



## ALMONTY INDUSTRIES INC.

### DISCLOSURE POLICY

Almonty Industries Inc. (the “Corporation”) is committed to providing full, timely, true and plain disclosure of all material information about itself, its operations and its planning objectives consistent with all statutory and regulatory requirements in Canada. This disclosure policy (this “Policy”) confirms, in writing, the existing disclosure policies and practices of the Corporation. The goal of this Policy is to raise awareness of the Corporation’s approach to disclosure and to help assure continual compliance among the board of directors and senior management of the Corporation and its other insiders, employees and consultants. As such, this Policy applies to the board of directors and senior management of the Corporation and its other insiders, employees and consultants and, to the extent appropriate, others who have non-public material information with respect to the Corporation.

This Policy aims to ensure that communications are consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements. This Policy covers disclosure in documents filed with the securities commissions and stock exchanges in Canada, written statements made in the Corporation’s annual and quarterly reports, news releases, letters to shareholders of the Corporation, presentations by senior management, information contained on the Corporation’s website and in other electronic communications. This Policy also extends to verbal statements made in meetings, speeches by senior management and telephone conversations with analysts and investors, interviews with the media, press conferences and conference calls.

This Policy should be read in conjunction with the Corporation’s Code of Business Conduct and Insider Trading Policy.

#### **1. Disclosure Committee**

The Corporation has established a disclosure committee (the “Committee”), responsible for all regulatory disclosure requirements and for overseeing the Corporation’s disclosure practices. The Committee consists of the Chief Executive Officer and the Chief Financial Officer (collectively, the “Representatives”).

It is essential that the Committee be kept fully apprised of all pending material developments with respect to the Corporation in order to evaluate and discuss those developments and determine the appropriateness and timing for public release of information. If it is deemed that material information should remain confidential, the Committee will determine how such information will be controlled. If material information is not disclosed, the Corporation will comply with all applicable securities laws and the Investment Industry Regulatory Organization of Canada (“IIROC”) will immediately be advised.

#### **2. Designated Spokespersons**

The Representatives shall be responsible for communication on the Corporation’s behalf with the media, investors and analysts. The Representatives shall be the official spokespersons for the

Corporation. A Representative may, from time to time, designate others within the Corporation to speak on its behalf as back-ups, or to respond to specific inquiries from the investment community or the media.

Any persons who are not authorized spokespersons must not respond under any circumstance to inquiries from the investment community or the media, and are prohibited from otherwise publicly communicating information about or on behalf of the Corporation unless specifically asked to do so by a Representative. All such inquiries shall be referred to a Representative.

A Representative may consult with the Corporation's legal counsel as he or she considers necessary in connection with this Policy.

Although the Representatives are responsible for communication with the media, investors and analysts on behalf of the Corporation, its board of directors and/or certain of the committees of the board of directors will review certain public disclosure of the Corporation prior to its release. In particular: (i) the Committee will review all material disclosure documents prior to their release or filing, and (ii) the audit committee of the board of directors (the "Audit Committee") will review the Corporation's annual and interim financial statements and related financial reporting, including management's discussion and analysis and financial press releases prior to their release. Therefore, prior to the release of any such information, the Committee shall ensure that the Committee and, as applicable, the board of directors and/or the appropriate committee or the board of directors has reviewed and approved of such information being released.

### **3. Responsibility for Electronic Communications**

Any one of the Representatives or a designated individual shall also be responsible for electronic communications. As such, they are responsible for monitoring all information placed on the Corporation's website to ensure that it is accurate, complete and up to date. The Corporation's website must be updated as soon as practicable following the issuance of any press release announcing material information. The website shall include a notice that advises the reader that the information posted was accurate at the time of posting but may be superseded by subsequent disclosures. All data posted to the website, including text and audio-visual material, shall show the date that such material was posted.

Disclosure on the website alone does not constitute adequate disclosure of material information. Therefore, any disclosure of material information on the website will only follow the proper dissemination of a news release and, if appropriate, a securities regulatory filing.

Any one of the Representatives or a designated individual shall also be responsible for responses to electronic inquiries from the investment community or the media. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to such electronic inquiries.

Directors and officers of the Corporation and its employees and consultants are prohibited from participating in internet chat room or news group discussions on any matters pertaining to the Corporation's activities or securities.

#### **4. Material Information**

Securities legislation, stock exchange policies and this Policy make frequent reference to material information. For the purposes of this Policy, material information may be generally defined as any fact relating to the business and affairs of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the Corporation's securities. Material information includes material changes. A material change should be understood as a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation. Some examples of potential material information are set out in Schedule A.

#### **5. Principles of Disclosure of Material Information**

Material information that is not subject to confidentiality restrictions will be disclosed via news release and broadly disseminated to the public on a timely basis. Unfavourable material information will be disclosed in the same manner as favourable information. Disclosure shall be consistent among all audiences, including the investment community, the media, customers, employees and consultants and shall not be disclosed selectively. Disclosure must include any information which, if omitted, would make the rest of the disclosure misleading. If determined appropriate by the Committee, disclosure shall be updated if earlier disclosure has become misleading as a result of intervening events.

News releases containing financial results will be reviewed by the Audit Committee, and approved by the board of directors of the Corporation or the Audit Committee, as applicable. They will then be filed with IROC and upon acceptance by IROC, publicly released immediately thereafter.

News releases containing technical data will be reviewed by a qualified person, as appropriate, who shall be disclosed in the release.

The Corporation uses a wire service to disseminate news releases that provides Canadian disclosure. In addition, news releases are filed with the applicable regulatory authorities, posted on the Corporation's website and faxed or e-mailed to interested parties who requested to receive such releases directly. The Representatives are responsible for providing proper pre-notification of news releases to the applicable stock exchanges, monitoring all disclosures to ensure accurate reporting and taking corrective measures, if and when appropriate.

Where necessary, the Corporation will file a material change report with the Canadian securities regulators in accordance with applicable securities laws.

#### **6. Insider Trading**

Securities laws prohibit "insider trading" or "tipping". Insider trading occurs when a director or officer of the Corporation or an employee or consultant trades in securities of the Corporation or other affected securities while possessing material, non-public information with respect to the Corporation. Tipping occurs when a director or officer of the Corporation or an employee or consultant passes on material, non-public information to someone else, who then uses the information to trade in securities of the Corporation. The Corporation has implemented a

comprehensive Insider Trading Policy to establish measures aimed at protecting against breach of such laws.

## **7. News Releases**

Once the Committee determines that a development is material, it will authorize the issuance of a news release, unless such development must remain confidential for a certain period of time. In such circumstances, appropriate control of the non-public material information will be maintained and such information must not be disclosed to any officers, employees, consultants or third parties except as is necessary and all confidential filings will be made as required under applicable securities laws. In such event, IIROC will be immediately advised by telephone so the Corporation can be placed on stock watch. Should material information inadvertently be disclosed in a selective forum, a news release will be issued immediately in order to fully publicly disclose such information and IIROC will be contacted to halt trading of the stock.

News releases containing any earnings guidance and financial results will be reviewed by the Audit Committee prior to issuance. Financial results will be publicly released immediately following Audit Committee or board approval of management's discussion and analysis and the related financial statements.

News releases will be disseminated through a news wire service that provides Canadian but not U.S. disclosure and that is approved by the applicable stock exchange. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major national financial media and local media in areas where headquarters are located.

If a stock exchange listing the Corporation's securities is open for trading at the time of a proposed announcement, prior notice will be provided (where practicable) to the market surveillance departments of the applicable stock exchange or to IIROC, as may be appropriate. If the announcement is issued outside of normal trading hours, market surveillance will be notified before the markets open.

News releases will be posted on the Corporation's website subsequent to dissemination.

## **8. Delaying Disclosure of Material Information**

Notwithstanding any statement to the contrary in this Policy, in certain circumstances, the disclosure of material information may be delayed and kept confidential temporarily where immediate release of the information would be unduly detrimental to the interests of the Corporation, such as:

- where a release would prejudice the ability to pursue specific and limited objectives or to complete a transaction that is under way (e.g., premature disclosure of the fact that the Corporation intends to purchase a significant asset may increase the cost);
- where disclosure would provide competitors with confidential corporate information that would be of significant benefit to them, if the detriment resulting from disclosure would outweigh the detriment to the market in not having access to the information (e.g., a decision to release a new service or details on its features might be withheld, unless available to competitors from other sources); and

- where disclosure of ongoing negotiations would prejudice successful completion; if the situation is likely to stabilize within a short period, disclosure may be delayed until a definitive announcement can be made.

It is the policy of the stock exchanges that the withholding of material information on the basis that disclosure would be unduly detrimental must be infrequent and can be justified only where the potential harm to the Corporation or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure. The exchanges discourage delaying disclosure for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term.

Where the confidential material information constitutes a material change, a material change report will be filed with securities commissions as required.

In circumstances where material information has not yet been publicly disclosed, the material information must be kept completely confidential (see “Maintaining Confidentiality”). It must not be disclosed to anybody, except in the necessary course of business. Documents containing the material information should be marked as “confidential”. In particular, certain precautions must be taken where confidential material information is disclosed in the necessary course of business.

## **9. Rumours**

Provided it is clear that the Corporation is not the source of the market rumour, spokespersons will consistently respond to any rumour by saying “It is our policy not to comment on market rumours or speculation.” The Corporation will not respond to rumours on the internet. Should any stock exchange request a definitive statement be issued in response to a market rumour that is causing significant volatility in shares, the Committee will consider the matter and decide on an appropriate response.

## **10. Forward-Looking Information**

If forward-looking information is provided in a disclosure document, meaningful cautionary language should be included warning investors that the information is forward-looking, providing the material factors or assumptions that were used in making the forward-looking statement and stating the risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. In the case of a verbal forward-looking statement, the statement will be identified as such and the spokesperson will refer to the cautionary language included in written disclosure documents. Forward-looking information will be updated to reflect any material changes.

## **11. Contacts with Analysts, Investors and the Media**

The Corporation recognizes that analysts are important for disseminating information to the investing public and play a role in interpreting and clarifying existing public data, as well as providing investors with background information and details that cannot practically be put in public documents. Representatives of the Corporation will meet with analysts and investors on an individual or small group basis as needed, and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. Where

practical, at least two Representatives of the Corporation will be present at any meeting. The Corporation will provide only non-material information or publicly-disclosed information to such analysts or investors and will provide the same information that has been provided to analysts to individual investors who request it.

It is recognized that analyst disclosure does not constitute adequate disclosure of information that is considered material non-public information. If material information is to be announced at an analyst or shareholder meeting, press conference or conference call, its announcement must be in conjunction with a general public announcement via news release.

*A review should be conducted after meetings with analysts, investors or the media to ensure that selective disclosure of previously undisclosed material information has not been made. If selective disclosure of undisclosed material information has been made, the Corporation will immediately halt trading in its securities, if necessary, and disclose such information promptly via news release.*

## **12. Presentations and Industry Conferences**

Employees of the Corporation may be asked by industry groups or professional associations to present or contribute material on various areas of interest such as the Corporation's management practices, industry specific developments and topics of current interest. Prior to the presentation or contribution of such materials, the content of the presentation or contribution must be reviewed with the Committee to ensure that no inappropriate or selective disclosure is made.

## **13. Reviewing Analyst Draft Reports and Models**

The Corporation will not confirm, provide any guidance or attempt to influence an analyst's opinions or conclusions and will not express comfort with respect to an analyst's model or earnings estimates.

Analyst reports are proprietary information belonging to the analyst's firm. A list of all analysts covering the Corporation and their contact numbers will be posted on the Corporation's website and provided to anyone requesting such information.

## **14. Conference Calls**

A quarterly conference call may be held with members of the investment community to discuss quarterly financial and operating results of the Corporation or other significant developments after or concurrently with the widespread dissemination of the news release announcing such results. At the beginning of the call, a Representative will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties applicable to the news.

Advance public notice of the date and time of the call will be given by news release and the call may be broadcast simultaneously via webcast over the internet. The media and individual investors may call a toll-free number or access the webcast over the internet and listen to the call on a real-time basis. A recording of the conference call will be made available for a period of one month following the call on either a toll-free number or an archived audio webcast on the

internet. Conference calls relating to the business developments of the Corporation and other material information likely to affect its share price should, where possible, be scheduled outside trading hours, to avoid or minimize the risk of selective disclosure. All non-material supplemental information will be posted on the Corporation's website.

*A debriefing should be held after the conference call and if such debriefing reveals a selective disclosure of previously undisclosed material information, the Corporation will immediately halt trading in its securities, if necessary, and disclose such information promptly via news release.*

#### **15. Retention Period for Disclosure Material**

A file will be maintained containing all public information about the Corporation, including continuous disclosure documents, news releases, analyst reports, transcripts or recordings of conference calls, debriefing notes and newspaper articles. This will be maintained by the Corporation's Corporate Secretary.

The minimum retention period for material information posted on the Corporation's website and transcripts or recordings of conference calls will be two years.

#### **16. Maintaining Confidentiality**

Any employee privy to confidential information is prohibited from communicating such information to anyone else unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information to perform their duties, and such persons will be advised that the information is to be kept confidential.

*No material information should be disclosed by directors, officers, employees or consultants to outside parties except in the necessary course of business. Outside parties who need to be privy to undisclosed material information concerning the Corporation will, as a condition to such disclosure, agree that they will not divulge such information to anyone else, other than in the necessary course of their business (in which event anyone to whom they disclose such information will also be bound to maintain confidentiality), and that they may not trade in securities of the Corporation until the information has been generally disclosed. The Corporation may, if deemed appropriate, require such outside parties to enter into a confidentiality agreement.*

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

- Confidential matters should not be discussed in places where the discussion may be overheard.
- Confidential documents should not be read in public places and should not be discarded where others can retrieve them.
- Transmission of documents by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.

- Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- Access to confidential electronic data should be restricted through the use of passwords.
- Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” in the necessary course of business. Code names should be used if necessary.
- All proprietary information, including computer programs and other records, remain the property of the Corporation and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with prior permission.

## **17. The Internet**

The Corporation appreciates the value that access to e-mail and the Internet provides for employees and consultants to perform their jobs. Employer liability is, however, a concern and could arise from the leaking of confidential information, transmission or downloading of copyrighted material, transmission of harassing, discriminatory or pornographic material, defamatory comments or even accidental transmission of a computer virus.

Employees and consultants using these tools are reminded that the corporate e-mail address and related personal sub e-mail addresses (i.e., the employee’s name attached to corporate address) are company addresses and that all correspondence received and sent via such e-mail is to be considered corporate correspondence. All computer equipment belongs to the Corporation and is subject to access and monitoring. As such, the Corporation reserves the right to read e-mail messages.

In addition, computer errors or glitches often occur, information systems technicians are required to access computers to correct problems, add software or enhance the system, and sometimes due to the unavailability of computers, someone else may need access to another person’s computer. In this regard, employees and consultants are advised to have no expectation of personal privacy with regard to the computer being used to access the Corporation e-mail address system.

E-mail messages are a written document. It is important to remember that they are not secure and can be forwarded or circulated to others beyond your control

## **18. Message Guidelines**

- Avoid, where possible, the sending of messages or attached documents containing the Corporation’s confidential or proprietary information.
- Do not transmit messages using credit card numbers, telephone calling numbers, log-in passwords, and other parameters which can be used to gain access to the Corporation’s records unless done so in a secure environment.

- Do not transmit messages or download or save attachments that are libellous, defamatory, pornographic, racist, sexist or disclose personal or private matters concerning someone else.
- Do not use another person's e-mail address to send messages.
- Do not access another person's files or messages.
- Obey all copyright laws regarding material that you send.
- Do not attach executable programs, macros or other forms of computer software. Software copyrights have specific protections under the *Criminal Code* (Canada).
- Do not participate in, or forward, chain messages, or other forms of external solicitations.
- Do not broadcast personal messages or discussions relating to the Corporation or its securities to public group lists or Internet chat rooms.

#### **19. Trading Restrictions, Blackouts and Quiet Periods**

All directors and officers of the Corporation and its employees and consultants should refer to the Corporation's Insider Trading Policy which provides guidance respecting trading restrictions and blackouts which apply to the purchase and sale of the Corporation's shares. Additionally, at the discretion of the Committee, the Corporation may institute quiet periods during which communications with analysts and investors may be limited.

#### **20. Communication and Enforcement**

All directors and officers of the Corporation and its employees and consultants will be advised of this Policy and its importance. They will be provided a copy of this Policy and requested to sign an acknowledgement. This Policy will be brought to the attention of all directors, officers, employees and consultants on an annual basis.

*An employee or consultant who violates this Policy may face disciplinary action up to and including termination of employment, in the case of an employee, and, in the case of a consultant, termination of the consulting contract with the Corporation. Violation of this Policy may also cause violation of certain Canadian securities laws. If it is discovered that securities laws have been violated, this matter may be referred to the appropriate regulatory authorities. Questions with respect to this Policy may be referred to the Corporation's Corporate Secretary.*

Approved: The Board of Directors of Almonty Industries Inc.

Date: January 23, 2012

## **SCHEDULE A**

### **EXTRACTS FROM NATIONAL POLICY 51-201 – DISCLOSURE STANDARDS**

The following are examples of the types of events or information which may be material. This list is not exhaustive and is not a substitute for companies exercising their own judgement in making materiality determinations.

#### **Changes in Corporate Structure**

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

#### **Changes in Capital Structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

#### **Changes in Financial Results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policy

### **Changes in Business and Operations**

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or President (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

### **Acquisitions and Dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

### **Changes in Credit Arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements