



NOTICE OF ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS

TO BE HELD ON MARCH 26, 2015

AND

MANAGEMENT INFORMATION CIRCULAR

ALMONTY INDUSTRIES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 26, 2015

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of the holders of common shares (the “**Shares**”, and holders thereof, the “**Shareholders**”) of Almonty Industries Inc. (the “**Company**”) will be held at the Company’s offices at 40 King Street West, Suite 2706 Toronto, Ontario on Thursday, March 26, 2015, at 9:00 a.m. (Toronto time) (together with any adjournment or postponement thereof, the “**Meeting**”).

The following business of the Company will be transacted at the Meeting:

1. to receive and consider the audited consolidated financial statements of the Company for the fiscal year ended September 30, 2014, together with the auditor’s report thereon;
2. to set the number of directors and to elect directors to serve for the ensuing year;
3. to confirm the appointment of the auditor of the Company by the board of directors and to appoint the auditor of the Company for the ensuing year and to authorize the board of directors of the Company to fix such auditor’s remuneration;
4. to consider and, if thought advisable, to pass an ordinary resolution approving the adoption of the amended and restated incentive stock plan of the Company and approving certain grants of stock options thereunder; and
5. to transact such other business as may properly come before the Meeting.

This notice is accompanied by a management information circular (the “**Circular**”) and a form of proxy, which together provide additional information relating to the matters to be dealt with at the Meeting.

The record date for determination of Shareholders entitled to receive notice of and to vote at the Meeting was the close of business on February 19, 2015 (the “**Record Date**”). Only Shareholders whose names were entered in the register of holders of Shares on the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

Registered Shareholders are entitled to vote at the Meeting either in person or by proxy. Regardless of whether a Shareholder plans to attend the Meeting in person, please complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular. To be valid, such proxies must be deposited with the Company’s transfer agent, Computershare Investor Services Inc., not later than 48 hours prior to the commencement of the Meeting, excluding Saturdays, Sundays and holidays.

All non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the voting instruction form and in the Circular to ensure that such Shareholders’ Shares will be voted at the Meeting. If you hold your Shares in a brokerage account, you are not a registered Shareholder.

Toronto, Ontario
February 20, 2015

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Lewis Black"

Lewis Black

Chairman of the Board of Directors, President and Chief Executive Officer

ALMONTY INDUSTRIES INC. MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 26, 2015

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Almonty Industries Inc. (the “Company”), a corporation governed by the *Canada Business Corporations Act* (the “CBCA”), for use at the Annual and Special Meeting of the holders of common shares of the Company (the “Shares”, and holders thereof, the “Shareholders”) to be held at the offices of the Company at 40 King Street West, Suite 2706, Toronto, Ontario on Thursday, March 26, 2015, at 9:00 a.m. (Toronto time) (together with any adjournment or postponement thereof, the “Meeting”) for the purposes set out in the accompanying notice of Meeting (the “Notice of Meeting”).

Information contained in this Circular is given as at February 20, 2015, and all dollar amounts are stated in Canadian dollars, unless otherwise indicated.

GENERAL PROXY INFORMATION

A. SOLICITATION OF PROXIES

The accompanying proxy is being solicited by or on behalf of the management of the Company and the cost of such solicitation will be borne by the Company. It is expected that the solicitation of proxies will be primarily by mail, though proxies may also be solicited, without special compensation, in person or by telephone, fax, email, or other means of communication by directors, officers or regular employees of the Company. The Company may pay investment dealers or other persons holding Shares in their own names or in the names of nominees (collectively, “intermediaries”) for their reasonable expenses incurred in sending this Circular and the accompanying Notice of Meeting and form of proxy or a voting instruction form, to non-registered, beneficial owners of Shares.

This Circular, together with the accompanying Notice of Meeting and form of proxy, is being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary who holds your Shares on your behalf.

B. HOW TO VOTE YOUR SHARES

Registered Shareholders

A registered Shareholder (“**Registered Shareholder**”) is a Shareholder whose share certificate bears the name of that Shareholder. Registered Shareholders are entitled to vote their Shares in person at the Meeting or by proxy, and such Shareholders may be able to vote their proxies over the internet, by telephone or by mail in accordance with the instructions set out in the accompanying form of proxy.

If you are a Registered Shareholder and wish to vote in person at the Meeting, you should not complete or return the accompanying form of proxy, as your vote will be taken and counted at the Meeting.

Shareholders wishing to vote in person must register their attendance with the scrutineer upon arrival at the Meeting.

If you are a Registered Shareholder and do not wish to attend the Meeting or to vote in person, you may vote by proxy by properly completing, signing and depositing the accompanying form of proxy with the Company's transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**"). Registered Shareholders who elect to submit a proxy may do so online at www.investorvote.com, by telephone at 1-866-732-VOTE (8683) (for Shareholders within North America) or 1-312-588-4290 (for Shareholders outside North America), or by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, in all cases in accordance with the instructions provided by the Transfer Agent in the accompanying form of proxy and ensuring that the proxy is received not later than 48 hours prior to the commencement of the Meeting, excluding Saturdays, Sundays and holidays.

Beneficial Shareholders

If your Shares are registered in the name of an intermediary, rather than in your own name, you are a beneficial Shareholder (a "**Beneficial Shareholder**"). Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Shares) or as set out in the following disclosure.

If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: those who object to their name being made known to the issuers of securities which they own (referred to as "**OBOs**" for objecting beneficial owners) and those who do not object to the issuers of the securities they own knowing who they are (referred to as "**NOBOs**" for non-objecting beneficial owners).

Non-Objecting Beneficial Owners

The Company is taking advantage of those provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (the "**CSA**"), which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**"). These VIFs are to be completed and returned to the Transfer Agent online at www.investorvote.com, by telephone at 1-866-734-VOTE (8683) (for Shareholders within North America) or 1-312-588-4291 (for Shareholders outside North America), or by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, in all cases in accordance with the instructions provided in the VIF. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs it receives.

By choosing to send these materials to you directly, the Company (and not the intermediary holding your Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive.

NOBOs who wish to attend and vote in person at the Meeting must insert their own name in the space provided on the VIF to appoint the NOBO (or the name of another person the NOBO wishes to attend the Meeting and vote on the NOBOs behalf) as proxy holder and otherwise follow the instructions on the VIF. Beneficial Shareholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of Computershare. Beneficial Shareholders wishing to attend and vote in person at the Meeting should not otherwise complete the VIF.

Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should carefully follow the instructions of their broker or intermediary in order to ensure that their Shares are voted at the Meeting.

The form of proxy that will be supplied by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote your Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge will mail a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s proxy to represent your Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder) other than any of the persons designated in the VIF to represent your Shares at the Meeting and that person may be you. To exercise this right, you should insert the name of your desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting and the appointment of any Shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Shares voted at the Meeting, or to have an alternative representative duly appointed to attend and to vote your Shares at the Meeting.**

Voting by Proxyholder

If voting instructions are given on your form of proxy or request for voting instructions, then your proxyholder must vote, or withhold from voting, your Shares in accordance with your instructions. If no voting instructions are given, then your proxyholder may vote your Shares or withhold from voting as he, she or it sees fit. **If you appoint the proxyholders named on the accompanying form of proxy, and do not provide instructions as to how they should vote your Shares, your Shares will be voted “FOR” each of the matters set out in the form of proxy.**

As of the date of this Circular, none of the directors or officers of the Company are aware of any amendments or variations to the matters set out in the Notice of Meeting, nor of any other matter to be presented at the Meeting. However, if any amendment, variation or other business is properly brought before the Meeting, the accompanying form of proxy confers discretion on the persons named thereon to vote on any amendment or variation of the matters set out in the Notice of Meeting or any such other business in accordance with their best judgment.

C. APPOINTMENT OF PROXYHOLDER

The persons named in the form of proxy accompanying this Circular have been selected by the board of directors of the Company (the “**Board**”) and have indicated their willingness to represent as proxyholders the Shareholders who appoint them. **A Shareholder has the right to appoint as his, her or its proxyholder a person or company (who need not be a Shareholder) other than the persons designated in the accompanying form of proxy to attend and act on that Shareholder’s behalf at the Meeting.** As a Shareholder, you may exercise this right by inserting the name of such person or company in the blank space provided in the form of proxy and striking out the other names or by properly completing and signing another proper form of proxy and, in either case, depositing such form of proxy with the Transfer Agent at the location and within the time limits set out above.

If you appoint some other person to represent you, it is your responsibility as a Shareholder to inform that other person or company that he, she or it has been so appointed and to ensure that your proxy has been signed by you or your attorney authorized in writing (or, if the Shareholder is a corporation, under its corporate seal and signed by a director, officer or attorney thereof, duly authorized).

D. REVOCATION OF PROXIES

If you are a Registered Shareholder and you have submitted a proxy and later wish to revoke it, you can do so by:

- (a) completing and signing a form of proxy bearing a later date and depositing it with the Transfer Agent at the location and within the time limits set out above;
- (b) depositing an instrument in writing signed by you or your attorney authorized in writing (or, for Shareholders that are corporations, under such Shareholder’s corporate seal and signed by a director, officer or attorney thereof, duly authorized), with either: (i) the Transfer Agent, at the address noted above, or at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or (ii) the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting; or
- (c) following any other manner permitted by law.

Any Registered Shareholder attending the Meeting has the right to vote in person and, if you, as a Registered Shareholder, elect to do so, your proxy will be nullified with respect to any matters upon which you vote, and in respect of any subsequent matters to be voted upon at the Meeting.

Beneficial Shareholders should note that **only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must make appropriate arrangements with their respective intermediaries.** Beneficial Shareholders should also be aware that intermediaries may set deadlines earlier than of those set out in this Circular or otherwise for the receipt of requests for voting instructions or proxies from Beneficial Shareholders, and are not required to act on any revocation that is not received by the intermediary prior to the deadlines set by that intermediary. As such, Beneficial Shareholders who wish to revoke their voting instruction form or proxy and to vote should contact their intermediary as soon as possible, and in any event well in advance of the Meeting.

E. NOTICE TO SHAREHOLDERS IN THE UNITED STATES

This solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and the securities laws of the provinces of Canada. The

proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the CBCA, certain of its directors and officers are residents of Canada and countries other than the United States, and all of the assets of the Company and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

A. DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Shares. As of the close of business on February 20, 2015, there were 48,983,491 Shares issued and outstanding. Each Share carries the right to one vote. The Shares are the only class of securities entitled to vote at the Meeting. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares. As of the date hereof, the Shares are listed for trading on the TSX Venture Exchange (the “**Exchange**”) under the symbol “AII”.

B. QUORUM

The quorum necessary for the Meeting is the holders of 25% of the Shares being present in person or represented by proxy, provided that a quorum shall not be less than two persons. A quorum need not be present throughout the Meeting provided that a quorum is present at the opening of the Meeting.

C. RECORD DATE

The Board has fixed February 19, 2015 as the record date (the “**Record Date**”) for determining those Shareholders entitled to receive notice of, and vote at, the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

D. OWNERSHIP OF SHARES

To the best knowledge of the directors and officers of the Company, the only persons or companies that beneficially own, directly or indirectly, or exercised control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company as at February 20, 2015 are:

Name of Shareholder	Type of Ownership	Number of Shares Owned	Percentage of issued Shares ⁽²⁾
Almonty Partners LLC ⁽¹⁾	Direct	13,893,920	28.4
Deutsche Rohstoff AG	Direct	12,209,302	24.9
Heemskirk Consolidated Limited (“Heemskirk”)	Direct	5,517,000	11.3

Notes:

- (1) Almonty Partners LLC is a privately held investment company specializing in tungsten mining investments in respect of which Lewis Black, Chief Executive Officer of the Company, and Daniel D’Amato, a director of the Company, are each partners. Daniel D’Amato is also the Registered Shareholder of 988,000 Shares.
- (2) Based on 48,983,491 Shares outstanding as at the date hereof.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no director or officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, and the re-approval of the Company’s incentive stock option plan (the “**Stock Option Plan**”), all as set out herein.

BUSINESS TO BE CONDUCTED AT THE MEETING

A. PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal year ended September 30, 2014, together with the auditor’s report thereon, have been approved by the Board and will be presented to the Meeting. No vote of the Shareholders is required with respect to this item of business.

B. ELECTION OF DIRECTORS

The Board currently consists of five directors. The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors for the ensuing year be fixed at five, subject to such increases or decreases as may be permitted by the Articles of the Company. At the Meeting, the Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution fixing the number of directors to be elected at the Meeting at five. **Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” fixing the number of directors for the ensuing year at five.**

It is proposed that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed pursuant to the Articles of the Company, unless his office is earlier vacated in accordance with the Articles of the Company and the provisions of the CBCA.

Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” the election of each of the nominees named below (the “Management Nominees”). If any of the Management Nominees should, for any reason, become unable to serve as a director of the Company prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their sole discretion.

The following disclosure sets out (i) the names of the five Management Nominees, (ii) their major offices and positions with the Company (if any), (iii) the committees of the Board on which each currently sits (if any), (iv) the period of time during which each has been a director of the Company, (v) their principal occupation, business or employment for the preceding five years, (vi) the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by each as at February 20, 2015, and (vii) the number of options held by each as at February 20, 2015.

Name, residence, office(s) held and date first became a director	Principal occupation, business or employment	Shares beneficially owned, or controlled or directed, directly or indirectly ⁽¹⁾	Options held ⁽²⁾
<p>Lewis Black Paris, France</p> <p>Chairman, President and Chief Executive Officer</p> <p>Director since September 23, 2011</p>	<p>Mr. Black is currently the President and Chief Executive Officer of the Company. He is also currently a Partner of Almonty Partners LLC, a privately held company specializing in tungsten mining investments.</p> <p>Mr. Black previously served as Chairman and Chief Executive Officer of Primary Metals Inc., a tungsten mining company formerly listed on the Exchange, from 2005 to 2007. Prior to that he was head of sales and marketing for SC Mining Tungsten Thailand. Mr. Black holds a B.A. (Honours) from Manchester University and is a former Vice President of the International Tungsten Industry Association.</p>	13,893,920 ⁽³⁾	350,000
<p>Daniel D'Amato Paris, France</p> <p>Director</p> <p>Compensation and Corporate Governance Committee</p> <p>Director since September 23, 2011</p>	<p>Mr. D'Amato is currently a Partner of Almonty Partners LLC, a privately held company specializing in tungsten mining investments. He has held this position since 2005.</p> <p>Mr. D'Amato previously served on the board of directors of Primary Metals Inc., a tungsten mining company formerly listed on the Exchange, from 2005 to 2007. He began his career on Wall Street with Bear Stearns where over nearly a decade he became Managing Director. Mr. D'Amato holds a B.Sc. from Siena College and holds several securities and insurance licenses.</p>	14,881,920 ⁽³⁾⁽⁴⁾	200,000
<p>Dennis Logan Toronto, Ontario, Canada</p> <p>Director, Chief Financial Officer and Corporate Secretary</p> <p>Audit Committee</p> <p>Director since September 23, 2011</p>	<p>Mr. Logan is currently the Chief Financial Officer and Corporate Secretary of the Company.</p> <p>Mr. Logan was previously Managing Director, Investment Banking at Desjardins Securities Inc. from 2007 to 2011. From 2005 to 2007, he was Director, Investment Banking at Westwind Partners Inc. and was formerly a Partner at Loewen, Ondaatje, McCutcheon Limited. Mr. Logan is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario. Mr. Logan also holds a B.A. (Honours) and an M.B.A. from the University of Toronto.</p>	1,000	600,000

Name, residence, office(s) held and date first became a director	Principal occupation, business or employment	Shares beneficially owned, or controlled or directed, directly or indirectly ⁽¹⁾	Options held ⁽²⁾
Bruce C. Ratner New York, New York, United States Audit Committee Director since March 26, 2013	<p>Mr. Ratner is currently the Chairman and Chief Executive Officer of Forest City Ratner Companies, a New York based real estate development company he started in 1985. He is also currently a director of Forest City Enterprises, Inc., a New York Stock Exchange listed national real estate company, a position he has held since 2007.</p> <p>Prior to starting Forest City Ratner Companies, Mr. Ratner served as New York City's Commissioner of Consumer Affairs during the administration of Mayor Ed Koch. He also served for four years as a faculty member at the New York University Law School. Mr. Ratner holds a B.A. from Harvard University and a J.D. from Columbia University School of Law.</p>	988,000	200,000
Mark Trachuk Toronto, Ontario, Canada Director Audit Committee Compensation and Corporate Governance Committee (Chair) Director since September 23, 2011	<p>Mr. Trachuk is a lawyer and is currently a Partner in the Business Law Group at Osler, Hoskin & Harcourt LLP in Toronto. He practices in the area of corporate and securities law with an emphasis on mergers, acquisitions and strategic alliances. Mr. Trachuk has chaired Osler's International Practice Group, Corporate Practice Group and Corporate Finance Practice Group.</p> <p>Mr. Trachuk holds a B.A. in Economics from Carleton University, an LL.B. from the University of Ottawa and an LL.M. from the London School of Economics. He also holds the ICD.D designation from the Institute of Corporate Directors. Mr. Trachuk is called to the bar in Ontario and British Columbia and is a solicitor in England and Wales.</p>	100,000	200,000

Notes:

- (1) The number of shares beneficially owned, or controlled or directed, directly or indirectly, by each Management Nominee is based on information furnished by the nominees and from insider reports available under the Company's profile on SEDI at www.sedi.ca.
- (2) Particulars of the options held by each Management Nominee are set out in the sections "*Named Executive Officer Compensation*" and "*Director Compensation*", below.
- (3) Almonty Partners LLC, a privately held company specializing in tungsten mining investments, holds 13,893,920 Shares or approximately 28.4% of the issued and outstanding Shares as of the date hereof. Lewis Black and Daniel D'Amato are each partners of Almonty Partners LLC.
- (4) Daniel D'Amato is the Registered Shareholder of 988,000 Shares.

Each of the Management Nominees are, in the opinion of management, qualified to direct the activities of the Company until the next annual meeting of Shareholders and all nominees have indicated their willingness to stand for election.

Orders, Bankruptcies, Penalties or Sanctions

To the Company's knowledge, none of the Management Nominees:

- (a) is, as at the date of this Circular, nor has been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, nor has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold any of their respective assets.

To the Company’s knowledge, none of the Management Nominees has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority;
- (b) entered into a settlement agreement with a securities regulatory authority; or
- (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for such proposed director.

C. APPOINTMENT OF AUDITORS

On February 9, 2015, Ernst & Young LLP, Chartered Accountants (“**E&Y**”) resigned as auditor of the Company. The board appointed Collins Barrow LLP of 11 King Street West, Suite 700, Toronto, Ontario M5H 4C7 as auditor of the Company to fill the vacancy created thereby. E&Y was first appointed auditor of the Company upon the closing of the Company’s Qualifying Transaction (as defined in the Exchange Corporate Finance Manual), which was completed on September 23, 2011. Collins Barrow LLP was appointed auditor of the Company on February 9, 2015.

In accordance with the provisions of National Instrument 51-102, annexed to this Information Circular as Appendix A is the requisite reporting package relating to the resignation of E&Y and the appointment of Collins Barrow LLP as successor auditor. To the date of its resignation, E&Y had never expressed any reservation in any report on the Company’s consolidated financial statements or issued any “reportable events” (as defined in Section 4.11(1) of NI 51-102).

Shareholders are being asked to confirm the actions of the board and appoint Collins Barrow LLP as auditor of the Company to hold office until the next annual meeting of shareholders. **Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” the appointment of Collins Barrow LLP as auditor of the Company to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be fixed by the Board.**

Additional information on the Company’s audit committee, and on the Company’s relationship with its independent auditor, is set out in the section “*Corporate Governance – Audit Committee*”, below.

D. APPROVAL OF THE AMENDED AND RESTATED STOCK OPTION PLAN AND CERTAIN GRANTS OF STOCK OPTIONS

Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution approving the adoption of the amended and restated incentive stock option plan of the Company (the “**Amended Option Plan**”). The existing incentive stock option plan (the “Existing Plan”) was previously approved by Shareholders at the Company’s last annual meeting of Shareholders on March 26, 2014. The Existing Plan was amended to provide for the ability of the Company to grant stock options to persons retained to provide Investor Relations Activities (as defined in the Amended Option Plan) to the Company.

A copy of the Amended Option Plan (showing all amendments) is attached to this Circular as Schedule B.

In addition, the Company has granted certain options to persons retained to provide Investor Relations Activities to the Company. As required by the Exchange, the Company is asking Shareholders to consider, and if deemed advisable, to approve such grants of stock options.

Summary of Stock Option Plan

The Stock Option Plan is designed to provide additional flexibility to the Board and Compensation and Corporate Governance Committee of the Board (the “**CCG Committee**”) in implementing their compensation objectives.

The purpose of the Stock Option Plan is to attract and retain officers, directors, employees and consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company, through stock options, and benefit from its growth. The Stock Option Plan is administered by the CCG Committee in conjunction with management. The CCG Committee is responsible for recommending for approval to the Board the grants of options to purchase Shares under the Stock Option Plan.

Pursuant to the terms of Stock Option Plan and in accordance with the policies of the Exchange, the Board has the authority to grant options to officers, directors, employees or consultants (or a corporation employing or wholly-owned by such persons) on such terms, limitations, conditions and restrictions as the Board deems necessary or advisable.

The Stock Option Plan provides for the issuance of options exercisable to acquire up to 10% of the number of issued and outstanding Shares as at the date of grant, less any Shares reserved for issuance under any other option or security-based compensation mechanism of the Company. This type of plan is called a “rolling” plan because as options are exercised, the base of issued and outstanding Shares on which the 10% applies increases. If an option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of that expired or terminated option shall again be available for the purpose of the Stock Option Plan.

In addition to the maximum number of Shares to be reserved, under the Stock Option Plan the number of Shares reserved for issuance to any one individual in a 12 month period may not exceed 5% of the issued and outstanding Shares and the number of Shares reserved for issuance to consultants may not exceed 2% of the issued and outstanding Shares. If the Amended Option Plan is approved by Shareholders at the Meeting, the Company will be able to grant options to any person retained to provide Investor Relations Activities (as defined in the Stock Option Plan), promotional or market-making services.

Options granted under the Stock Option Plan may be exercised for a period not exceeding ten years. Options granted to an officer, director, employee or consultant who ceases to be so engaged must be exercised within one year following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement is by reason of death, the options may be exercised by the heirs or administrators of the optionee within a maximum period of one year after such death, all subject to the earlier expiry date of such options.

The exercise price of any option issued pursuant to the Stock Option Plan will be determined by the Board, in its discretion, but will not be less than the closing price of the Shares on the day preceding the date of grant, less any discount permitted by the Exchange. Options will be subject to resale restrictions imposed by the Exchange.

Options are non-assignable and non-transferable (subject to options being exercisable by the optionee's heirs or administrator). The number of Shares reserved under the Stock Option Plan and the exercise price payable for the Shares subject to such options will be adjusted appropriately in the event of any consolidation, subdivision, conversion or exchange of the Shares. The Stock Option Plan contains no vesting requirements, except, if the Amended Option Plan is approved by Shareholders at the Meeting, for issuances to persons retained to provide investor relations activities. Subject to Exchange and Shareholder approval in certain circumstances, the Board may from time to time amend the terms of the Amended Option Plan or may terminate the Amended Option Plan at any time.

Summary of Amendments

The Existing Plan was amended to provide for the ability of the Company to issue stock options under the Amended Option Plan to persons retained to provide Investor Relations Activities to the Company. The aggregate number of options granted to persons retained to provide Investor Relations Activities in any 12 month period under the Plan shall not exceed 2% of the issued and outstanding Shares, determined at the time of the grant of the option. In addition, options issued to persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any three month period.

Approval of Certain Grants of Stock Options

Pursuant to the amendments to the Existing Plan, on December 5, 2014, the Company granted the following options to consultants to the Company who are retained to provide Investor Relations Activities:

Name of Optionee	Date of Grant	No. of Optioned Shares	Exercise Price	Expiry Date
Richard M. Schaeffer	December 5, 2014	300,000	\$0.67	December 5, 2024
Samuel H. Gaer	December 5, 2014	200,000	\$0.67	December 5, 2024
Thomas R. Ross	December 5, 2014	200,000	\$0.67	December 5, 2024

The above stock options vest evenly over the twelve months from December 5, 2014 to December 4, 2015.

As required by the Exchange, the Company is asking Shareholders to consider, and if deemed advisable, to approve such grants of stock options.

Resolution for the approval of the Amended Option Plan and Certain Grants of Stock Options

The text of the resolution relating to the approval of the Amended Option Plan and the granting of certain stock options thereunder (the “**Option Resolution**”) that management intends to place before the Meeting, with or without modification, is substantially as follows:

“IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amended and restated incentive stock option plan (the “**Amended Option Plan**”) of Almonty Industries Inc. (the “**Company**”), in the form attached as Schedule A to the Management Information Circular of the Company dated February 20, 2015 (the “**Information Circular**”), is hereby authorized and approved.
2. The Company be and is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan.
3. The granting to persons retained to provide Investor Relations Activities (as defined in the Amended Option Plan) to the Company of stock options to purchase 700,000 common shares (each a “**Common Share**”) of the Company at an exercise price of \$0.67 per Share having a ten-year term and vesting evenly over the twelve month period ending December 4, 2015 on the terms more particularly described in the Information Circular is hereby authorized and approved.
4. Any director or officer of the Company is hereby authorized to execute and deliver, on behalf of the Company, all such documents and instruments, and to do all such acts and things as such director or officer may determine to be necessary or advisable in order to carry out the effect of this resolution, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument or the doing of any such act or thing.”

To be effective, the Option Resolution must be approved by the majority of the votes cast on the resolution by Shareholders, present in person or by proxy at the Meeting.

Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” the approval of the Option Resolution.

E. OTHER BUSINESS

As of the date of this Circular, none of the directors or officers of the Company are aware of any amendments or variations to the matters set out in the Notice of Meeting, nor of any other matter to be presented at the Meeting. However, if any amendment, variation or other business is properly brought before the Meeting, the accompanying form of proxy confers discretion on the persons named therein to vote on any amendment or variation of the matters set out in the Notice of Meeting or any such other business in accordance with their best judgment.

EXECUTIVE COMPENSATION

A. COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation philosophy, objectives and processes and to discuss compensation decisions relating to the Company's executive officers, including its "named executive officers". Pursuant to applicable securities regulations, a "named executive officer" means (i) the Chief Executive Officer and the Chief Financial Officer of the Company, (ii) each of the three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer who were serving as executive officers of the Company or any of its subsidiaries at the end of the most recently completed financial year and whose total compensation exceeds \$150,000, and (iii) any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company or any of its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year.

For the financial year ended September 30, 2014, the only named executive officers of the Company were Lewis Black, Chief Executive Officer, and Dennis Logan, Chief Financial Officer (together, the "**Named Executive Officers**").

Compensation Governance

Compensation and Corporate Governance Committee

The Board has established the CCG Committee to assist the Board in fulfilling its oversight responsibilities in relation to, among other things, executive compensation, Board compensation, broadly applicable compensation and benefit programs, and performance reviews of the Board, its committees and individual directors. The CCG Committee is currently comprised of Daniel D'Amato, Bruce Ratner and Mark Trachuk (Chair), all of whom have been determined by the Board to be independent under section 1.4 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). All members of the CCG Committee have experience in matters of executive compensation that is relevant to their responsibilities as members of such committee by virtue of their respective professions and long-standing involvement with public companies.¹ In addition, each member of the CCG Committee strives to keep abreast of trends and developments affecting executive compensation.

The Board has a written charter for the CCG Committee outlining its role and objectives, composition, meeting requirements and responsibilities. Pursuant to such charter, the specific duties and responsibilities of the CCG Committee include:

- (a) reviewing and recommending to the Board the compensation and benefits policies and plans (including incentive compensation plans) for the Company and its subsidiaries;
- (b) annually evaluating the performance of the Chief Executive Officer of the Company and recommending to the Board his or her annual compensation package;

¹ For a description regarding the relevant education and experience of Mr. D'Amato, Mr. Ratner and Mr. Trachuk, see the section "*Business to be Conducted at the Meeting – Election of Directors*", above.

- (c) annually reviewing and recommending to the Board the compensation packages for the other executive officers of the Company;
- (d) reviewing and recommending to the Board any employment agreements with executive officers of the Company;
- (e) annually reviewing and recommending to the Board the compensation of the directors of the Company;
- (f) determining grants of options under the Company's stock option plan and recommending the same to the Board for approval; and
- (g) reviewing public disclosure of executive and director compensation.

The Board relies on the knowledge and experience of the members of the CCG Committee in carrying out its responsibilities and to recommend appropriate levels of compensation for the Company's executive officers. Under its Charter, the CCG Committee may also engage any external professional advisors, which it deems necessary to carry out its duties. However, to date, the CCG Committee has not retained any compensation consultant or advisor to assist the CCG Committee or the Board in determining compensation for the company's directors or executive officers.

A complete copy of the CCG Committee charter is available on the Company's website at www.almonty.com. Additional information with respect to the Board and the CCG Committee can be found in the section "*Corporate Governance – Board of Directors*" and "*Corporate Governance – Compensation and Corporate Governance Committee*", below.

Executive Compensation Program Design and Philosophy

The Company's executive compensation program is based on a pay-for-performance philosophy and is designed to deliver consistently strong performance for Shareholders. The Company's program is intended to achieve the following key objectives:

- (a) aligning the interests of the Company's executive officers and directors with those of its Shareholders;
- (b) attracting and retaining highly trained, experienced and committed executive officers and directors, whose performance will directly affect the Company's ongoing financial performance; and
- (c) motivating and rewarding executive officers and directors by linking incentive compensation to Shareholder value, the achievement of general business objectives, and financial and operational results.

The Company's compensation program is comprised of base salary, short-term incentive compensation and long-term incentive compensation. These components are discussed in more detail below. In setting the value of each of these components, the CCG Committee considers the performance of both the Company, as well as the individual performances of its executive officers for the period in question. The CCG Committee does not generally set specific performance objectives and so relies on its experience and judgment in determining compensation. However, the CCG Committee will generally have regard to, among other things:

- (a) The Company's performance relative to its general goals and objectives.
- (b) The Company's performance relative to the mining industry as a whole and its peer group in particular. This peer group is determined by the Board from time to time on the basis of the size, scope and complexity of the other firms' businesses and operations compared to those of the Company, with regard to factors including the relative stage of development, production levels, past exploration and development success, revenue levels, total assets, free cash flow and capital expenditures. Companies in this peer group (the "**Company's Peer Group**") include:

Tungsten Mining Companies	General Base Metals Mining Companies
Northcliff Resources Ltd. Black Heath Resources Inc. North American Tungsten Corporation Ltd. Wolf Minerals Limited Ormonde Mining PLC Colt Resources Inc. Woulfe Mining Corp. Largo Resources Ltd. Tungsten Mining NL	Canada Zinc Metals Corp Copper Mountain Mining Corporation Mawson West Ltd Mercator Minerals Ltd Nevada Copper Corp Western Copper & Gold Corporation Sandstorm Metals & Energy Ltd Black Iron Inc.

- (c) The relative competitiveness of the Company's compensation program when compared with the Company's Peer Group.
- (d) The Company's share price and market capitalization.
- (e) Developments in, and the stability of, the financial markets more generally.

The CCG Committee has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a general consideration of the CCG Committee when implementing the Company's compensation policies and the CCG Committee does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

The Company also does not have a policy that would prohibit a Named Executive Officer (as defined below) or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive Officer or director purchasing any such instruments.

Elements of the Company's Executive Compensation Program

Base Salaries

Base salaries are considered to be an essential element in attracting and retaining highly qualified executive officers who are critical to the Company's success. An executive officer's base salary is intended to provide a fixed level of pay that reflects each executive officer's experience, primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed. Base salaries are established by taking into account individual performance, experience, level of responsibility and pay practices in the mining industry generally. Base salaries of all executive officers are reviewed annually by the CCG Committee and approved by the Board.

Short-Term Incentive Compensation

The Company may pay discretionary cash bonuses, which are intended to reward individual contribution to corporate performance over the course of the Company's most recent fiscal year. Bonuses are paid at the discretion of the Board, on the recommendation of the CCG Committee, and neither the CCG Committee nor the Board has established any particular trigger or formula for determining when an award will be made under this plan, nor the quantum of any award that is made. Instead, the CCG Committee and the Board will generally consider all aspects of an individual executive's personal contribution to corporate performance and general objectives when making a determination. To date, there have been no cash bonuses awarded.

Long-Term Incentive Compensation – Option-Based Awards

The incentive stock option plan of the Company (as may be amended from time to time, the “**Option Plan**”) was initially adopted by the Company on February 10, 2010 when the Company was a Capital Pool Company (as defined in the Exchange Corporate Finance Manual), an amended and restated Stock Option Plan was approved by Shareholders at the Company's annual meeting of Shareholders on March 26, 2013 and reconfirmed at the last annual meeting of Shareholders held on March 26, 2014 and a further amended and restated Stock Option Plan will be considered, and if deemed advisable, approved by the Shareholders at the meeting. The Board, on the recommendation of the CCG Committee, has the authority to grant options to officers, directors, employees or consultants (or a corporation employing or wholly-owned by such persons) on such terms, limitations, conditions and restrictions as the Board deems necessary or advisable.

The Option Plan is intended to advance the interests of the Company by encouraging the officers, directors, employees and consultants of the Company, and of its subsidiaries, to acquire Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Ownership of Shares is intended to align the interests of the Company's executive officers, directors and other stakeholders with those of the Shareholders, as participation in the Option Plan rewards overall corporate performance, as measured through the price of the Shares. The Option Plan is also intended to assist in the recruitment and retention of key personnel. Similar to many other firms in the Company's Peer Group, the granting of options forms an integral component of the Company's overall executive compensation package. The Option Plan enables executive officers to develop and maintain an ownership interest in the Company.

Options are normally awarded upon the commencement of an executive officer's employment with the Company, with the size of the award determined by the level of the executive officer's responsibility within the Company. The Board, on the recommendation of the CCG Committee, has authority to make additional grants from time to time, and such awards are intended to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. The Board and CCG Committee also have regard to other factors when determining whether to make an additional award of options to an individual under the Option Plan, including the number of outstanding options already granted to that individual, the value of such options and the total number of options available for grant under the Option Plan. See the section “*Business to be Conducted at the Meeting – Approval of Amended and Restated Incentive Stock Option Plan and Certain Grants of Stock Options*”, above, for further information regarding the Option Plan.

B. NAMED EXECUTIVE OFFICER COMPENSATION

Summary Compensation Table

The following table sets out the compensation provided to the Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽¹⁾	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$) ⁽²⁾	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Lewis Black Chief Executive Officer	2014	182,306	Nil	Nil	Nil	Nil	Nil	30,667 ⁽⁶⁾	212,973
	2013	180,000	Nil	Nil	Nil	Nil	Nil	30,449 ⁽⁵⁾	210,449
	2012	Nil	Nil	Nil	Nil	Nil	Nil	25,338 ⁽³⁾	25,338
Dennis Logan Chief Financial Officer	2014	200,000	Nil	Nil	Nil	Nil	Nil	7,057 ⁽⁴⁾	207,057
	2013	200,000	Nil	Nil	Nil	Nil	Nil	6,804 ⁽⁴⁾	206,804
	2012	200,000	Nil	Nil	Nil	Nil	Nil	Nil	200,000

Notes:

- (1) Based on the grant date fair value of the applicable awards. This amount was not paid in cash to the above noted individuals but is based on value attributed to the options using the Black-Scholes option pricing model.
- (2) Amounts in this column do not include perquisites and other personal benefits where they total less than \$50,000 and less than 10% of the annual salary for the relevant Named Executive Officer.
- (3) Represents the incremental cost to the Company for perquisites provided to Mr. Black, consisting of a car allowance (valued at \$18,683 in accordance with the rules for determining personal use of company automobiles under Spanish tax laws, the jurisdiction where the car is located) and insurance premiums associated with health and dental insurance.
- (4) Represents the incremental cost to the Company for perquisites provided to Mr. Logan consisting of insurance premiums associated with health and dental insurance.
- (5) Represents the incremental cost to the Company for perquisites provided to Mr. Black, consisting of a car allowance (valued at \$23,301 in accordance with the rules for determining personal use of company automobiles under Spanish tax laws, the jurisdiction where the car is located) and insurance premiums associated with health and dental insurance.
- (6) Represents the incremental cost to the Company for perquisites provided to Mr. Black, consisting of a car allowance (valued at \$25,776 in accordance with the rules for determining personal use of company automobiles under Spanish tax laws, the jurisdiction where the car is located) and insurance premiums associated with health and dental insurance.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all outstanding Share-based and option-based awards for each Named Executive Officer as at September 30, 2014. The Company had no Share-based awards outstanding as of that date.

Name and Principal Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Lewis Black Chief Executive Officer	250,000 ⁽²⁾	1.00	September 27, 2021	Nil	N/A	N/A	N/A
Dennis Logan Chief Financial Officer	500,000 ⁽³⁾	1.00	September 27, 2021	Nil	N/A	N/A	N/A

Notes:

- (1) The value of unexercised in-the-money options is the difference between the option exercise price and the market value of the Shares on the Exchange on September 30, 2014. The closing price of the Shares on the Exchange on September 30, 2014 was \$0.70.
- (2) Mr. Black was granted these options on September 27, 2011. The options vested on March 26, 2012 and expire ten years from the grant date.
- (3) Mr. Logan was granted these options on September 27, 2011. The options vested as to one half on the first anniversary of the grant date and as to the second half on the second anniversary and expire ten years from the grant date.

Incentive Plan Awards – Value Vested or Earned

The following table sets forth the value of all incentive plan awards, including option-based, Share-based and non-equity incentive plans, for each Named Executive Officer that have vested during the year ended September 30, 2014. The Company had no Share-based awards or non-equity incentive plans outstanding during this period.

Name and Principal Position	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lewis Black Chief Executive Officer	Nil	N/A	N/A
Dennis Logan Chief Financial Officer	Nil	N/A	N/A

Notes:

- (1) This value reflects the aggregate dollar amount that would have been realized by the Named Executive Officer if the option-based awards which vested during the period were exercised by such Named Executive Officer on the vesting date. The aggregate dollar amount would be the difference between the market price of the underlying Shares at exercise and the exercise price of the options underlying the option-based award on the vesting date.

Employment Agreements and Termination and Change of Control Benefits

Other than as described below, as of the date of this Circular, the Company does not have any employment contracts, agreements or arrangements with the Named Executive Officers to compensate them in the event of their resignation, retirement, termination or in the event of a change of control of the Company.

Dennis Logan, Chief Financial Officer

Effective September 23, 2011, the Company entered into an employment agreement with Mr. Logan, as Chief Financial Officer of the Company. Under this agreement, Mr. Logan is entitled to (i) an annual salary of \$200,000 per year (the “**Base Salary**”), (ii) standard benefits made available by the Company to its employees, and (iii) participation in the Option Plan. The agreement also provided for a grant of 500,000 options to Mr. Logan, which vested as to one half on the first anniversary of the grant date and as to one half on the second anniversary of the grant date, have an exercise price of \$1.00, and expire ten years from the grant date. The agreement also contains certain confidentiality and non-competition provisions for the benefit of the Company.

Mr. Logan’s employment agreement may be terminated in the following manners:

- (a) termination by the Company for cause;
- (b) termination by the Company without cause;
- (c) resignation by Mr. Logan upon 60 days notice;
- (d) by death; and
- (e) termination by Mr. Logan for “good reason” (as defined in Mr. Logan’s employment agreement).

If Mr. Logan’s employment is terminated for cause, by resignation or death, Mr. Logan will receive his unpaid Base Salary and any other benefits earned through the termination date. In the case of termination for cause or by resignation, Mr. Logan’s vested options will remain exercisable until 90 calendar days following the termination date. In the case of termination by death, Mr. Logan’s vested options will remain exercisable by his heirs or administrators for one year from the date of death.

If Mr. Logan’s employment is terminated without cause or for good reason, then Mr. Logan will be entitled to receive (i) his unpaid Base Salary and any other benefits earned through the termination date, and (ii) eight months’ notice (or Base Salary in lieu of such notice) if the termination occurs within one year from the date of the agreement, or 12 months’ notice (or Base Salary in lieu of such notice) if the termination occurs following one year from the date of the agreement. In the case of termination without cause within the first two years following the date of the agreement, 50% of Mr. Logan’s unvested options will vest upon such termination and all vested options will remain exercisable for 12 months following the termination date. Options that do not vest will be forfeited.

There are no provisions in Mr. Logan’s employment agreement that provide for payments on a change of control, other than certain changes of control that may lead to termination by Mr. Logan for good reason. However, under the Option Plan, on a change of control, all options issued under the Option Plan will become vested.

Estimated Payments for Named Executive Officers upon Termination of Employment or Change of Control

The following table sets out the incremental payments (but excluding any statutory benefits) that would be made to each Named Executive Officer, at, following, or in connection with each of the termination scenarios below as if the triggering event had occurred on September 30, 2014.

Name and Principal Position	Type of Payment	Termination for cause (\$)	Termination without cause (\$)	Resignation (\$)	Death (\$)	Good Reason (\$)	Change of Control (\$)
Lewis Black Chief Executive Officer	Cash Severance	Nil	Nil	Nil	Nil	Nil	Nil
	Options ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil
Dennis Logan Chief Financial Officer	Cash Severance	Nil	200,000 ⁽²⁾	Nil	Nil	200,000 ⁽²⁾	Nil
	Options ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The values shown represent the in-the-money amount of options for which vesting would be accelerated. The closing price of the Shares on the Exchange on September 30, 2014, was \$0.70.
- (2) Severance is governed by Mr. Logan's employment agreement. Mr. Logan would be entitled to 12 months' notice (or Base Salary in lieu of such notice). The amount represents Base Salary in lieu of notice.

Other Benefits

The Company does not have a pension plan or similar benefit program.

C. DIRECTOR COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation paid to each director of the Company who is not also a Named Executive Officer. Relevant disclosure has been provided in the Summary Compensation Table above for directors who receive compensation for their services as Named Executive Officers.

Name	Year	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽¹⁾	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Daniel D’Amato ⁽²⁾ Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bruce Ratner ⁽²⁾ Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark Trachuk ⁽²⁾ Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Based on the grant date fair value of the applicable awards. These amounts were not paid in cash to the above noted individuals but are based on value attributed to the options using the Black-Scholes option pricing model.

Other than the periodic granting of options for the purposes noted in the section “*Compensation Discussion and Analysis – Elements of the Company’s Executive Compensation Program – Long Term Incentive Compensation – Option-Based Awards*”, above, the Company does not pay directors on a per meeting basis and does not pay annual fees to its directors for their service on the Board. The Company does, however, reimburse its directors for out-of-pocket expenses incurred in carrying out their respective duties.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all outstanding option-based and Share-based awards for each director of the Company who is not also a Named Executive Officer as at September 30, 2014. The Company had no Share-based awards outstanding as of that date.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share based awards that have not vested (\$)
Daniel D’Amato Director	100,000 ⁽²⁾	1.00	September 27, 2021	Nil	N/A	N/A
Bruce Ratner Director	100,000 ⁽³⁾	\$1.07	May 28, 2023	Nil	N/A	N/A
Mark Trachuk Director	100,000 ⁽²⁾	1.00	September 27, 2021	Nil	N/A	N/A

Notes:

- (1) The value of unexercised in-the-money options is the difference between the option exercise price and the market value of the Shares on the Exchange on September 30, 2014. The closing price of the Shares on the Exchange on September 30, 2014 was \$0.70.
- (2) These options were granted on September 27, 2011. The options vested on March 26, 2012 and expire ten years from the grant date.
- (3) These options were granted on May 28, 2013 and vested immediately. The options expire ten years from the grant date.

Incentive Plan Awards – Value Vested or Earned

The following table sets forth the value of all incentive plan awards, including option-based, Share-based and non-equity incentive plans, for each director of the Company that have vested during the year ended September 30, 2014. The Company had no Share-based awards or non-equity incentive plans outstanding during this period.

Name	Option-based awards – Value vested during the period (\$)⁽¹⁾	Share-based awards – Value vested during the period (\$)	Non-equity incentive plan compensation – Value earned during the period (\$)
Daniel D’Amato Director	Nil	N/A	N/A
Bruce Ratner Director	Nil	N/A	N/A
Mark Trachuk Director	Nil	N/A	N/A

Notes:

- (1) This value reflects the aggregate dollar amount that would have been realized by the director if the option-based awards which vested during the period were exercised by such director on the vesting date. The aggregate dollar amount would be the difference between the market price of the underlying Shares at exercise and the exercise price of the options underlying the option-based award on the vesting date.

D. EQUITY COMPENSATION PLANS

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Company’s equity compensation plans as at September 30, 2014.

	Number of securities to be issued upon the exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	1,800,000	0.98	3,099,649 ⁽¹⁾
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	1,800,000	0.98	3,099,649

Notes:

- (1) Equal to 10% of the 48,996,491 issued and outstanding Shares as at September 30, 2014, less the number of Shares subject to options outstanding as at September 30, 2014. The Option Plan provides for the issuance of options exercisable to acquire up to 10% of the number of issued and outstanding Shares as at the date of grant, less any Shares reserved for issuance under any other option or security-based compensation mechanism of the Company.

As of the date of this Circular, the maximum number of Shares which may be issued pursuant to options under the Option Plan is 4,898,349 (representing 10% of the 48,983,491 Shares currently issued and

outstanding). As at the date of this Circular, options to purchase an aggregate of 3,350,000 Shares have been granted and are outstanding pursuant to the Option Plan.

Shareholders will be asked to approve the Amended Option Plan at the Meeting. Further information on such approval and the material features of the Amended Option Plan can be found in the section “*Business to be Conducted at the Meeting – Approval of Amended and Restated Incentive Stock Option Plan and Grant of Certain Stock Options*”, above.

CORPORATE GOVERNANCE

The following discussion of the Company’s corporate governance policies and practices is provided pursuant to the disclosure requirements applicable to it as set out in applicable securities laws and the policies of the Exchange. The Company is a “venture issuer” for purposes of these laws and policies and it is required to provide this disclosure relating to its corporate governance policies and practices annually.

The CSA have adopted National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”), which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. The Board continues to regard good corporate governance practices as being central to the effective and efficient operation of the Company. However, the Board considers that certain of the guidelines set out in NP 58-201 are not suitable for the Company given its status as a venture issuer, current circumstances and stage of development and, as such, certain of these guidelines have not been adopted. An overview of the Company’s current policies and practices, as required by applicable securities laws, is set out below.

In addition, the CSA have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This section also sets out the Company’s approach to corporate governance and addresses the Company’s compliance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

A. BOARD OF DIRECTORS

Mandate of the Board of Directors

On January 23, 2012, the Board approved a written Mandate of the Board of Directors to assist it in the better execution of its responsibilities. The mandate provides certain guidelines for Board composition and conduct, and highlights particular areas of the conduct of the Company’s affairs for which the Board assumes specific responsibility.

Composition and Independence

The Board facilitates its exercise of independent supervision over management by ensuring representation on the Board by directors who are independent of management and by promoting frequent interaction and feedback.

Applicable securities laws, including NP 58-201, recommend, but do not mandate, that boards of directors of venture issuers such as the Company be comprised of a majority of independent directors, as that term is defined under applicable securities laws. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board has reviewed the relationship between each current director and the Company with a view to determining independence. Based on that review, three of the Company's five current directors are independent.

The independent directors are:

- Daniel D'Amato;
- Bruce Ratner; and
- Mark Trachuk.

The non-independent directors are:

- Lewis Black; and
- Dennis Logan.

Mr. Black and Mr. Logan are not independent of the Company by virtue of their respective roles as Chief Executive Officer and Chief Financial Officer of the Company.

The Board has overall responsibility for the governance of the Company, including the exercise of independent supervision of the Company's management. The Board considers that management is, and has been, effectively supervised by the independent directors on an informal basis, as these independent directors are, and have been, actively and regularly engaged in reviewing the operations and activities of the Company, and have full and regular access to management of the Company.

Directorships of Other Reporting Issuers

None of the current directors of the Company presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, other than as set out below.

Name of Director	Name of Reporting Issuer (or the Equivalent)	Name of Exchange
Bruce C. Ratner	Forest City Enterprises, Inc.	New York Stock Exchange

B. AUDIT COMMITTEE

Audit Committee Charter

The audit committee of the Board (the "**Audit Committee**") operates under a written charter that outlines its role and objectives, composition, meeting requirements, and duties and responsibilities. The Audit Committee's charter was approved by the Board on January 23, 2012, and the full text of the Audit Committee's charter is attached to this Circular as Schedule C.

Composition of the Audit Committee

The Audit Committee is currently comprised of Dennis Logan, Bruce Ratner and Mark Trachuk (Chair). Mr. Ratner is considered independent as such term is defined in NI 52-110. Mr. Trachuk, although considered independent under NI 58-101, is not considered independent under NI 52-110 by virtue of being a partner of an entity that provides legal services to the Company. Mr. Logan is not independent for the

reasons stated above. The Exchange Corporate Finance Manual requires that audit committees must be comprised of at least three directors, the majority of whom are not Officers, employees or Control Persons of the issuer or any of its Associates or Affiliates (as such terms are defined in the Exchange Corporate Finance Manual). The Audit Committee meets this requirement as neither Mr. Ratner nor Mr. Trachuk is an Officer, employee or Control Person of the Company or any of its Associates or Affiliates, as defined by the Exchange.

All three current members of the Audit Committee are “financially literate”, as that term is defined in NI 52-110. Each has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements.

Relevant Education and Experience

For a description regarding the relevant education and experience of Mr. Logan, Mr. Trachuk and Mr. Ratner see the section “*Business to be Conducted at the Meeting – Election of Directors*”, above.

As a result of their education and experience, each current member of the Audit Committee, along with Mr. Ratner has the education or experience necessary to provide each with:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Pre-Approval Policies and Procedures

The Audit Committee’s charter requires it to pre-approve all non-audit services to be provided to the Company by its external auditors. However, the Audit Committee has not adopted any specific procedures for assessing whether or not such pre-approval should be granted in any particular case. The Audit Committee does, however, consider on an *ad hoc* basis the potential impact of any such non-audit services on the independence of the Company’s external auditors in light of the circumstances as they exist at that time.

External Auditor’s Fees

The table below sets out the aggregate fees billed by E&Y, the Company’s external auditors for the financial year ended September 30, 2014. On February 9, 2015, E&Y resigned as auditor of the Company and was replaced with Collins Barrow LLP. See “*Business to be Conducted at the Meeting – Appointment of Auditors*”.

	Year ended September 30, 2014 (\$)	Year ended September 30, 2013 (\$)
Audit Fees ⁽¹⁾	94,000	90,000
Audit-Related Fees ⁽²⁾	60,000	Nil
Tax Fees ⁽³⁾	100,000	25,852
All Other Fees ⁽⁴⁾	25,000	Nil
Total	279,000	115,852

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” includes all other non-audit services.

Exemption

The Company relies on the exemption in section 6.1 of NI 52-110.

C. COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

The CCG Committee is comprised of Daniel D’Amato, Bruce Ratner and Mark Trachuk (Chair), all of whom have been determined by the Board to be independent under NI 58-101. The CCG Committee assists the Board in fulfilling its oversight responsibilities with respect to each of the areas discussed below.

Compensation

As discussed above, responsibility for matters relating to the overall compensation philosophy and guidelines for the directors and officers of the Company lies with the CCG Committee. The CCG Committee annually reviews and recommends to the Board, the adequacy and form of compensation of the directors of the Company in light of the responsibilities and risks involved in being such a director. The CCG Committee is also responsible for annually evaluating the performance of the Chief Executive Officer of the Company and recommending to the Board his or her annual compensation package. A detailed discussion and analysis of the Board’s and the CCG Committee’s approach to the determination of compensation is provided in the section “*Executive Compensation – Compensation Discussion and Analysis*”, above.

Nomination of Directors

In addition to its oversight mandate with respect to compensation matters, responsibility for matters relating to the identification and nomination of directors lies with the CCG Committee. The CCG Committee is responsible for reviewing and reporting to the Board on matters relating to the identification, nomination and review of directors, including:

- (a) developing criteria for selection of directors and procedures to identify possible nominees;
- (b) reviewing and assessing qualifications of director nominees including potential conflicts of interest;
- (c) submitting to the Board for consideration and decision, names of the nominees to be brought forward to the next annual meeting of Shareholders or to be appointed to fill vacancies between such meetings; and
- (d) determining if any Board member's qualifications or credentials since appointment have changed, or other circumstances arisen, so as to warrant a recommendation that such member resigns.

The CCG Committee does not currently have a written procedure for identifying new candidates for Board membership. In the normal course, the CCG Committee makes use of the formal and informal networks of the members of the Board and carries out formal searches for candidates when so directed by the Board.

Orientation and Continuing Education

Responsibility for orientation and continuing education of the Company's directors lies with the CCG Committee. The CCG Committee's charter provides it with a specific mandate to develop and review annually programs for the orientation of new directors and the ongoing education of existing directors. With respect to orientation, the CCG Committee relies on informal orientation programs that are tailored to the particular needs and experience of the new director in question and to the needs of the Board at that time. The CCG Committee will provide such information to new members of the Board so as to ensure that such directors are familiar with the Company's business and procedures of the Board. Information may include the Company's corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures. The CCG Committee also ensures that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately. With respect to ongoing education, the CCG Committee relies on its professional advisors to provide updates to the various members of the Board regarding changes in relevant policies, laws or regulations, and on a cultural expectation that directors communicate with the Company's management and professional advisors, as well as attend relevant industry conferences, in order to remain abreast of developments in the Company's industry and legal and regulatory environment. From time to time, the CCG Committee may arrange on-site tours of the Company's operations.

Assessments

Primary responsibility for assessing the performance of the Board, its committees and individual members lies with the CCG Committee. Pursuant to the CCG Committee's charter, the committee's responsibilities in this regard include the conduct of annual reviews of various aspects of the Company's corporate governance policies and practices, and in particular to conduct an annual review, together with the Chairman of the Board, of the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual director, and to make periodic reports to the Board on these matters. The CCG Committee is also responsible for reviewing and making recommendations to the Board with respect to the establishment or abolition of committees of the Board, their respective terms of reference, and the size and composition of the various committees of the Board.

D. ETHICAL BUSINESS CONDUCT

As a responsible corporate citizen, the Company is committed to conducting its affairs with integrity, honesty, fairness and professionalism. On January 23, 2012, the Board approved a series of formal, written policies intended in part to promote ethical business conduct by the Company and its directors, executive officers and employees. In addition to the Board being subject to the written mandate of the Board, as discussed above, and to the general requirement that the Company and its directors, executive officers, employees and consultants act in accordance with all applicable laws, these formal policies include:

- (a) *Code of Business Conduct*: Intended to promote the fundamental values of integrity, honesty, fair dealing and transparency, the code imposes certain and specific obligations on the directors, executive officers and employees of the Company to achieve this objective and provides for certain sanctions in the event of non-compliance. Responsibility for conducting periodic reviews of this Code of Business Conduct and overseeing management's monitoring of compliance with the Code of Business Conduct lies with the CCG Committee.
- (b) *Whistleblower Policy*: This policy imposes a general obligation on the Company's directors, executive officers, employees, consultants and contractors to submit all good faith concerns and complaints in respect of any matter that may constitute a breach of the Company's Code of Business Conduct, and in particular with respect to concerns about the Company's accounting, internal control or auditing procedures, to the Chair of the Audit Committee. Responsibility for administering this policy lies with the Audit Committee.
- (c) *Insider Trading Policy*: Intended to ensure compliance with applicable securities laws relating to insider trading and tipping, as well as avoiding the occurrence or appearance of improper trading or tipping and assisting the Company's directors, officers and employees to comply with their obligations under such laws. This policy outlines certain general obligations and provides for certain sanctions in the event of non-compliance with its terms by any of the Company's directors, executive officers, employees or consultants.

Further information and complete copies of the Company's codes and policies are available on the Company's website at www.almonty.com.

E. OTHER COMMITTEES

As of the date of this Circular, there are no additional committees of the Board.

GENERAL MATTERS

A. INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, nominee for election as a director, executive officer, employee or former director, executive officer or employee of the Company or any of its subsidiaries, or any of their associates or other member of management of the Company, was indebted to the Company at any time since the beginning of the most recently completed financial year of the Company or as at the date hereof, other than "routine indebtedness" as defined in applicable securities laws.

B. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except as disclosed in this Circular or in a previous information circular of the Company.

For the above purposes, an "informed person" means (i) a director or executive officer of the Company, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights, attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution, and (iv) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

C. RECEIPT OF SHAREHOLDER PROPOSALS FOR THE NEXT ANNUAL MEETING

Any Shareholder who intends to present a proposal at the 2016 annual meeting of Shareholders must send the proposal to the Company, Attention: Corporate Secretary at 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7. In order for the proposal to be included in the proxy materials sent to Shareholders for that meeting, the proposal must be received by the Company no later than November 27, 2015, and must comply with the requirements of Section 137 of the CBCA.

D. AUDITORS AND TRANSFER AGENT

The Company's auditor is Collins Barrow LLP 11 King Street West, Suite 700, Toronto, Ontario, M5H 4C7.

The transfer agent and registrar of the Company is Computershare Investor Services Inc. through its principal offices in Vancouver, British Columbia.

E. ADDITIONAL INFORMATION

Additional information with respect to the Company is available on SEDAR at www.sedar.com. Financial information with respect to the Company is provided in the Company's financial statements and management discussion and analysis for its most recently completed fiscal year. Shareholders can access this information on SEDAR under the Company's profile or by request to the Corporate Secretary of the Company at the following address:

Almonty Industries Inc.
100 King Street West
Suite 5700
Toronto, Ontario
M5X 1C7

Phone: (647) 438-9766

F. APPROVAL

The contents and the sending of this Circular have been approved by the Board.

Signed February 20, 2015.

(signed) "Lewis Black" _____

Lewis Black

Chairman of the Board of Directors

SCHEDULE A

CHANGE OF AUDITOR REPORTING PACKAGE

Attached.

NOTICE OF CHANGE OF AUDITOR
PURSUANT TO NATIONAL INSTRUMENT 51-102
OF THE CANADIAN SECURITIES ADMINISTRATORS

TO: ERNST & YOUNG LLP, CHARTERED ACCOUNTANTS

AND TO: COLLINS BARROW LLP

We hereby provide notice pursuant to Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* in respect of the resignation of Ernst & Young LLP, Chartered Accountants (“**E&Y**”) as the auditor of Almonty Industries Inc. (the “**Company**”) and the appointment of Collins Barrow LLP (“**Collins Barrow**”) as auditor of the Company.

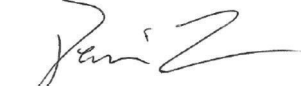
We confirm that:

1. On February 9, 2015, E&Y resigned as auditor of the Company at the request of the Company.
2. There were no reservations contained in the auditor's reports on the annual financial statements of the Company for the two completed fiscal years preceding the date of E&Y's resignation.
3. The Company's audit committee and board of directors participated in and approved the resignation of E&Y as auditor of the Company and the appointment of Collins Barrow as successor auditor.
4. In connection with the audits by E&Y for the two most recent fiscal years in which E&Y was auditor, there have been no disagreements with E&Y on any matter of accounting principles or practices, financial statements disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of E&Y would have caused E&Y to make reference thereto in its report on the financial statement for such years.
5. In the opinion of the Company no reportable events occurred prior to the resignation of E&Y on February 9, 2015.

We hereby request that you each furnish to us within seven days of the date hereof a letter addressed to the Ontario Securities Commission, British Columbia Securities Commission and Alberta Securities Commission, with a copy to TSX Venture Exchange, stating for each of the above items whether you: (1) agree with the above statements; (2) disagree with the above statements and the reasons why; or (3) have no basis to agree or disagree with each of the above statements.

DATED at Toronto, Ontario this 9th day of February 2015.

ALMONTY INDUSTRIES INC.



Dennis Logan

Director, Chief Financial Officer and Corporate Secretary



Ernst & Young LLP
Ernst & Young Tower
222 Bay Street, PO Box 251
Toronto, ON M5K 1J7

Tel: +1 416 864 1234
Fax: +1 416 864 1174
ey.com

February 10, 2015

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission

Dear Sirs/Mesdames:

**Re: Almonty Industries Inc.
Change of Auditor Notice dated 2015/February/9**

Pursuant to National Instrument 51-102 (Part 4.11), we have read the above-noted Change of Auditor Notice and confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours sincerely,

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

cc: The Board of Directors, **Almonty Industries Inc.**

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

February 12, 2015

To: Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission
TSX Venture Exchange

Dear Sirs

Re: Notice of Change of Auditor – Almonty Industries Inc.

We have reviewed the information contained in the Notice of Change of Auditor of Almonty Industries Inc. dated February 9, 2015, (the "Notice"), which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102. We agree with the statements made in the Notice based on our knowledge of such information at this time.

Yours very truly

Collins Barrow Toronto LLP

Chartered Accountants
Toronto, Ontario

SCHEDULE B
AMENDED OPTION PLAN

Attached.

ALMONTY INDUSTRIES INC.

AMENDED AND RESTATED INCENTIVE STOCK OPTION PLAN

**PART 1
INTERPRETATION**

1.1 **Definitions.** In this Plan the following words and phrases shall have the following meanings, namely:

- (a) "Board" means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by Section 3.1 hereof;
- (b) "Company" means Almonty Industries Inc.;
- (c) "Consultant" means an individual, other than an Employee or Director of the Company, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution of securities;
 - (ii) provides the services under a written contract between the Company or the affiliate, and the individual;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and
 - (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (d) "Director" means any director of the Company or of any of its subsidiaries;
- (e) "Eligible Person" means bona fide Employees, Consultants, Officers or Directors, or corporations employing or wholly owned by such Employees, Consultants, Officers or Directors;
- (f) "Employee" means any individual in the employment of the Company or any of its subsidiaries or of a company providing management or administrative services to the Company;
- (g) "Exchange" means the TSX Venture Exchange and any other stock exchange on which the Shares are listed for trading;

- (h) "Exchange Policy" means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (i) "Expiry Date" means not later than ten years from the date of grant of the option;
- (j) "Insider" has the meaning ascribed thereto in the *Securities Act*;
- (k) "Investor Relations Activities" means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of
 - (A) applicable Securities Laws,
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange;

- (l) "Joint Actor" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the *Securities Act*;
- (m) "Optionee" or "Optionees" means the recipient of an incentive stock option under this Plan;
- (n) "Officer" means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act* (British Columbia);
- (o) "Plan" means this amended and restated incentive stock option plan as from time to time amended;
- (p) "*Securities Act*" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, from time to time;
- (q) "Securities Laws" means the act, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time;
- (r) "Shares" means the common shares without par value of the Company.

1.2 **Governing Law.** The validity and construction of the Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein.

1.3 **Gender.** Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

PART 2 PURPOSE OF PLAN

2.1 **Purpose.** The purpose of this Plan is to attract and retain Employees, Consultants, Officers or Directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares.

PART 3 GRANTING OF OPTIONS

3.1 **Administration.** This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.

3.2 **Committee's Recommendations.** The Board may accept all or any part of recommendations of the committee or may refer all or any part thereof back to the committee for further consideration and recommendation.

3.3 **Board Authority.** Subject to the limitations of the Plan, the Board shall have the authority to:

- (a) grant options to purchase Shares to Eligible Persons;
- (b) determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and
- (d) make all other determinations and take all other actions in connection with the implementation and administration of the Plan including without limitation for the purpose of ensuring compliance with Section 7.1 hereof as it may deem necessary or advisable.

3.4 **Grant of Option.** A resolution of the Board shall specify the number of Shares that should be placed under option to each Eligible Person; the exercise price to be paid for such Shares upon the exercise of each such option; any applicable hold period; and the period, including any applicable vesting periods required by Exchange Policy or by the Board, during which such option may be exercised.

3.5 **Written Agreement.** Every option granted under this Plan shall be evidenced by a written agreement substantially in the form attached hereto as Schedule "A", containing such terms and conditions as are required by Exchange Policy and Securities Laws, between the Company and the Optionee and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and the Plan, the terms of the Plan shall govern.

PART 4 RESERVE OF SHARES FOR OPTIONS

4.1 **Sufficient Authorized Shares to be Reserved.** Whenever the Notice of Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of options granted under this Plan. Shares that were the subject of options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.

4.2 **Maximum Number of Shares Reserved.** Unless authorized by shareholders of the Company, this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time, in the number of Shares reserved for issuance pursuant to stock options exceeding 10% of the issued and outstanding Shares of the Company as at the date of grant of any stock option under the Plan.

4.3 **Limits with Respect to Individuals.** The aggregate number of Shares that may be reserved for issuance to any one individual in a 12 month period pursuant to the Plan shall not exceed 5% of the issued and outstanding Shares of the Company determined at the time of the grant of the option.

4.4 **Limits with Respect to Consultants.** The number of options granted to any one Consultant in a 12 month period under the Plan shall not exceed 2% of the issued and outstanding Shares at the time of the grant of the option.

4.5 **Limits with Respect to Investor Relations Activities.** The aggregate number of options granted to all persons retained to provide Investor Relations Activities in any 12 month period under the Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of the grant of the option. For certainty, persons retained to provide Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities. Options issued to persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any three month period.

4.6 **Limits with Respect to Insiders.** Unless authorized by the disinterested shareholders of the Company, the Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time in the grant to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued and outstanding Shares at the time of the grant.

PART 5

CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS

5.1 **Exercise Price.** Subject to a minimum price of CDN \$0.10 per share and Section 5.2 hereof, the exercise price of an option may not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the Exchange.

5.2 **Exercise Price if Distribution.** If the options are granted within ninety days of a public distribution by prospectus, then the minimum exercise price shall be the greater of Section 5.1 and the per share price paid by the public investors for Shares acquired under the public distribution. The ninety day period will commence on the date a final receipt is issued for the prospectus.

5.3 **Expiry Date.** Each option shall, unless sooner terminated, expire on a date to be determined by the Board which will not be later than the Expiry Date.

5.4 **Different Exercise Periods, Prices and Number.** The Board may, in its absolute discretion, upon granting an option under this Plan and subject to the provisions of Section 6.3 hereof, specify a particular time period or periods following the date of granting

the option during which the Optionee may exercise his option to purchase Shares and may designate the exercise price and the number of Shares in respect of which such Optionee may exercise his option during each such time period.

5.5 **Termination of Employment.** If a Director, Officer, Consultant or Employee ceases to be so engaged by the Company for any reason other than death, such Director, Officer, Consultant or Employee shall have the right to exercise any vested option not exercised prior to such termination within the later of 12 months after the completion of the qualifying transaction and a period of one year after the date of termination, or such shorter period as may be set out in the Optionee's Option Agreement. For greater certainty, all options to purchase Shares granted prior to March 26, 2013 shall be deemed to have been amended so as to be subject to this Section 5.5 upon a Director, Officer, Consultant or Employee ceasing to be so engaged by the Company for any reason other than death.

5.6 **Death of Optionee.** If an Optionee dies prior to the expiry of his option, his heirs or administrators may within one year from the date of the Optionee's death exercise that portion of an option granted to the Optionee under the Plan which remains vested and outstanding.

5.7 **Assignment.** No option granted under the Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by provided for in Section 5.6.

5.8 **Notice.** Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company substantially in the form set out in Schedule "B" hereto.

5.9 **Payment.** Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee on exercise of an option shall be paid for in full in cash at the time of their purchase.

5.10 **Options to Employees or Consultants.** In the case of options granted to Employees or Consultants, the Optionee must be a bona-fide Employee or Consultant, as the case may be, of the Company or its subsidiary.

PART 6 CHANGES IN OPTIONS

6.1 **Share Consolidation or Subdivision.** In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.

6.2 **Stock Dividend.** In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for

option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as it deems proper in its absolute discretion.

6.3 **Effect of a Take-Over Bid.** If a bona fide offer to purchase Shares (an "Offer") is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, the Company must, upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Shares subject to such option ("Option Shares") will become vested and the option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein including any extensions thereof; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to Sections 5.4 and 5.5 shall be reinstated. If any Option Shares are returned to the Company under this Section 6.3, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

6.4 **Acceleration of Expiry Date.** If an Offer is made by an offeror, the Directors may, upon notifying the Optionee of full particulars of the Offer, declare that the Expiry Date for the exercise of all unexercised options granted under the Plan is accelerated so that all options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

6.5 **Effect of a Change of Control.** If a Change of Control (as defined below) occurs, all Option Shares subject to each outstanding option will become vested, whereupon such option may be exercised in whole or in part by the Optionee. "Change of Control" means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of the Company.

PART 7

SECURITIES LAWS AND EXCHANGE POLICIES

7.1 **Exchange's Rules and Policies Apply.** This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in the Securities Laws and Exchange Policies and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern. In the event that the Company's listing changes from one tier to another tier on the Exchange or the Company's Shares are listed on a new stock exchange, the granting of options shall be governed by the rules and policies of such new tier or new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant options pursuant to the rules and policies of such new tier or new stock exchange without requiring shareholder approval.

PART 8

AMENDMENT OF PLAN

8.1 **Board May Amend.** The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the Optionees concerned, affect the terms and conditions of options previously granted under this Plan which have not then been exercised or terminated.

8.2 **Exchange Approval.** Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until such Exchange and shareholder approval as is required by Exchange Policy and Securities Laws has been received.

8.3 **Amendment to Insider's Options.** Any amendment to options held by Insiders of the Company at the time of the amendment, which results in a reduction in the exercise price of the options, is conditional upon the obtaining of disinterested shareholder approval to that amendment.

PART 9

EFFECT OF PLAN ON OTHER COMPENSATION OPTIONS

9.1 **Other Options Not Affected.** This Plan is in addition to any other existing stock options granted prior to and outstanding as at the date of the Plan and shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Consultants and Employees.

PART 10

OPTIONEE'S RIGHTS AS A SHAREHOLDER

10.1 **No Rights Until Option Exercised.** An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon exercise of an option.

PART 11
EFFECTIVE DATE OF PLAN

11.1 **Effective Date.** The Plan shall become effective upon the later of the date of acceptance for filing of the Plan by the Exchange or the approval of the Plan by the shareholders of the Company, however, options may be granted under the Plan prior to the receipt of approval by shareholders and acceptance from the Exchange.

SCHEDULE "A"

ALMONTY INDUSTRIES INC. INCENTIVE STOCK OPTION AGREEMENT

INCENTIVE STOCK OPTION AGREEMENT dated _____, between Almonty Industries Inc. (the "**Company**") and _____ (the "**Optionee**").

WHEREAS

A. In order to attract and retain employees, consultants, officers and directors of the Company and to motivate them to advance the interests of the Company, the Company has created an incentive stock option plan (the "**Plan**"); and

B. pursuant to the Plan, the Company has agreed to issue options under the Plan to the Optionee.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

1. **Grant of Options.** Pursuant to the Plan, the Company hereby grants to the Optionee who accepts _____ options (the "**Options**") to acquire common shares without par value in the capital of the Company (the "**Shares**") at an exercise price of \$_____ per share upon the following terms and conditions.
2. **Vesting.** The Options will vest immediately.
3. **Expiry.** The Options will expire 10 years after the date of the grant of the Options.
4. **Termination of Employment.** If the Optionee is a Director, Officer, Consultant or Employee (as defined in the Plan) and ceases to be so engaged by the Company for any reason other than death, the Optionee shall have the right to exercise any vested Option not exercised prior to such termination within the later of 12 months after the completion of the qualifying transaction and a period of one year after the date of termination, or such shorter period as may be set out in this Agreement.
5. **Death of Optionee.** If the Optionee dies prior to the expiry of his Option, his heirs or administrators may within one year from the date of the Optionee's death exercise that portion of an option granted to the Optionee under the Plan which remains vested and outstanding.
6. **Assignment.** No option granted under the Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by provided for in Section 5.

7. **Notice.** Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company substantially in the form set out in Schedule "B" of the Plan.

8. **Payment.** Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by the Optionee on exercise of an Option shall be paid for in full in cash at the time of their purchase.

9. **Share Consolidation or Subdivision.** In the event that the Shares of the Company are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.

10. **Stock Dividend.** In the event that the Shares of the Company are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board of Directors to such extent as it deems proper in its absolute discretion.

11. **Effect of a Take-Over Bid.** If a bona fide offer to purchase Shares (an "**Offer**") is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, the Company shall, upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Shares subject to such option ("**Option Shares**") will become vested and the option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

the Offer is not completed within the time specified therein including any extensions thereof; or

all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to the Plan and this Agreement shall be reinstated. If any Option Shares are returned to the Company under this section, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

12. **Acceleration of Expiry Date.** If an Offer is made by an offeror, the Directors may, upon notifying the Optionee of full particulars of the Offer, declare that the Expiry Date for the exercise of all unexercised Options is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

13. **Effect of a Change of Control.** If a Change of Control (as defined below) occurs, all Option Shares subject to an outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Optionee. "Change of Control" means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of the Company.

14. **Certificate Subject to Terms of Plan.** The Optionee acknowledges that the terms and conditions of this Agreement are subject to the provisions of the Plan and Exchange Policy and Securities Laws as amended from time to time, which provisions are incorporated by reference into this Agreement. In the event of an inconsistency between the provisions of the Plan and this Agreement, the provisions of the Plan shall prevail. The Plan shall be available for review by the Optionee at the Company's records office.

All capitalized terms not defined in this Agreement have the meaning ascribed thereto in the Plan.

IN WITNESS WHEREOF, the Company and Optionee have caused this Agreement to be duly executed. This Option is granted on the date first stated above.

ALMONTY INDUSTRIES INC.

By: _____
Authorized Signatory

OPTIONEE

Signature of Optionee

SCHEDULE "B"

EXERCISE NOTICE

ALMONTY INDUSTRIES INC.

The undersigned Optionee hereby subscribes to _____ common shares without par value in **Almonty Industries Inc.** (the "**Company**") at a price of \$____ per share, pursuant to the provision of the Incentive Stock Option Agreement entered into between the undersigned and the Company on _____. The undersigned encloses cash in the amount of \$_____ in full payment for the shares purchased herein.

Dated this ____ day of _____, 20__.

Signature of Optionee

Name of Optionee

Address of Optionee

SCHEDULE C

AUDIT COMMITTEE CHARTER

Policy Statement

It is the policy of Almonty Industries Inc. (the “**Corporation**”) to establish and maintain an Audit Committee to assist the Board of Directors of the Corporation (the “**Board**”) in carrying out their oversight responsibility for the Corporation’s internal controls, financial reporting and risk management processes. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties, within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

Composition of the Audit Committee

1. The Audit Committee shall consist of at least three directors, the majority of whom are not officers, employees or control persons of the Corporation or any of its associates or affiliates (as such terms are defined from time to time under the requirements or guidelines for audit committee service under the applicable rules of any stock exchange on which the Corporation’s securities are listed for trading). The Board shall appoint the members of the Audit Committee annually and each member of the Committee shall remain on the Committee until the next annual meeting of shareholders of the Corporation after his or her appointment or until his or her successor shall be duly appointed and qualified. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.
2. Each member of the Audit Committee shall be “financially literate”. In order to be financially literate, a director must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Corporation’s financial statements.
3. A director appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board at any time or until his or her resignation. A member of the Committee shall automatically cease to be a member of the Committee upon ceasing to be a director.
4. The Board may fill vacancies on the Audit Committee by appointing another director to the Audit Committee. The Board shall fill any vacancy if the membership of the Audit Committee is less than three directors. Whenever there is a vacancy on the Audit Committee, the remaining members may exercise all of the Audit Committee’s powers as long as a quorum remains in office.

Meetings of the Audit Committee

1. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee and whenever a meeting is requested by the Board, a member of the Audit Committee, the external auditors, or a senior officer of the Corporation. Meetings of the Audit Committee shall correspond with the review of the quarterly financial statements of the Corporation and management’s discussion and analysis thereon.

2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the external auditors of the Corporation, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee.
3. Notice of a meeting of the Audit Committee shall:
 - (a) be in writing;
 - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (c) to the extent practicable, be accompanied by copies of the documentation to be considered at the meeting; and
 - (d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.
4. A quorum for the transaction of business at a meeting of the Audit Committee shall be the majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.
5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Audit Committee shall choose one of the persons present to be the Secretary of the meeting.
7. The Chair of the Board, senior management of the Corporation and other parties may attend meetings of the Audit Committee; however the Audit Committee (i) shall meet with the external auditors independent of management as necessary, in the sole discretion of the Audit Committee, and (ii) may meet separately with management.
8. The Audit Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair of the Audit Committee shall provide the Board with oral reports on the activities of the Audit Committee. All information reviewed and discussed by the Audit Committee at any meeting shall be retained and made available for examination by the Board upon request to the Chair of the Audit Committee. Minutes of the proceedings of the Audit Committee shall be kept in a minute book provided for that purpose. The minutes of the Audit Committee meetings shall accurately record the discussions of and decisions made by the Audit Committee, including all recommendations to be made by the Audit Committee to the Board and shall be distributed to all Audit Committee members.

Duties and Responsibilities of the Audit Committee

1. The Audit Committee's primary duties and responsibilities are to:

- (a) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
 - (b) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
 - (c) monitor the independence and performance of the Corporation's external auditors;
 - (d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
 - (e) directly oversee the external audit process and results and resolve any disagreements between management and the external auditor regarding financial reporting;
 - (f) provide an avenue of communication among the external auditors, management and the Board; and
 - (g) establish a Whistleblower Policy for the Corporation to ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual.
2. The Audit Committee shall have the authority to:
- (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
 - (b) discuss with the management and senior staff of the Corporation, its subsidiaries and affiliates, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;
 - (c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
 - (d) set and pay the compensation for any advisors employed by the Audit Committee.
3. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
4. The Audit Committee shall:
- (a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor and the compensation of the external auditors;
 - (b) consider the recommendations of management in respect of the appointment of the external auditors;
 - (c) review the audit plan with the Corporation's external auditors and with management;
 - (d) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and

uncertainties and key estimates and judgments of management that may be material to financial reporting;

- (e) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
- (f) review and resolve any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- (g) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- (h) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weaknesses;
- (i) review and recommend for approval by the Board, the audited annual financial statements, management's discussion and analysis and related documents in conjunction with the report of the external auditors;
- (j) review and recommend for approval by the Board, the quarterly unaudited financial statements, management's discussion and analysis and related documents;
- (k) before release, review and recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including annual and quarterly financial statements, management's discussion and analysis, annual reports, annual information forms and press releases;
- (l) oversee any of the financial affairs of the Corporation, its subsidiaries and affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
- (m) pre-approve all non-audit services to be provided to the Corporation, its subsidiaries and affiliates by the external auditors;
- (n) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors;
- (o) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Change of Auditors Notice and documentation required pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (or any successor legislation) and the planned steps for an orderly transition period;

- (p) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities laws, on a routine basis, whether or not there is to be a change of external auditors; and
 - (q) review with management at least annually, the financing strategy and plans of the Corporation.
- 5. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
- 6. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
- 7. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a securityholder of the Corporation, the external auditors, or senior management.
- 8. The Audit Committee shall periodically review with management the need for an internal audit function.
- 9. The Audit Committee shall review the Corporation's accounting and reporting of environmental costs, liabilities and contingencies.
- 10. The Audit Committee shall establish and maintain procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- 11. The Audit Committee shall review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors.
- 12. The Audit Committee shall review with the Corporation's legal counsel as required, but at least annually, any legal matter that could have a significant impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.
- 13. The Audit Committee shall assess, on an annual basis, the adequacy of this Charter and the performance of the Audit Committee.

