Almonty Industries Inc. (TSXV: AII)
Higher tungsten prices trigger revaluation; Sangdong ramp on track; maintain hold

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Current Price (C$)*	**$18.83**
Fair Value	**$19.30**
Projected Upside	**2.50%**
Action Rating	**HOLD**
Perceived Risk	**HIGH**

Shares Outstanding	**224,812,000**
Market Cap. (C$)	**$4,233,209,960**

P/B	**24.71**
YoY Return	**563.03%**
YoY TSXV Return	**53.10%**

* Note: all $ amounts are C$ unless otherwise stated

Investment Highlights

- **Almonty Industries Inc. (TSX: AII, ASX: AII, OTC: ALMTF, FRA: ALI)** ("Almonty" or the "Company") is a multi-asset owner that develops and operates tungsten projects. Its assets include development projects and a producing mine. The Company's share price has increased approximately 25x (2,445%) since our initial coverage report in February 2023.
- **Higher tungsten prices:** Benchmark APT prices have recently moved above US$1,000/MTU, with spot levels cited around US$1,125 to US$1,150/MTU, driven by strong demand from defence-related end markets and a tighter supply environment. China, which controls more than 80% of global tungsten supply, has imposed export controls in 2025, reinforcing supply constraints and accelerating efforts by Western economies to diversify sourcing away from Chinese production. These market dynamics support a structurally higher tungsten price deck in our model. As such, we increase our APT price assumption to US$800/MTU versus the prior estimate of US$450/MTU.
- **Ramp-up at Sangdong:** The Sangdong Tungsten Mine entered active operations in December 2025 with the delivery of the first ore, marking the transition from construction to production and the start of ramp-up. The ramp-up is structured in two phases, with Phase 1 targeting a production rate of 640,000 tpa by mid-2026, followed by Phase 2, which is expected to double capacity to approximately 1.2 million tpa by 2027.
- **We update our fair value estimate to C$19.30 per share (earlier C$7.69) and maintain our HOLD rating.**

TSXV: Almonty price and volume history

Key financial data (FYE Dec. 31, C$)		**2024**		**Q3-2025**
Cash	$	7,830,000	$	111,588,000
Working capital	$	(30,538,000)	$	74,412,000
Mineral assets	$	201,866,000	$	267,364,000
Total assets	$	256,349,000	$	433,138,000
Net income (loss) for the 3M	$	(5,319,000)	$	33,191,000
EPS	$	(0.03)	$	0.13

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Investment Highlights, continued

- **Significant growth potential at other projects:** Beyond Sangdong, Almonty Industries is advancing multiple growth initiatives. Drilling at Panasqueira supports expansion into a new Level 4, targeting potential output of up to ~124,000 MTUs and extended mine life. Sangdong Molybdenum (0.26% MoS_2) is progressing toward reserve definition, while Gentung Browns Lake is being advanced toward production readiness by 2H26, with potential output of ~140,000 MTUs.

Overview

Tungsten market fundamentals have strengthened materially, supported by higher benchmark APT prices that have recently moved above US$1,000/MTU amid robust defence-driven demand and a tightening supply environment. China's export controls implemented in 2025 have reinforced structural supply constraints and accelerated Western efforts to diversify sourcing. Against this backdrop, we adopt a higher long-term price framework, increasing our APT assumption to US$800/MTU from US$450/MTU previously.

Operationally, Almonty has transitioned into its next growth phase with the Sangdong Tungsten Mine entering active operations in December 2025 and commencing a staged ramp-up toward nameplate capacity by 2027. Beyond Sangdong, the company is advancing multiple levers for medium-term growth, including capacity expansion at Panasqueira, reserve definition at the Sangdong Molybdenum project, and development progress at Gentung Browns Lake toward potential production readiness in 2H26. Reflecting improved pricing assumptions and clearer production visibility, we update our fair value estimate to C$19.30 per share (from C$7.69 previously) and maintain a HOLD rating.

Ramp up at the Sangdong Tungsten Project

The Sangdong Tungsten Mine has formally entered its ramp-up phase, with commercial mining commencing in December 2025 following the delivery of first ore, marking the final step before full-scale production. Phase I construction is complete and fully funded, with commissioning underway and throughput capacity of ~640,000 tonnes of tungsten ore per annum targeted during 1H26. With Phase II expansion already permitted and planned to lift throughput to ~1.2 Mtpa from 2027, Sangdong is expected to drive a significant boost to the production for Almonty Industries.

The report assumes a mine life of 25 years, and the production schedule is based on processing approximately 640 ktpa for Year 1 (effectively 2026), increasing to a steady state rate of 1.2 mtpa from Year 2 onwards.

Sangdong is a key strategic asset for Western governments looking for non-Chinese supply of critical metals. The project has already signed offtake agreements with the Plansee Group and the US manufacturer Global Tungsten & Powders, ensuring cash flow visibility. Further, the presence in a geopolitically stable jurisdiction of South Korea enhances the appeal of Sangdong mine to Western economies, which are looking to reduce dependence on countries such as China and Russia for tungsten.

Additional growth optionality beyond Sangdong

In addition to Sangdong, Almonty Industries has a visible pipeline of growth projects that enhance production optionality. At Panasqueira in Portugal, the world's longest continuously operating tungsten mine, ongoing large-scale drilling is defining a Level 4 expansion, which is expected to unlock deeper, higher-grade zones, extend mine life, and support potential production growth to ~124,000 MTUs per annum.

In South Korea, Almonty is advancing the Sangdong Molybdenum Project through a US$2.9 million drilling program. With grades of approximately 0.26% MoS_2, the project represents a strategic complement to tungsten, offering exposure to molybdenum demand across defence, energy, and industrial applications. South Korea is among the largest molybdenum users but is heavily dependent on molybdenum imported from China. The Sangdong Molybdenum Project reduces dependence on foreign imports by strengthening the domestic supply chain. Notably, we see significant potential for exports to North America, given that SeAH is constructing a US$110 million metals-processing facility in Texas that will serve SpaceX and the U.S. defence and aerospace sector.

The offtake agreement with SeAH M&S, South Korea's largest molybdenum processor and the world's second-largest molybdenum oxide smelter, is a significant milestone for Almonty's Sangdong Molybdenum Project. The offtake agreement includes a hard floor price of US$19.00/lb, limiting downside and ensuring a predictable revenue stream.

In North America, the 100%-owned Gentung Browns Lake Tungsten Project in Montana further expands Almonty's geographic footprint and alignment with U.S. critical-mineral policy. The project hosts an NI 43-101 resource of 7.53 Mt at 0.315% WO_3 and benefits from existing infrastructure, permitting, and water rights. Management is targeting production readiness by 2H26, with expected future output of ~140,000 MTUs per year.

Collectively, Almonty's portfolio beyond Sangdong provides meaningful growth optionality and aligns with Western critical-mineral supply priorities.

Revenue and EPS forecasts

Our forecast factors in the expected production from Sangdong Tungsten mine by Q4-2025, commercialization of Panasqueira's L4 extension by 2027, and commencement of Sangdong Molybdenum mine Gentung Browns Lake Tungsten project. Our key assumptions include:

- **Panasqueira production:** We estimate that the mine will produce 56,000 MTU WO3 in 2026, which will expand to 124,000 MTU WO3 post the L4 expansion. We assume an APT price of US$800 per mtu. We estimate a 15-year mine life. We model EBITDA margins to expand from 12% in 2026 to 43% in 2027.
- **Sangdong tungsten production:** We adhere to management's estimate that production will begin in 2025 and will begin ramping up over the next few years. We estimate an annual production run rate of 230,000 MTU WO3 in 2026, which will ramp up to 460,000 MTU WO3 over the life-of-mine of 25 years.
- **Sangdong molybdenum:** We include potential contributions from the Sangdong Molybdenum. We expect the Molybdenum mine to become operational in 2027 and assume it will operate through 2040.

- **Sangdong tungsten oxide:** We expect the plant to commence operations in 2028, and it will further boost the revenue profile of the Company. We model net revenue (excluding intercompany revenue) of US$98 million and adjusted EBITDA of US$26 million. We estimate the plant to remain operational till 2050.
- **Gentung Browns Lake tungsten project:** We expect the plant to commence production from Q4 2026 and then ramp up production to 31,752 MTU WO3 in 2027.

We note that significant deviations may arise from changes in any of the above variables, and we encourage investors to treat the above as approximate forward guidance.

Table 1: Consolidated income statement

(FYE Dec. 31, C$) REVENUE	2024A	2025E	2026E
Revenue	28,836,000	145,402,667	322,156,048
COGS	24,679,000	91,391,787	203,493,858
Gross profit	**4,157,000**	**54,010,880**	**118,662,190**
EXPENSES			
SG&A expense	6,153,000	6,460,650	6,783,683
Mine-related expense	1,067,000	1,120,350	1,176,368
Share-based compensation	2,734,000	2,870,700	3,014,235
EBITDA	**(5,797,000)**	**91,391,787**	**107,687,905**
Depreciation & amortization	1,120,000	5,647,489	10,740,626
EBIT	**(6,917,000)**	**85,744,298**	**96,947,279**
Financing costs	4,568,000	5,024,800	5,527,280
EBT (before other items)	**(11,485,000)**	**80,719,498**	**91,419,999**
Non-recurring expenses	4,441,000	0	0
Other expenses / (income)	0	0	0
EBT	**(15,926,000)**	**80,719,498**	**91,419,999**
Taxes	372,000	20,179,874	22,855,000
Net profit (loss)	**(16,298,000)**	**60,539,623**	**68,565,000**
FOREX translation			
Other			
FV change on investments			
Net comprehensive profit (loss)	**(16,298,000)**	**60,539,623**	**68,565,000**
Shares outstanding	254,035,469	224,812,000	224,812,000
EPS	$(0.06)	$0.27	$0.30

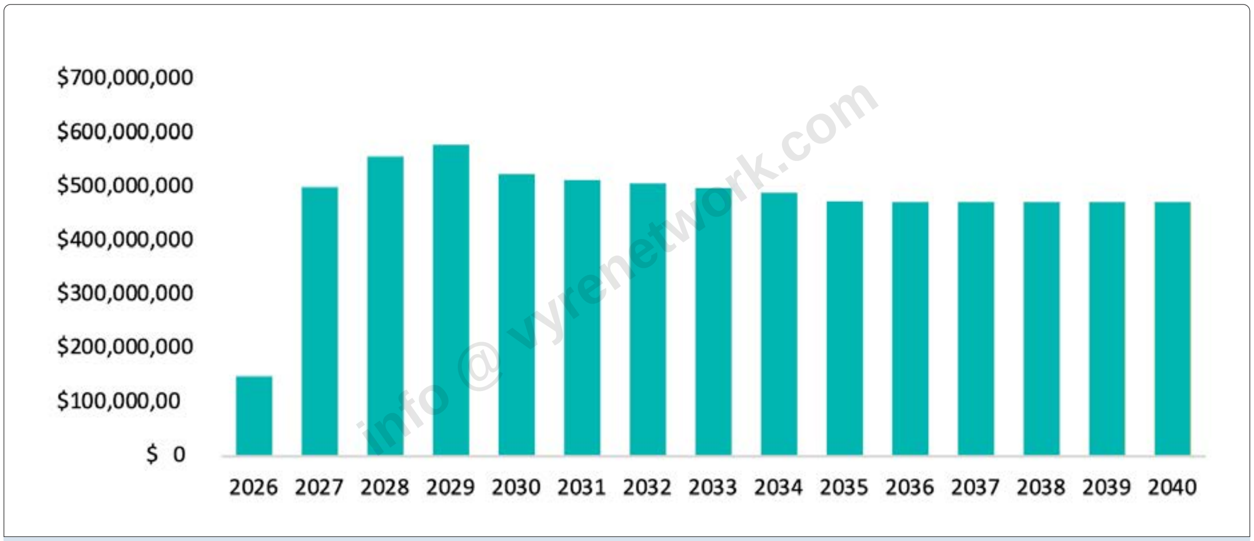
Source: Company, Couloir Capital

Free cash flow valuation model

Our FCF valuation on Almonty is based on our expectations around the potential LOM production of Panasqueira and Sangdong, including the impact on Almonty's capital structure and with regard to expectations around cost structure and capital needs. We assume that the company's revenue and earnings will gradually improve over the coming years. We increase our APT price assumption to US$800/MTU versus our prior estimate of US$450/MTU. The long-term price assumption is also fair in our opinion, given recent APT pricing and the favourable demand dynamics. This leads to a substantial increase in our price target to C$19.30 from C$7.69 per share.

The chart below outlines our projections for Almonty's after-tax EBIT, which is the key driver of our FCF valuation model.

Figure 1: After-tax EBIT (C$)



Source: Couloir Capital

The table below lays out the potential intrinsic valuation sensitivity for changes in long-term price assumption and/or discount rate.

Table 2: Intrinsic valuation sensitivity for changes in long-term price assumption and/or discount rate

	LT APT Price assumption [US$/Oz]				
	$700	**$750**	**$800**	**$850**	**$900**
4%	$24.30	$25.60	$26.90	$28.20	$29.50
6%	$20.40	$21.50	$22.60	$23.70	$24.80
8%	$17.40	$18.30	**$19.30**	$20.20	$21.20
10%	$15.00	$15.80	$16.60	$17.50	$18.30
12%	$13.10	$13.80	$14.50	$15.20	$16.00

Source: Couloir Capital

Conclusion

After accounting for our valuation methodologies, we have arrived at a fair value per share estimate of C$19.30 per share. We maintain our HOLD rating, and expect the following catalysts could materially impact our valuation estimate:

- News regarding the build-out of Sangdong, in particular, news around the timing and execution of key development milestones.
- News regarding operations at Panasqueira, particularly the expansion of L4.
- News regarding development plans for either Valtreixal or Los Santos.
- Financing-related news that in any way significantly alters the company's capital structure.

Risks

The following outlines some of the key risk considerations that investors should keep in mind when evaluating Almonty as an investment opportunity:

- **Development delays:** The key growth asset for Almonty is Sangdong, and whilst construction is already underway and underwritten both financially and commercially, any unforeseen delay that pushes the commencement of production from mid-2025 to a later date will impact asset valuation as well as the accretive impact of forecasted cash flows.
- **Cost overruns:** There is the potential for cost overruns, which we believe could negatively impact operations. Almonty may have to expand its debt facilities (putting pressure on its liquidity and solvency) or go to market for dilutive equity financing.
- **Supply chain disruptions:** The Company could feasibly face supply chain-related issues, with the delivery of equipment or other essential plant machinery. This could lead to cost or time overruns, which would trigger the aforementioned risks.
- **High debt burden:** The Company is substantially levered, with existing debt further compounded by the KfW project financing facility. Whilst the KfW facility has a lenient grace period on principal repayments for that facility, and has successfully extended terms on other pre-existing debt facilities, the financing costs and debt repayments Almonty faces over the medium-term are significant and may impact its ability to operate.
- **Mismatch between expected and actual mine economics:** There is the potential for various facets of the Sangdong mine to differ in actuality from the projections of the company and the recently updated Technical Report. As an example, the actual costs of the mine may exceed the projected costs, or the projected operating metrics (such as grade, tonnage) may also differ from expectations. These can materially impact the future cash flows of mine, which will in turn impact its valuation and effectively that of the Company's.
- **Tungsten/ APT price exposure:** Almonty is exposed to spot APT prices, which have a very large impact on the company's profitability and cash flows. Especially in the case of downside, Almonty's attractiveness as an investment could be materially impacted if prices drop significantly.

- **Access to capital and share dilution:** The Company may encounter cash shortfalls in the future, and an inability to access capital will materially impact the ability to operate. In addition, any future equity financing will increase the number of shares outstanding and therefore the EPS and implied value per share.
- **Foreign exchange risk:** Exposure to various currencies as a consequence of its business opens Almonty to volatility in assets external to its operational scope. These will need to be hedged effectively in order avoid losses related to FOREX movements.

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