950's. Drilling delineated resources of this tungsten garnet skarn deposit along the contact of the Torrey Batholith and the Mississippian Lombard Limestone.

As with so many other Tungsten mines/projects, the drilling at the project was suspended in 1989 as China's domination of global Tungsten supply suppressed prices. With the recent rebound in Tungsten prices and the new emergence of the waterjet garnet market, this deposit now has both metallic and non-metallic value, enhancing the economic viability of the Gentung project.

The Mining Background

The earliest mining activity in the area was immediately north of the Lentung claim block. The Ivanhoe mine was patented in 1903 and by 1929 it had reportedly produced 12,629 pounds of copper and 647

ounces of silver. It remained idle until World War II when R.C. McLaughlin lamped some of the stockpiled ore and discovered scheelite in massive garnet tactite. He organized Fluorescent Mines Inc, staked additional claims and built a small tabling mill which produced Tungsten concentrates averaging 26% WO_3 grade from about 30 tons of ore. The area was idle from 1944 until 1951 when the Korean Conflict initiated the US Government's Strategic Stockpile Purchase Program.

American Alloys Metals acquired the property in 1952 and obtained a Defense Minerals Exploration Administration (DMEA) loan to develop the property. They in turn sold the company to Minerals Engineering Company who mined and milled 625,107 tons of ore that produced 2,188 tons of concentrate averaging 35% WO_3 grade for sale to the US government´s strategic stockpile.

Minerals Engineering also processed 21,150 tons of ore from the Lost Creek Mine.

The mines were idled at the end of the US stockpile program until 1970 when Minerals Engineering sold their interests to General Electric. General Electric rebuilt the mill and added an APT (ammonium para-tungstate) circuit that operated until 1975. This district ultimately produced about 750,000 tons of ore.

In the meantime, geologist Leonard Garrand staked the unclaimed area southward from the Ivanhoe Mine identifying it as Lentung. General Electric was not interested in his claims, so he leased them to Union Carbide Corp who was interested in the entire mineral trend. Union Carbide then postulated a separated continuation of the Ivanhoe mineralization by projecting the Ivanhoe Mine mineralization across the moraine-filled paleo-valley. They discovered the hidden Tungsten mineralization in this buried target by drilling 40 core and down-hole hammer holes from 1974 through 1982. Union Carbide terminated mineral exploration in 1983 amid corporate financial distress. Leonard Garrand then leased the claims to US Borax Corp who drilled one deep hole prior to returning them to Garrand amid falling

Tungsten prices. Garrand held the claims until his death in 1994.

This major Tungsten mineralization was then leased by Tungsten International Inc. which undertook a review of all previous work, completed a detailed mapping of the area, ran magnetic surveys, and interpreted drill results.

The bulk of the project data was given by Union Carbide Corp to the past property owner, Leonard Garrand. Tungsten International obtained the data from Garrand's estate following his death. Data includes, but is not limited to, all drill logs and assays, surface survey control, down hole surveys, survey controlled topographic maps with drill hole collar locations, petrographic reports, and resource estimates by Garrand as well as Union Carbide. Available data also includes the drill log and assays of the U.S. Borax core hole.

There has been no mine production from the drilled area of Lentung. There was mine production on the present Jul 3 claim from the southeastern end of the Ivanhoe Mine pit on what was then the unpatented Lost Copper claim.

Regional Geology

Most authors classify the regional geology as a composite batholith, whose composition can sometimes vary locally from granite to gabbro.

Massive garnet skarns formed within the contact halo of the eastern margin of the Torrey Batholith from receptive sedimentary host beds. The Torrey Batholith forms the core of the Pioneer Mountains and is estimated to be 68 to 72 million year old. Granodiorite is the most common phase and is the apparent mineralizer of Tungsten.

Regionally, the Torrey Batholith has intruded a series of late pre-Cambrian through Paleozoic sediments that have been folded and thrusted eastward. Prominent anticlines and synclines outcrop east of the Lentung area; along the eastern margins of the Pioneer Mountains. These folded sediments are in contact with the batholith. Tungsten mineralization occurs sporadically along the entire eastern contact of the Torrey Batholith where it is in contact with mid-Paleozoic carbonate sediments, but significant tungsten occurs only where lower units of Mississippian Lombard Formation contact the granodiorite of the Torrey Batholith.

Project Geology

Tungsten mineralization occurs on the Lentung tungsten project in massive garnet skarn. The skarn zone is flat-lying 20 to 90 feet thick and about 500 feet across. The drill-defined resource measures 2500 feet in length and is open to the south for another 5000 feet along trend. There is considerable potential to increase the reserves with additional drilling. The flat mineralized body is amenable to low-cost room-and-pillar mining utilizing large high-production equipment.

The acquisition marks a major step in reinforcing the United States' domestic tungsten supply capabilities, providing Almonty with additional capacity that could support future deliveries to defense contractors and other strategic industries located in the United States as demand for secure, non-Chinese tungsten sources continues to grow.

The acquisition of the Gentung Project aligns with the ongoing initiatives of the United States government to strengthen critical mineral independence across defense, aerospace, and advanced technology sectors.

Resource

There exists a historic NI43-101 Technical Report on the Gentung Tungsten Project, Beaverhead County, Montana, USA with an effective date of February 2012.

The NI43-101 MRE amounts to 7.53mn tons @ 0.315 % WO_3 at 0.10 % cut-off, representing essentially the entire massive garnet skarn zone contrasted against the surrounding light marble beds.

Lentung Resource

Cut-off @ 0.10 WO3

Category	Tonnes	WO3 %	WO3 STU
Measured	2,298,880	0.305	701,760
Indicated	2,579,890	0.314	809,210
Total	4,878,770		1,510,970
Inferred	2,654,176	0.325	862,750

Mining Potential

The deposit is amenable to room-and-pillar underground development within competent massive garnet skarn. Metallurgical testing and historic production demonstrate tungsten recoveries in excess of 90%, with additional garnet recovery estimated at approximately 20–25%. The project benefits from established road access, nearby power, secured water rights, and an existing mill site within the district.

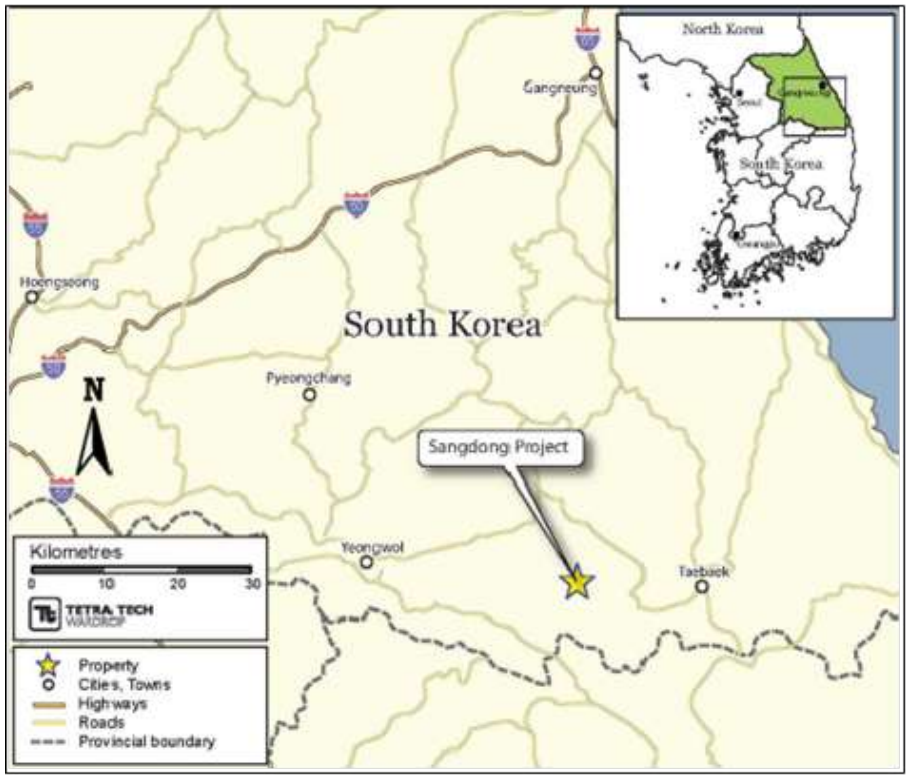
Almonty now holds exclusive rights to explore and develop the Gentung corridor and is targeting potential production readiness in the second half of 2026. Based on initial design expectations, annual output is estimated at approximately 140,000 MTUs.

Picking Up the Pace at Sangdong

The Almonty Korea Tungsten (and Moly) deposit (aka the Sangdong Mine) hosts one of the largest Tungsten resources in the world. The Sangdong mine is located 187km southeast of Seoul. The property is comprised of 12 Mining Rights with an aggregate area of 3,173 hectares and hosts one of the largest Tungsten resources in the world.

Sangdong is expected to be one of the largest capacity specialty metal mine projects built in recent years. It has a throughput capacity of 1.2m tpa.

Sinc Almonty picked up the mine via a takeover, in 2015 it has been on a path to reactivation of the storied mine, but that process was stymied by the lingering torpid pricing in the Tungsten market.



For the history of the transaction and early construction work, one should refer to our Initiation of March 2025.

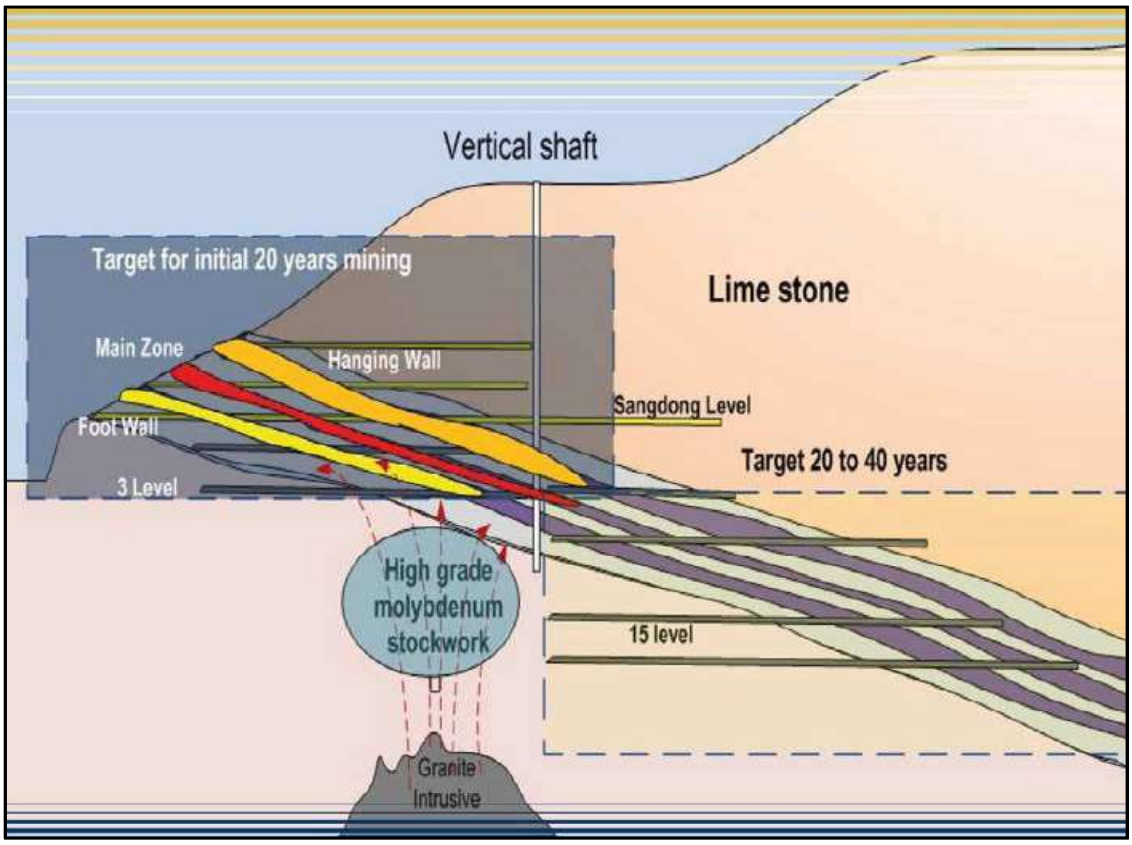
The pace of construction/development has picked up since Tungsten's turn for the better two years ago. The return to production is imminent (expected in 1H26). The Sandong operation, when it gets going, might account for 5% of global production and fully 31% of ex-China output.

Production Start

The initial scoping study on the Sangdong project was completed by Wardrop in March 2010. This signalled an NPV of US$462mn at an APT price of US$250 per MTU. The scoping study was to an accuracy of approximately 30% and confirmed the project's economics at that lower Tungsten price.

Under the current scheme, the first phase of development of the Sangdong mine is focused between Level -1 to the Taebaek Level which are three immediately reachable levels above a further 15 levels to be de-watered progressively after start-up of operations. The mine is anticipated to produce 450,000 tonnes of ore in Year 1 of production and reach the mooted 12 yr life of mine capacity of 640,000 tonnes

per year, in Year 2. The reality though is that the mine-life could stretch out for decades.



A portal on the Sangdong level was excavated in Woulfe's time. In 2018 the mine development was restarted and has been carried out in a more or less constant manner since that time with the opening of a lower exploitation and haulage level in the -1 Level that is accessed through a new mine portal close to the processing plant (called Monty B Portal). This -1 level gives access to the Hangingwall ore zone, as well as the vertical shaft (ventilation, services and water supply), the mine drainage gallery (drainage and escape route) and the Main ore body. In this zone the construction of the access ramp to the upper Taebaek level has been started.

The ramp that connects the two initial mine levels (Sangdong and -1) is also a stope access ramp with stopes in the several Footwall ore zones already prepared (F2, Hallo and F3 ore structures). These preparations were undertaken in a way to allow access to the other Footwall mineralized structures (F4 and F5) that are still not in reserves but that with additional exploration drilling will, in the future included in reserves. The mine development work cut through, several times, those F4 and F5 structures and confirmed that they have similar characteristics and grade to the other footwall structures.

The Sangdong level already contained much of the final infrastructure (namely power and telecommunications). The access to the upper levels of this zone of the mine was already started and this level's gallery also gives access to another two stope access ramps.

On the preceding page can be seen the completed processing facility which, poignantly, bears a striking resemblance to those massive plants that exist in China for processing mineral ores.

The crusher has an initial milling capacity of 1.2 million tonnes per annum.

The flow sheet adopted was conventional, with two-stage crushing followed by rod mill grinding and flotation, and Tungsten concentrate further processed to produce APT.

In mid-December of 2025, the company advised the market that it had delivered the first truckload of ore to the ROM (Run-of-Mine) pad at the Sangdong Mine.

The ROM pad functions as a staging area for ore that has just been brought out of the ground. Ore is first obtained inside the mine gallery through controlled blasting, then collected and transported through the haulage system. From there, a truck delivers it to the ROM pad, where it is stockpiled by grade before processing begins.

The ore placed on the ROM pad will now proceed

to primary and secondary crushing, followed by grinding to achieve the particle size required for processing.

The material will then advance to the flotation circuit, where tungsten-bearing minerals are selectively separated, concentrated, dried and packaged before being supplied to downstream customers. After stability and performance verification of the processing stages, the project will then move to the production stabilization phase as the mine advances toward full-scale commercial operation.

The Resource

There have been various resource estimates on this deposit since Woulfe´s initial listing in Canada. The latest NI43-101 Technical Report on the Mineral Resources and Reserves of the Sangdong Project, South Korea, dated effective February 28, 2025, details the following Reserves & Resources:

Sangdong Reserves & Resource

	Tonnage mn tonnes	Tungsten WO3 Grade
Probable Mineral Reserves	8.6	0.42%
Indicated Resource	8.0	0.51%
Inferred Resource	50.7	0.43%

Offtakers

In March 2018, Almonty entered into an initial 10-year offtake agreement for Tungsten concentrates from Sangdong with US-based Global Tungsten & Powders, a shareholder of the company, which was subsequently extended to 15-years in 2020.

Korean Demand - Actual & Potential

The South Korean market is low-hanging fruit considering that it is the largest per capita consumer of Tungsten worldwide, yet it imports 94.7% of Tungsten used with 92.8% of its Tungsten oxide being sourced from China. The major arguments being:

- South Korea consumes ~40% of Tungsten Hexafluoride (WF_6), which is used in semiconductor production. South Korean semiconductor market accounts for 20% of the supply, where exports rose in 2021 by 28.4%
- Semiconductors & electronics from the automotive, industrial and consumer electronics industries powered by constant digitalization of all industries and daily life
- The expanding electric vehicle (EV) market is driving advancements in battery technologies, including the development of Niobium Tungsten Oxide (NWO) batteries and upgrades to existing ones. The use of nano tungsten oxide Powder, known for its high intrinsic density, rich framework diversity, and exceptional heat resistance, contributes to increased safety features.
- South Korea ranks in the leading ten defense manufacturers and is continuing to extend its production

Next-Up - The Tungsten Oxide Plant

The permitting for Sangdong Phase I includes the possibility of capturing more of the downstream value-added via the construction of a Tungsten Oxide plant as part of the Phase 2 expansion. This offers an opportunity to organically expand production capacity from approximately 640k tonnes to 1.2 million tonnes within 2-3 years of initial production.

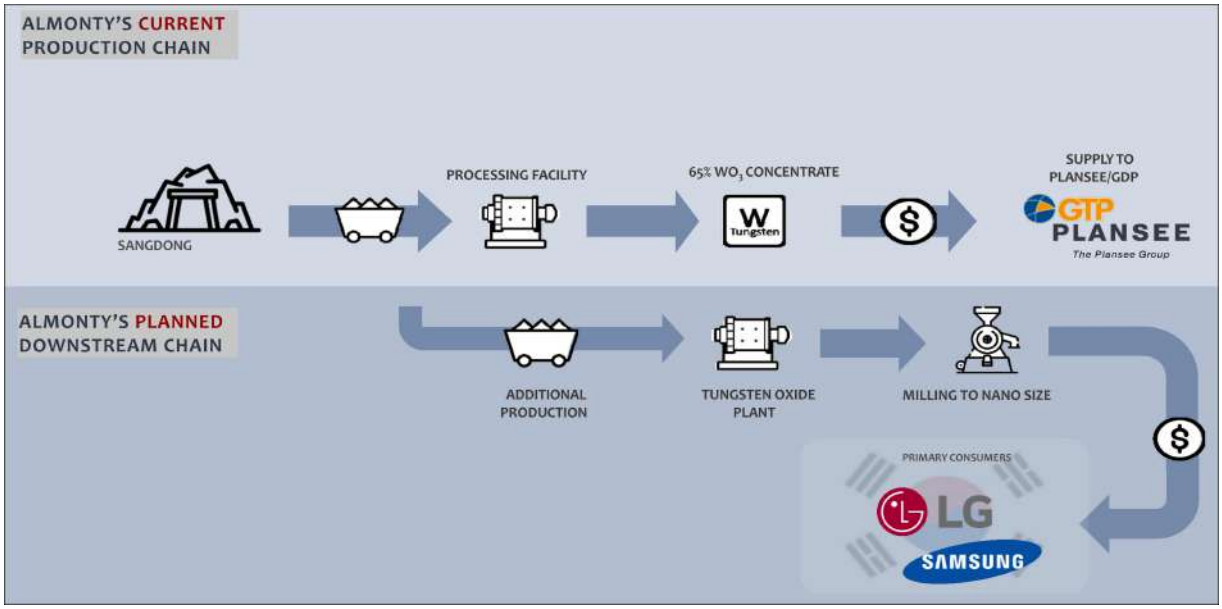
Preliminary indications are that the expansion will require limited capex (less for doubling capacity than the Phase 1 cost) which should further enhance the overall economics of the project.

As the expansion will integrate seamlessly into existing infrastructure and operations, risks will be significantly lowered.

The envisioned downstream would be a 4,000-tonne p.a. vertical nano tungsten oxide plant with equipment/plant sourced from Metso Outotec (Finland), Inductotherme Europe (UK) and Pfeiffer (Austria).

A mock-up of this is shown on the following page:

The flowchart of the downstream is envisaged as:



The rationale for expanding into the downstream is largely driven by in-country considerations, but that does not imply that export of WO_3 is not foreseen.

As far as financing the further phases is concerned a LOI was signed with KfW IPEX-Bank in January 2022, while discussions have been held over potential debt financing of up to US$50mn for the downstream

component, additionally, Almonty raised ~US$69.4mn for the development of the Tungsten Oxide facility during the IPO in July 2025

Panasqueira

In the interval between the closure of Los Santos and the initiation of production at Sangdong, this mine in Portugal has been Almonty´s main producing asset. It is located within the Castelo Branco district, near the Estrela Mountains (Serra da Estrela), and some 8 kms northwest of the village of Silvares.

Although current production levels remain steady, management has perceived that access to the so-called Level 4 (L4) zone is crucial for safeguarding against potential future declines. By strategically unlocking L4, the production team aims to enhance the overall project returns, ensuring its long-term profitability.

The focus of the company now is upon its L4 project, essentially deepening existing mining infrastructure by 120 meters and strengthening crucial elements: drainage, ventilation, and surface environmental facilities. Key observations are: A Scoping study has been completed, ready-to-be-built after completion of financing

- Existing surface infrastructure is sufficient for expansion, only underground infrastructure to be built
- Higher throughput and access to higher grade material will almost double the WO_3 production
- Yearly production of ~124,000 MTU WO_3 has been forecast, after the expansion
- L4 could extend production by more than 20 years

The new push has a low risk profile due to usage of the existing surface equipment and following the orebody to depth.

The advancement to L4 will allow access to new deeper richer virgin vein zones and the transfer of most of the production from the upper levels lower grade zones to the new richer deeper zones. While the current upper-level mining grade stands at approximately 0.13% WO3. The goal is to prioritize highest-grade stopes to achieve a 0.19% WO_3, or higher, head grade. In contrast, L4 grades of around 0.20% WO_3 are expected to significantly boost production and economics.

The goal is to achieve the L4 extension within three years from start, without disrupting ongoing mine production.

Panasqueira - L4 Project

	Current	2027 F After extension	Change %
ROM per annum	580,000	800,000	38%
Avg. Grade WO3	0.13%	0.19%	46%
Recovered Metal (MTU of WO3)	56,000	124,000	105%
Revenue (USD)	$16.3mn	$36.3mn	80%
OPEX (USD)	$13.5mn	$19.5mn	
OPEX as % of revenues	82.8%	53.7%	-35%
EBITDA - Margin	20%	35%	75%

Exp. CAPEX (Euros)	€53mn
NPV(7.5%) (USD)	$47.2mn
Payback	~ 2 years

Another aspect of the mine that interests us is that the Panasqueira Deep is rich in Tin, which has been having a record breaking run, pricewise, in recent months.

Beyond exploiting Tin from the Deep section there is the possibility of recovering various metals contained in the slime dams, especially Tungsten, Tin and Copper. This is currently being investigated.

Molybdenum Potential

Almonty also has a significant molybdenum resource on a separate property adjacent to the Tungsten orebody at the Sangdong Mine. This aspect of Almonty's activities in South Korea was initially played down but is now moving ahead in importance. There is more on this aspect of the project in the Appendix III of our Initiation of Coverage here. In more recent information, Almonty has inked an offtake agreement guarantee for 100% of the potential Molybdenum output with SeAh Steel Holdings, a major South Korean metal processor constructing a significant metals facility.

The deal includes a floor price guarantee of US$19/lb, underpinning the economics of advancing

production of Moly from Sangdong.

Earnings

The most recently published results for Almonty are those for the 3rd quarter of FY2025. They must be viewed in the context that the price of APT during that quarter was a third of current levels.

Revenue recorded in 3Q25 increased by 28% to CAD$8.7mn, as compared to $6.8mn in 3Q25. This increase was largely attributable to increased tungsten prices and steady output from the Panasqueira mine.

GS&A in 3Q25 totaled $3.7mn, as compared to $1.3 million in the same year-ago quarter. The change in operating expenses was chiefly due to costs associated with ongoing corporate and regulatory activities, particularly following the uplisting to the Nasdaq in July 2025 and special meeting held in September 2025.

Net income in the third quarter of 2025 increased to CAD$33.2mn giving a foretaste of the long-suppressed earnings potential of the actual producers in the Tungsten space. This compared to a loss of CAD$5.3 million in the same year-ago quarter. However, we would note that the change was primarily attributable to a gain of CAD$34.5mn on the revaluation of warrant liabilities following shareholder approval to convert certain Australian-dollar denominated CDI options to Canadian dollars, removing foreign exchange volatility under IFRS. The APT price rise since 2024 has triggered warrant exercise which will enhance the cash balance but should reduce the Loss on Warrant Liability line item to insignificance.

Adjusted EBITDA, a non-IFRS measure, was negative CAD$2.2mn in the third quarter of 2025, as compared to negative CAD$0.6mn in the same year-ago quarter.

The table on the following page shows Almonty´s sales revenues and earnings in recent years with a brief look forward to the full year for FY25.

Almonty Industries

FY ended December

CAD mns	FY25e	4Q25	3Q25	2Q25	1Q25	FY24e	FY23	FY22	FY21
Revenue	35.795	12.000	8.695	7.192	7.908	31.200	22.510	24.796	20.847
Cost of Mining	28.285	7.200	6.916	7.581	6.588	24.600	19.328	19.987	19.565
Depreciation/Amortization	1.092	0.300	0.233	0.271	0.288	1.240	1.077	1.298	1.783
Care & Maintenance	1.156	0.300	0.292	0.284	0.280	1.060	1.022	0.964	0.848
Impairmant reversal									(4.136)
Gross Profit	5.262	4.200	1.254	(0.944)	0.752	4.300	1.083	2.547	2.787
Selling/General/Admin. Expenses	14.669	3.500	3.675	4.088	3.406	5.600	5.816	6.145	6.380
Non-cash compensation	12.351	4.000	0.727	6.773	0.851	3.100	1.141	3.811	1.513
Interest Expense (Income)	4.489	1.100	1.061	1.122	1.206	4.500	4.305	3.863	3.487
Financing fees	-						0.739	0.742	
Loss/Gain on derivative liabilities	4.721	0.400	0.288	6.942	(2.909)	0.420	(0.432)	(0.521)	(0.133)
Loss on warrant liabilities	43.381	4.000	(34.513)	38.084	35.810	0.550	(1.227)	(0.293)	
Forex loss (Gain)	(5.252)	(2.700)	(3.338)	(0.314)	1.100	2.300	(0.489)	2.934	(0.215)
Total Operating Expense	104.892	10.300	(32.100)	56.695	39.464	43.370	9.853	16.681	11.032
Operating Income	(69.10)	(6.10)	33.35	(57.64)	(38.71)	(12.17)	(8.77)	(14.13)	(8.25)
Loss (Gain) on Sale of Assets									
Income Before Tax	(69.10)	(6.10)	33.35	(57.64)	(38.71)	(12.17)	(8.77)	(14.13)	(8.25)
Income Tax	0.463	0.150	0.163	0.058	0.092	0.450	0.067	0.356	(0.492)
Income After Tax	(69.56)	(6.25)	33.19	(57.70)	(38.80)	(12.62)	(8.84)	(14.49)	(7.75)
Weighted Average Shares (mns)	224.81	224.81	224.81	192.15	376.32	251.50	226.67	213.14	226.67
EPS (CAD)	-0.309	-0.028	0.148	-0.300	-0.103	-0.050	-0.039	-0.068	-0.034

The dilemma in projecting further forward is that Almonty does not publish volume numbers or unit costs, thus making projecting forward using past volumes is impossible. To further muddy the waters the past includes Los Santos output which is now terminated (though with Care & Maintenance charges, as the mine is likely to reopen with tailings reprocessing).

The Outlook Going Forward

Other considerations of note are:

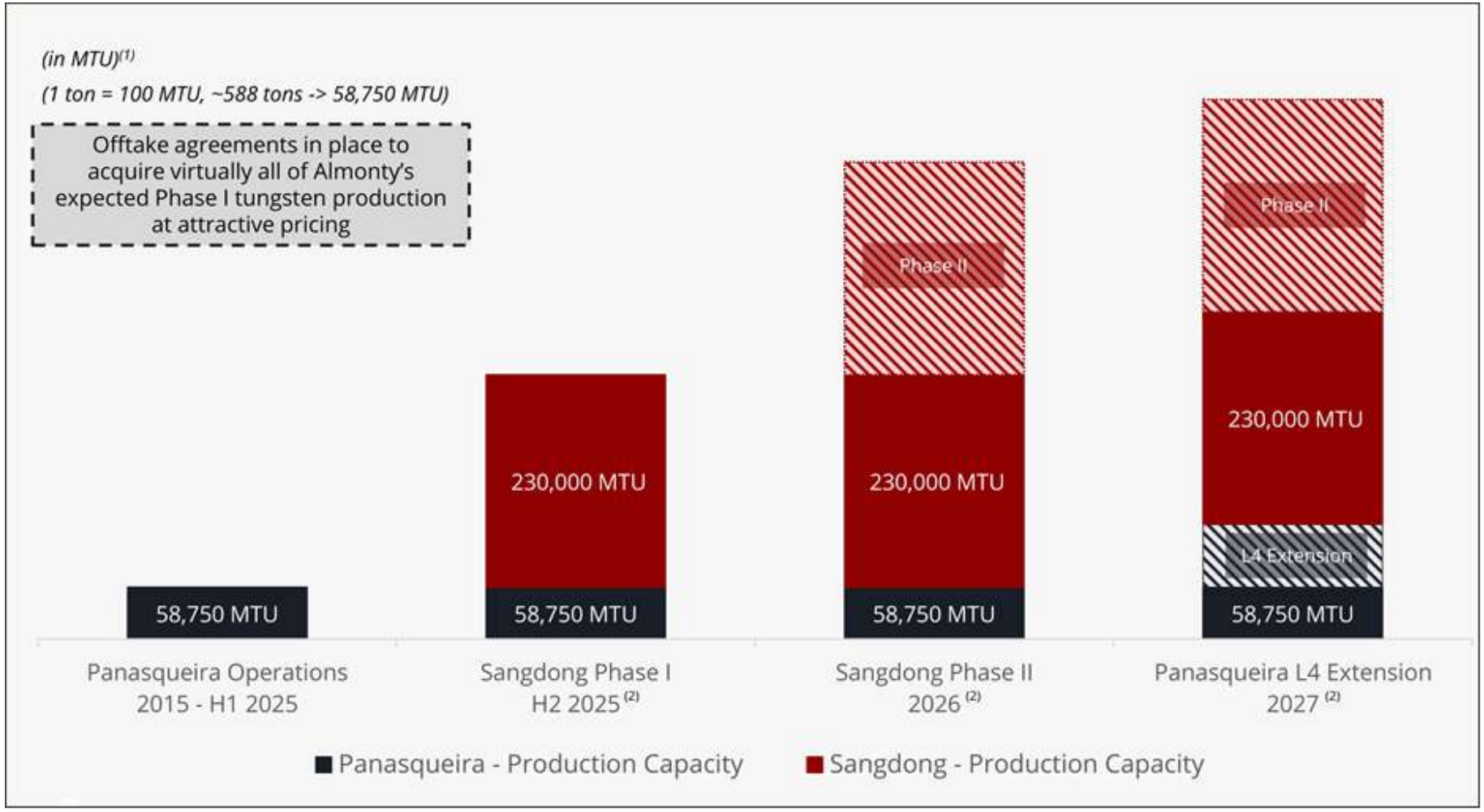
- The onset of production at Sangdong in the first half of 2026
- The very short timeline to start-up of the tailings reprocessing at Los Santos
- The potential to substantially increase production while decreasing OPEX per unit of volume under the L4 plan for Panasqueira
- The nature of the offtakes as regards to price (and thus top-line revenues) is an unknown. Are offtakers paying more on a weekly basis as prices soar, is there a lag and are is there a discount to the market price?
- It is unknown at what point the Tungsten price will pause or retreat, and the extent to which it will do so

The following page shows an interesting bar chart which fleshes out the expected production of the three (or four if one counts Moly separately) facilities that Almonty should have operating by 2027. The volumes catapult Almonty so far ahead of all other Western pretenders to the Tungsten crown into marginal relevance. That is not to say that those putative producers in the US, do not have a role.

These numbers are before one even considers the potential from Montana, which remains to be quantified by Almonty, even though it had been mooted in a previous owner's NI43-101 calculations.

Some of the "easter eggs" provided towards calculating what future revenues might look like are provided in a recent presentation with estimated gross margins of 50% - 60% and net income margins of 30% - 40% based on an APT price assumption of US$350/MTU.

Almonty in this context not only becomes, and cements its lead, as the industry major but is potentially a price disrupter for those marginal operators lower down the ecosystem that require exceptional pricing of APT to sustain their hopes of being seen as economic.


(in MTU)(1)
(1 ton = 100 MTU, ~588 tons -> 58,750 MTU)
Offtake agreements in place to acquire virtually all of Almonty's expected Phase I tungsten production at attractive pricing
58,750 MTU
230,000 MTU
58,750 MTU
Phase II
230,000 MTU
58,750 MTU
Phase II
230,000 MTU
L4 Extension
58,750 MTU
Panasqueira Operations 2015 - H1 2025
Sangdong Phase I H2 2025 (2)
Sangdong Phase II 2026 (2)
Panasqueira L4 Extension 2027 (2)
Panasqueira - Production Capacity
Sangdong - Production Capacity

Almonty Industries - Balance Sheets

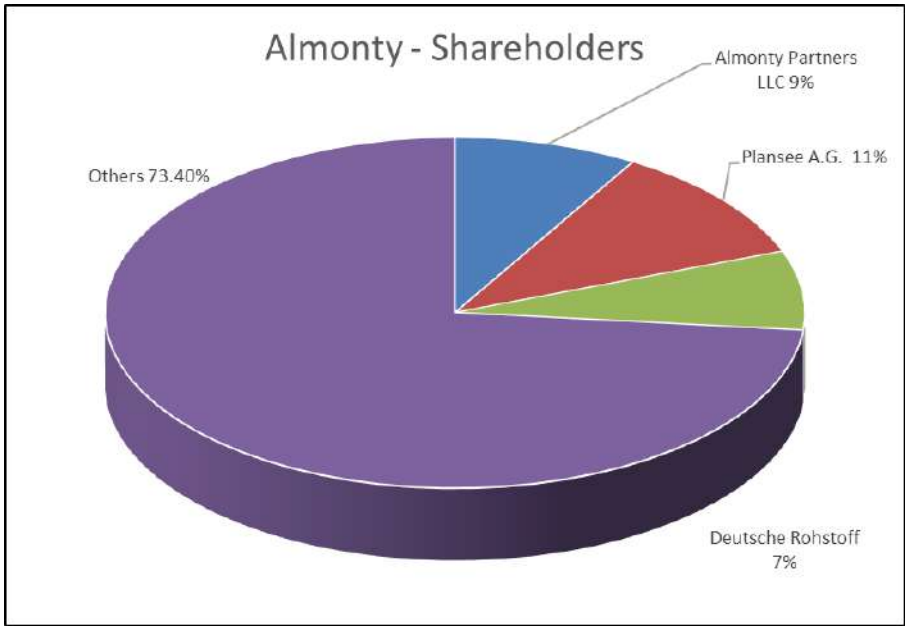
(in 000's of Canadian dollars)

	30/09/2025	30/09/2024	31/12/2023
Assets			
Current Assets			
Cash	111,588	12,866	22,019
Trade receivables	2,534	3,318	2,679
Taxes recoverable	2393	643	661
Inventories	6,834	6,696	7,832
Prepaid expenses and other current assets	5,075	2,749	3,049
Total Current Assets	**128,424**	**26,272**	**36,240**
Mining assets	267,364	194,446	165,681
Tailings inventory	33,894	31,289	30,355
Deferred tax assets	2,586	2,629	2,551
Other assets	881	644	507
	304,725	**229,008**	**199,094**
Total Assets	**433,149**	**255,280**	**235,334**
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	31,040	22,985	31,469
Deferred revenue	78	118	1,062
Current portion of long-term debt	22,883	36,470	34,167
Total Current Liabilitie s	**54,001**	**59,573**	**66,698**
Warrant liabilities	5,772	2,588	958
Long-term debt	174,380	113,278	95,900
Restoration provision and other liabilities	27,627	24,167	23,256
Deferred tax liabilities	15	14	14
	207,794	**140,047**	**120,128**
Total Liabilities	**261,795**	**199,620**	**186,826**
Shareholders Equity			
Share capital	317,097	142,334	127,359
Equity portion of convertible debentures	508	1,241	1,241
Contributed surplus	21,074	15,351	12,302
Accumulated other comprehensive income	12,525	11,551	11,529
Deficit	(179,861)	(114,817)	(103,923)
Total Share holders' Equity	**171,343**	**55,660**	**48,508**
Total Liabilities and Shareholders' Equity	**433,138**	**255,280**	**235,334**

Cash and cash equivalents as at the 30th of September of 2025 totaled CAD$111.6mn, compared to CAD$7.8mn at the end of December of 2024. The surge in cash holdings was primarily due to the receipt of US$90mn of gross proceeds from the completion of a public offering in the United States in July of 2025.

Shareholders

The current state of the shareholder base is shown in the pie chart below:



Most Recent Financings

In mid-July 2025 the company announced the pricing of its underwritten public offering in the United States of 20,000,000 common shares at a public offering price of US$4.50 per share, for total gross proceeds of US$90mn.

The intention of the financing was to use up to approximately 1% of the net proceeds of the offering to fund remaining early-stage development activities for a nano-tungsten oxide downstream processing near the Sangdong Mine and up to approximately 84% of the net proceeds toward the development of the Tungsten Oxide Facility and the remaining 16% have been allocated to working capital and general corporate purposes.

In late October of 2025, the company announced that it had filed a preliminary short form base shelf prospectus with securities regulatory authorities in Ontario, Alberta and British Columbia and a corresponding registration statement on Form F-10 with the Securities and Exchange Commission (SEC) of the US under the Canada/United States Multi-Jurisdictional Disclosure System. Subsequent to the completion of a US$129.375mn equity financing in December, Almonty announced the voluntary

withdrawal of its base shelf prospectus and related registration statement.

It is also useful to look at the warrant situation (as it was five months ago):

Pre-existing Warrants as at 30 September 2025

	Exercise Price	Number Outstanding	Weighted Av. Remaining Contractual Life	Weighted Av. Exercise Price
	$0.68 - 0.99	2,518,518	1.07 yrs	$0.77
	$1.00 - 1.50	3,924,115	0.49 yrs	$1.11
	$1.51- 1.80	2,797,992	2.29 yrs	$1.79
		9,240,625	1.19 yrs	$1.20
CDI Units	AUD$1.62	6,440,003	1.62 yrs	

Firstly, we would note that 3.924mn tranche of warrants will have reached their term by now. Then overall, the share price surge over the last 18 months has put all the outstanding warrants either strongly or massively in the money.

Risks

The risks for the Tungsten space in general. These are:

- A reduction in global geopolitical instability
- A return to a weak Tungsten price
- Weakened global industrial demand (particularly in tools) that would soften price & volumes
- China manipulating the market in some way to again create distortions in price and trade patterns

Most of these risks are different sides of the same price prism, with the exception of the market's perception/disinterest in Tungsten.

Irrespective of a reduction of global tensions (e.g. resolution of the Ukraine war) there has been a massive rundown (i.e. usage) of Tungsten reserves or Western (and other) militaries since 2020 that needs to be replaced, This is paralleled by an almost unprecedented military buildup/buildout that the world has not seen since the 1970s/1980s. That demand is not going away yet.

Weak Tungsten prices would seem to be a thing of the past, mainly because China is not the producer that it was. After long term squandering of reserves to maintain a predatory pricing regime, China finds

itself (as in Antimony and Rare Earths) with far less “firepower” to dominate markets because it would need to employ strategic stockpiles, rather than ramp-up mine production (from already depleted mines) to even hope to wave a big stick anymore in these marketplaces that it once called its own.

That is not to say that the highly crafted Chinese misinformation/disinformation apparatus is shut down. It is the perception of control of a market, rather than actual control, that can, for a limited time, continue to allow China to “call the shots”. However, when the emperor is revealed to have no clothes then all is on show for the world markets to see. And at least in Tungsten, China clearly has less to show for itself than in the past.

Investment Theses

Historically, Tungsten is one of those metals where the fluctuating price made it hard to plan a company's trajectory for more than a couple of years. The dramatic improvement in Tungsten pricing over the last couple of years has taken the metal into new territory fired up with a long overdue reassessment of its critical role in military applications. This has provided a window of opportunity for Tungsten plays in the Western World to finally gain recognition as end users look to secure alternative and more reliable sources of supply than China.

The mantra now though is Production, Production, Production and Almonty´s *Softly, Softly, Catchee Monkey* approach is yielding fruit with Sangdong having gone through a gestation fitting for the birth of a whale to arrive on the cusp of production while others are still rummaging in their tailings piles. That is not to disparage Almonty´s own potential with tailings at Los Santos, which is icing on its cake, but far from being its main game.

The lead of Almonty over its “competitors” is likely to widen significantly over the coming 12 months.

In light of the attractive, and most probably lasting, confluence of events in the Tungsten space, Almonty finds itself in the right metal, in the right place at the right time, a rare occurrence.

Rating & Target

The share price of Almonty in 2025 had more similarities to a NASA launch at Cape Canaveral than anything else. The chocks were away and the trajectory was almost perfectly vertical, much to the horror of other participants in the Tungsten space that had to make do with fumes from Almonty´s exhaust.

Almonty must be the most stellar constituent in our Model Resources Portfolio after many years of quiescence and proves the point that patience pays off for us and the company´s hard-core of shareholders, that have persisted through thick and thin.

Clearly the premium afforded to being the leading non-Chinese producer, on the cusp of major volume expansion, at a moment of rising international military tensions is the thing that separates Almonty from the pack. There are other companies making admirable advances with much smaller properties and will

find their niche in the ecosystem. There are two 800 lb gorilla projects (both in Canada) that might be mentioned in the same breath as Sangdong, but those projects are greenfield, and older than the hills, being perpetually handicapped by grim locations or grim jurisdictions.

As we have noted before one could pursue “cheaper” and less prospective names, but what would be the point? Like MP Materials in the Rare Earths space, leadership brings a special position. Also, like MP Materials, a virtuous circle can evolve of a higher price/market capitalisation making the company more investable for US institutions (particularly as Almonty has redomiciled to the US) thus leading to an even high price. This in turn has made it easier for the US DoD to anoint it as its Tungsten champion, in a thin field. That Almonty has achieved what it has without government largesse separates it from those needing the Papal blessing from the Pentagon to remain in the race.

The chief fly in the ointment is the APT price. Newton´s law of gravity can also apply to metals prices and Tungsten may be in the latter phases of its moonshot trajectory. When (and if) a correction takes place Almonty will be underpinned by its status as the industry leader and by Sangdong entering production and Los Santos reentering the equation. Most other players will be purely sustained (if sustained they are) by the power of prayer.

We hereby reiterate our **LONG** rating while upgrading our 12-month target price to **CAD$24.50.**

APPENDIX I:

Tungsten – Those in the Fray

Live & Let Live

In the midst of prosperity there are gripers. There is space for all in the current resurgence in the metal but curiously there are two ASX-listed plays that somehow imagine that they somehow advance their own cause by backstabbing others in the space with rumour and innuendo.

The old adage goes that those who live in glasshouses should not throw stones. In one case, we expelled one of these miscreants from our Model Resources Portfolio for "bad behaviour" and the other was not even on our radar, so had little of which to boast.

Tungsten - The Competitive Landscape

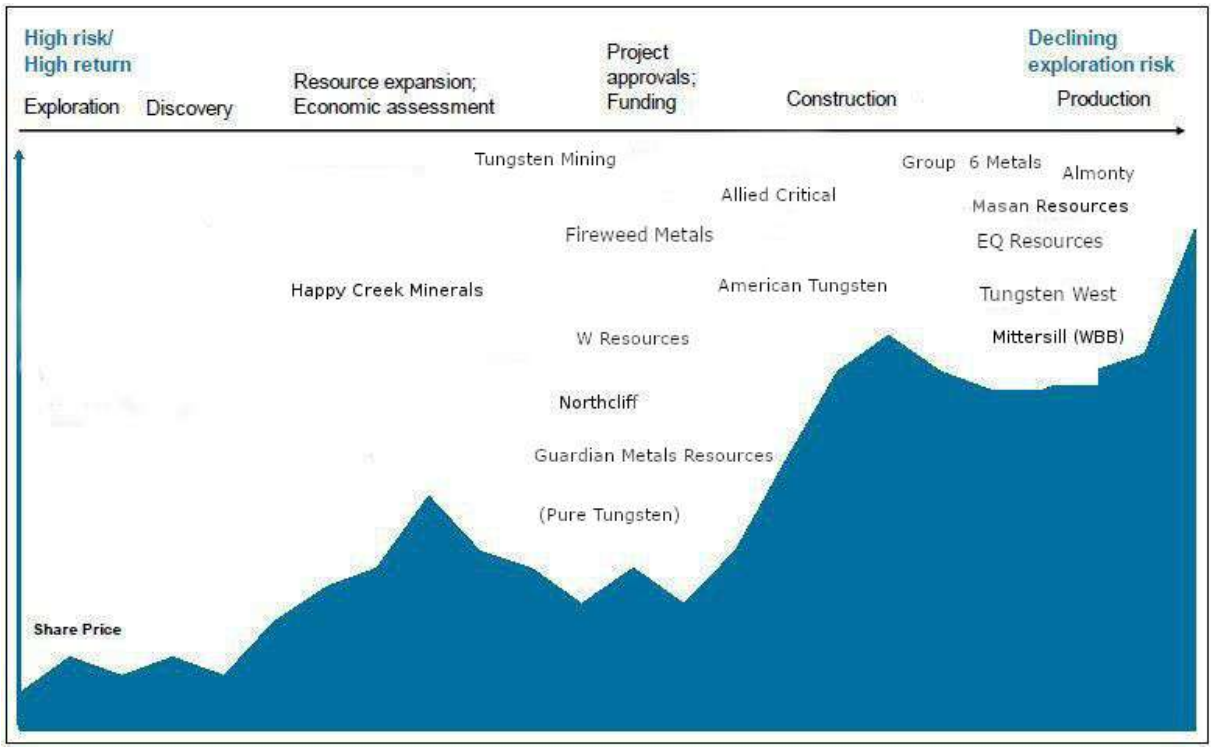
By the time the APT price started to turn upwards in 2019, there were only a few survivors of the Tungsten slump that had ravaged the subsector since the start of the decade. Now, Tungsten has been highlighted by the EU, Canada and the USA as a strategic mineral. Tungsten´s status as the prime military metal has prompted sharply renewed interest in restocking supplies and reestablishing non-Chinese supply-lines in this critical metal for Western defense and industry.

Post-2011, the slumping price of Tungsten wrought destruction upon both the explorers AND the producers (with two major Western producers going under). The explorers disappeared or changed exploration focus. Meanwhile, consolidators like Almonty Industries and EQR snapped up failing producers as part of its global roll-up strategy and a few determined explorers made the sacrifices necessary to remain in business.

On the eve of current Tungsten renaissance there were a (small) tattered army of survivors that had spent a decade in the wilderness. There were only two producers listed in Western stock markets. The Chinese dual-use export ban brought a small number of new players into the space. Interestingly most of these are focused on past producers, with prom0ters for once realizing that greenfield exploration was "for the birds".

The Tungsten Lifecycle Chart

Our Lifecycle chart, shown below, serves particularly well, in the case of Tungsten, to show the state of progress of the various players *vis-à-vis* each other on the exploration-production continuum.



Unlike past charts, where some of the players were not serious about getting to production, the culling of the ranks has left only the most devoted Tungsten players. Moreover, it is very rare that we end up with so many at the production end of the continuum that we run out of space.

We have omitted at this point a mooted new entrant in Kazakhstan that has been creating some disturbance in the airwaves as, unfortunately, we again find the Gutnick forces appearing in a "hot" space to market their wares. Serious questions might be asked as to whether the Chinese, that are positioned with the better W assets in that country, will be inclined to allow this development to go through without the sudden discovery of problems that might cramp, if not block entirely, its trajectory. Time will tell.

Knives Out in the Tungsten Space

As we have noted the Tungsten space is weighted towards mainly serious companies that have walked across broken glass over the last 10-12 years to remain in the business and reinforce their commitment to a metal that they believed was pivotal to Western economies and Western militaries, even when those two consumer groups did not know themselves how vulnerable they were to Chinese Tungsten squeeze tactics.

However, there is also a subset of the Tungsten space that is quite extraordinary in that they seem to feel that their own advancement is dependent upon doing down others in the space through pernicious and persistent backstabbing and bad-mouthing. As we mentioned earlier, we expelled one producer from our inner circle of favoured stocks when it persisted in propagating false claims as to the debt

levels at Almonty and “complications” at Sangdong which were little better than scurrilous shooting from the lip. This campaign was mainly undertaken by people close to that errant company, rather than its executives (to muddy the trail), but the executives themselves were prone to making *sotto voce* asides conveying the same views to investors.

Then there is the matter of record that in early October of 2025, Almonty filed a Notice of Application in the Ontario Superior Court of Justice (Commercial List) against Pure Tungsten Inc.. The filing seeks injunctive relief to address materially false and misleading statements circulated by Pure Tungsten regarding Almonty, its flagship Sangdong Mine, and the past involvement of a character going by the name of Tiger Kim, who had previously been involved with Almonty. We had been been initial “lucky” recipients of the “sneak peeks” from this unlisted company that would have made regulators hair stand on end if they had been part of public disclosure or presentation of a listed company. Not content to gild the lily of their own attractions, they decided it would be good practice (and somehow advantageous) to bad mouth all and sundry in the industry. They have since become subject to one of Hallgarten´s *damnatio memoriae*.

Then there was a third company. This one had never been even mentioned by us as it was so low down the pecking order that we had not been able to distinguish it from pond scum. We spoke to several companies in the sector when we had heard outlandish (negative) claims about them and this was attributed by aggrieved managements to this rogue set of corporate slanderers. We later heard they had tried to leave their past misdeeds behind them by changing their name from something totally inappropriate to something overweening and pompous. They shall, needless to say, go on being ignored by us.

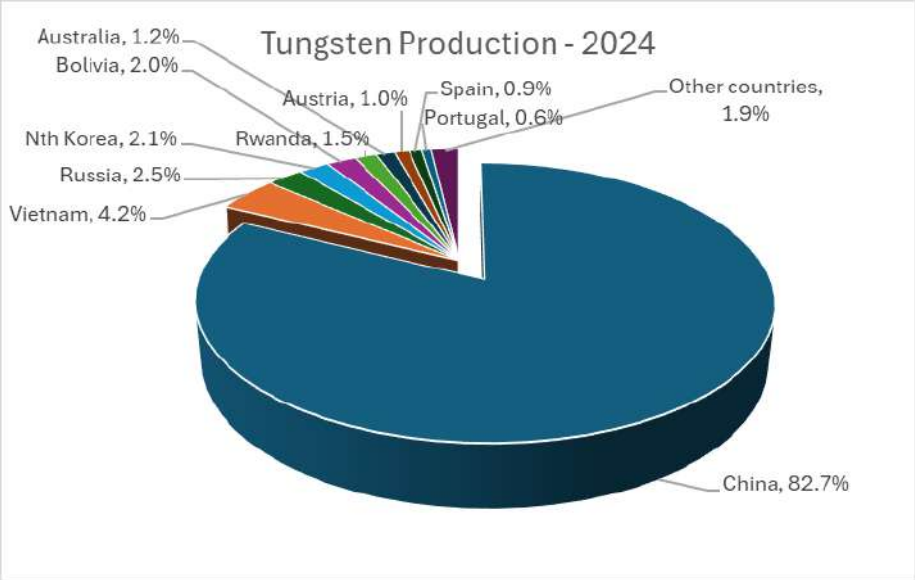
A word to the unwise in the Tungsten space, stick to your knitting, mind your own business (if one has one to mind) and keep the angst for your therapist.

APPENDIX II:

Tungsten – Update on Dynamics

Shifting Production

In the past we have focused where production has been with some mentions of the stalled projects for the future (maybe). Now we can see that there is potentially a major sea-change in the balance between China and ROW, and where in the ROW the production comes from, particularly as China was expected to be a net Tungsten importer by the mid-2020s. Statistics on Chinese import/export of Tungsten are notoriously murky so whether this came to pass is inclear.



Source: USGS

We take the USGS statistics with significant scepticism due to that organisation's increasing under-funding and concomitant creeping inaccuracy.

For the last decade primary supply has lagged some way behind demand, enabling large stockpiles to be drawn down and also requiring considerable supply of secondary Tungsten to meet demand. According to the USGS, China accounts for a substantial proportion of primary supply, accounting for ~82.7% in 2024. A number of large state-owned mines were facing depleting ore grades, which is likely to lead to

lower output from existing operations over the next decade. When they still existed, the consultants Roskill anticipated that China's market share to drop to below 72% by 2029, unless new operations can come online to offset the fall from depleted assets.

Countries that have faded long ago, like South Korea, and to a lesser extent Australia, have the potential to become major producers, while some that produced in recent times, like Canada and Peru are sidelined, and major producers from further back, like Spain and Portugal, are getting a second wind. Indeed, the latter two countries have dominated non-Chinese production over the last few years.

This moving feast means that, besides China and Russia, other principal producing countries are Austria, Bolivia, Portugal, Spain, Rwanda and Vietnam whilst mines have closed since the turn of the century in Australia, Brazil, Canada, France, Japan, Peru, South Korea, Sweden, Thailand and the USA. The price slump post-2011 knocked players like Canada, Peru and Australia out of the running. The UK has been sometimes producing and sometimes not due to the travails of Hemerdon.

The recovery of production (though still in planning stages) in the US is one of the truly stunning outcomes of the current supply squeeze.

Reserves

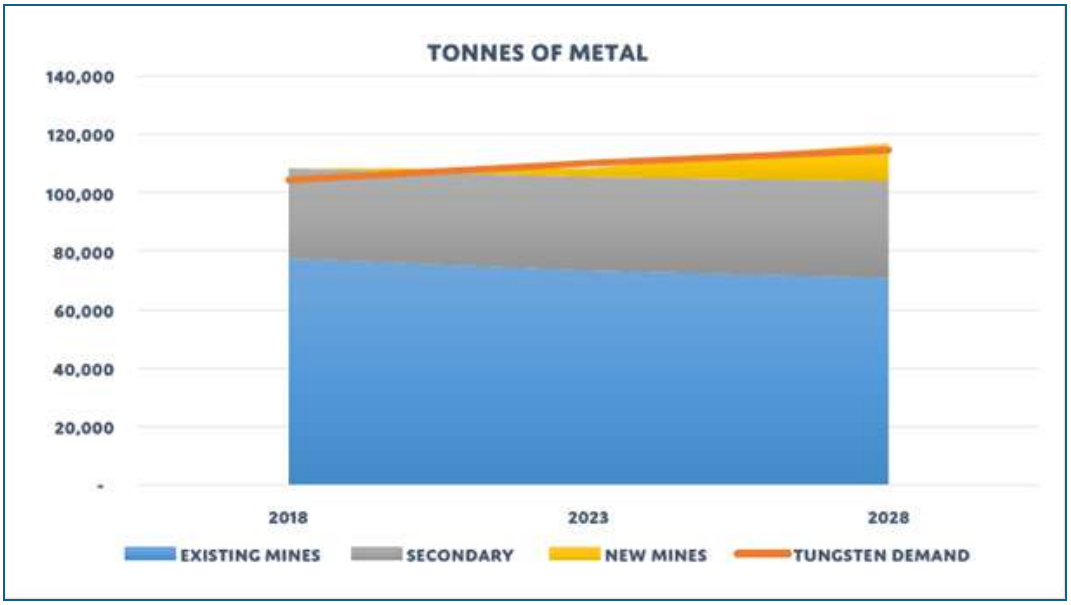
The latest assessment of the USGS (from 2024) is that China has 52% of global Tungsten resources (down from 61% in 2016), Canada had 9% in 2016 and now is not even shown, while Australia is credited with 12% lately and Russia with 9%. However, it is not which country currently has the resources that matters but the country that gets into production first. Thus, Portugal currently has more going on in the Tungsten space than Canada does, while South Korea currently has no production but when Almonty get their Sandong operation going it should return to the producers' table. Curiously Korea does not figure in the USGS's ranking of major resource holders (despite its putative mine once being the world's largest).

Two large-scale Tungsten mines in Spain came online in 2019, these were La Parrilla (controlled by W Resources) and Barruecopardo (then owned by Ormonde and later controlled by Saloro). The former entity came to grief with production suspended while the latter is now owned by EQ Resources. Both were looking to ramp up production in the following years, with output expected to peak in the mid-2020s. Production from both operations was scheduled to contribute over three thousand tonnes per annum of contained Tungsten. But reality intervened and the Grim Reaper cast these aspirations aside.

Factors militating against a ramp up in production included:

- ✕ long lead times between exploration and new mine openings
- ✕ the steep rise in mine development and operating costs

- ✕ the very limited availability of high-grade deposits (i.e. greater than 0.4% WO_3)



Source: Northcliff

The rising tide of new producers (mainly in Iberia) and, in particular, Almonty's Sangdong mine in South Korea are toppling Chinese dominance in this metal that they had hoped to use to clobber the West German machine tool industry with. Before mid-2024 there was little sign of action in North America, but now American Tungsten is advancing, Guardian Metals has the chance to add two past-producers to the mix and even Almonty has come into ownership of a past producing mine.

The metal's potential sources are quite geographically diversified with Tungsten (or Wolfram) resources located in China, Canada, Russia and the United States, at least in the official versions. And yet the largest sources of production outside China are Spain/Portugal, Australia and, shortly, South Korea.

Pricing

The average annual price of Tungsten since 1950 has fluctuated between a nadir of US$10 per metric ton unit in 1963 and a peak of US$175 in 1977. After that point it sagged back to trade in a $50-75 band for several decades before its revival in the new century.

The trade in concentrates diminished and the market relied more and more upon the APT quotation as a price guide since APT is the product traded in the largest quantity. Prices are mainly based on the quotations published twice a week by Fastmarkets, although other trade journals also publish quotations or indicative prices.

The chart below shows the price trends for APT during its "boom" period post-2009.

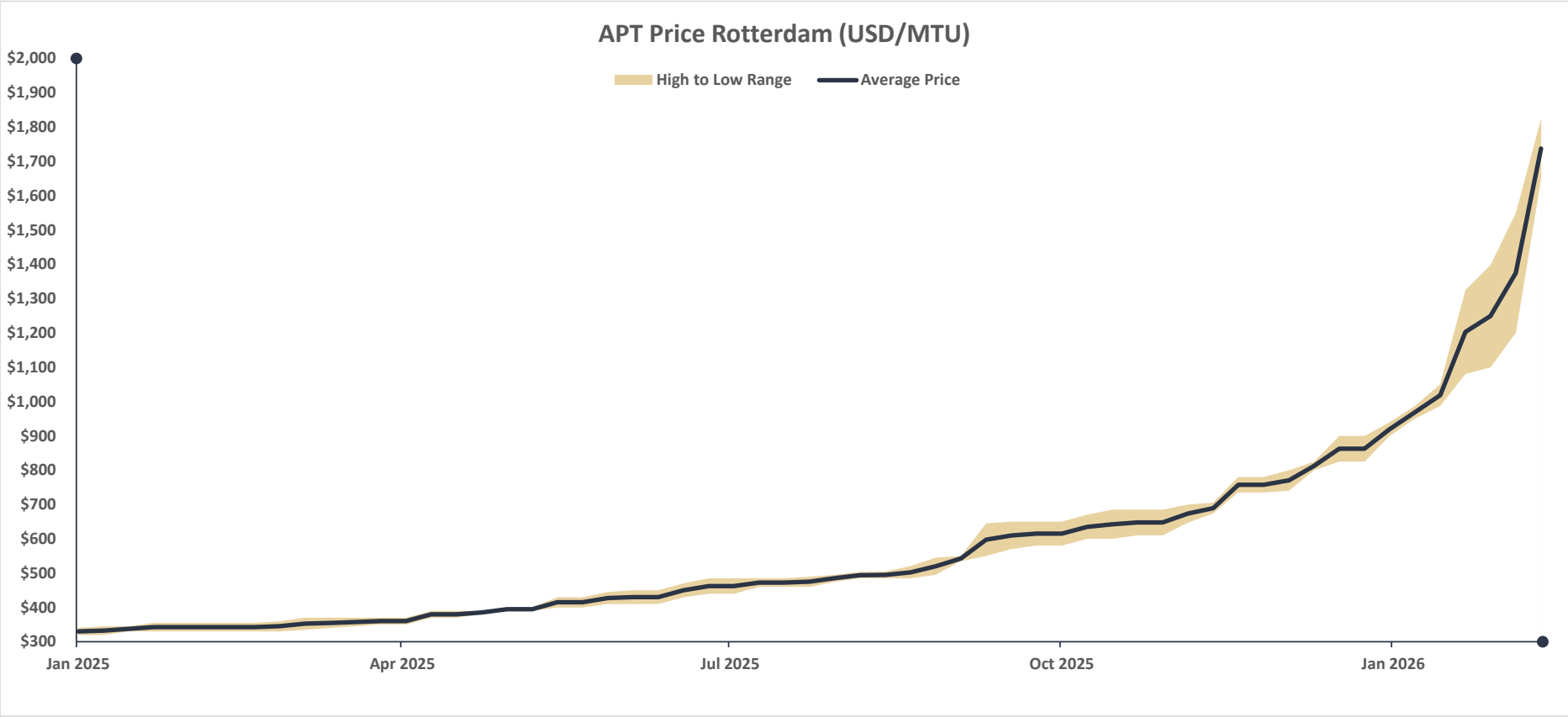
The Tungsten price was blissfully boring in 2023 as all around it wilted in the backwash from China's abandonment of the Zero Covid policy. The lack of a "spike & dump" meant that few were attracted into the space and those that are already in the space, pursue their projects *sotto voce*, or wither on the vine.

Tungsten is one of those metals where the wild ride in pricing since 2008 made it particularly difficult to plan a company's long-term trajectory.

Increased Tungsten usage by military and industrial users should lead to increased competition for Tungsten concentrates in the global market between Chinese and non-Chinese processors and consequently result in an improving price structure for Tungsten and its products in the future.

The price per MTU of Ammonium Paratungstate has finally broken through, definitively, the levels achieved early last decade. At that time wild gyrations pushed APT prices to levels which fired up the promoters, however it was those movements which ultimately ended most of the players in the space.

The chart on the following page shows Tungsten making new highs in an environment where Chinese exports have been severely curtailed, with no prospect as yet of a change in that policy.



Source: Fastmarkets/Almonty Industries

Increased Tungsten usage by military and industrial users should lead to increased competition for Tungsten concentrates in the global market between Chinese and non-Chinese processors and consequently result in an improving price structure for Tungsten and its products in the future.

Our latest projections are shown in the table at the right:

Possibly much to the chagrin of industry participants we view the current price surge as vulnerable to correction (as has occurred in the Antimony price of late and thus our 2026 year-end outlook for Tungsten is for it to retreat to below US$1,000 per MTU.

We see added production and a less fevered market leading to a year-end of $960 per MTU and likewise added production volumes in 2027 resulting in a year end of $1080 per MTU.

Tungsten APT Pricing

Year end	MTU (US$)
2023	$312
2024	$330
2025	$862
2026e	$960
2027e	$1080

Important disclosures

I, Christopher Ecclestone, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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