



ALMONTY INDUSTRIES INC.

INSIDER TRADING POLICY

1. Introduction and Purpose

Almonty Industries Inc. (the “Corporation”) is a Canadian company, it is a reporting issuer in Canada and its securities are listed or quoted on a public stock exchange in Canada. As such, the Corporation and trading in its securities are subject to Canadian securities laws. Certain of these laws prohibit directors, officers, employees and certain other persons in a “special relationship” with the Corporation from (i) purchasing or selling securities of the Corporation with knowledge of material information regarding the Corporation that has not been generally disclosed to the public (commonly referred to as “Insider Trading”), and (ii) disclosing such material information to others (including to a spouse, relative or friend), except in the necessary course of business (commonly referred to as “Tipping”).

These prohibitions against Insider Trading and Tipping are intended to ensure equal opportunity among investors and to ensure that people who have access to material undisclosed information do not trade, or assist others in trading, to the disadvantage of investors generally. Additionally, certain insiders of the Corporation are required to report trades in order that the marketplace can monitor the trading of persons who may have knowledge of undisclosed information and to help foster investor confidence in the public capital markets. There are also prohibitions against market manipulation and fraud.

The purpose of this policy governing Insider Trading, Tipping, insider reporting and related matters (the “Policy”) is to ensure (i) compliance with all applicable Canadian (and such other) securities laws and regulations governing Insider Trading and Tipping, (ii) avoidance of the occurrence or appearance of improper trading or tipping, (iii) that the Corporation’s directors, officers and employees are aware of their responsibilities under applicable securities laws and stock exchange rules, and (iv) to assist the Corporation’s directors, officers and employees in complying with such laws and rules.

In conjunction with all such legal and regulatory requirements, it is the policy of the Corporation that, once a person becomes an Insider (as defined below), his or her security holdings in the Corporation, and any change therein, must be reported on a timely basis to the appropriate securities commissions and regulatory bodies. The responsibility for compliance with insider reporting obligations rests with the insiders and not with the Corporation. However, the Corporation has an interest in monitoring the holdings of its insiders and ensuring that insider holdings are accurately reported, as the identity of insiders and the size of their holdings may be relevant in determining whether the Corporation is permitted, under applicable securities laws and stock exchange rules, to undertake certain types of transactions.

2. Scope

- This Policy covers all directors, officers and all employees and consultants of the Corporation and its subsidiaries. Directors, officers, employees and consultants

are responsible for ensuring compliance by their immediate families, relatives and other members of their households with this Policy.

- This Policy applies to any transactions in any securities of the Corporation, including common shares, debentures, options or other securities exchangeable or exercisable into common shares, as well as exchange-traded options or other derivative securities that are not issued by the Corporation but are based on securities of the Corporation.
- This Policy applies not only to the securities of the Corporation that a director, officer, employee or consultant owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to the securities of the Corporation that are indirectly owned (for example by a corporation controlled by a director, officer, employee or consultant or by an immediate family member of a director, officer, employee or consultant).
- This Policy applies not only during the course of a director's, officer's, employee's or consultant's service to the Corporation, but also after the completion of such service to the extent the relevant person possesses material non-public information at the time such service is completed.
- The Policy is not intended to be a complete and exhaustive description of all of the rules regarding Insider Trading that may be applicable to Insiders (as defined below). The Corporation expects compliance with the letter and spirit of this Policy and applicable Insider Trading and other laws.

3. Insiders

Insiders of the Corporation generally include (i) the directors and officers of the Corporation and its subsidiaries and of a person or company that is itself an insider of the Corporation, (ii) a person or company that has beneficial ownership of or, or control or direction over, directly or indirectly, securities of the Corporation carrying more than 10 percent of the voting rights attached to all the Corporation's outstanding voting securities, and (iii) anyone in a "special relationship" with the Corporation having knowledge of material non-public information are considered to be insiders of the Corporation pursuant to applicable securities laws as well as other persons that may be deemed to be insiders by applicable securities laws ("Insiders"). Insiders are subject to a higher standard of scrutiny and disclosure requirements than other people who may trade in securities of the Corporation. Insiders should contact the Chief Executive Officer or the Chief Financial Officer of the Corporation when considering a transaction in securities of the Corporation to ensure that there is no material non-public information which has not been widely disseminated.

Persons in a special relationship with the Corporation generally includes Insiders, all other officers and employees, persons or corporations engaging or proposing to engage in any business or professional activity for the Corporation, and any person who obtains non-public material information from one of the foregoing persons, or from the Corporation itself. In addition, Insiders can be deemed to be in a special relationship with another reporting issuer in the circumstances where the Corporation is proposing a take-over bid or similar combination

transaction with such reporting issuer or is considering the purchase of a substantial portion of its property.

4. Reporting by Reporting Insiders – Canadian Requirements

(a) Initial Reports

An initial report must be filed (as described below) within ten days of the date on which a person or corporation becomes a Reporting Insider (see Schedule A for a definition of a Reporting Insider). An initial report is not required, however, when a person becomes an Insider if he or she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation.

(b) Changes in Beneficial Ownership

A Reporting Insider must report any changes in or transfer of his or her direct or indirect beneficial ownership of, or control over, securities of the Corporation within five days of the date such change takes place.

(c) Stock Options

A person or corporation who is a Reporting Insider is reminded that the grant of an option, or the exercise of an option, gives rise to reporting obligations and a report must be filed with respect to these matters within five days of the date such transaction takes place.

(d) Filing

A person or corporation who is a Reporting Insider is required to use the System for Electronic Disclosure by Insiders (“SEDI”) for reporting trades. Reporting through SEDI can be completed by Reporting Insiders themselves through the internet or through an agent, such as the Corporation’s legal counsel. Reporting Insiders are referred to the website for SEDI at www.sedi.ca. As well, Reporting Insiders are encouraged to contact the Corporate Secretary with respect to any questions about filing through the SEDI system.

Late filing of insider reports give rise penalties and fees for late filing can be as high as \$100 for each calendar day that the insider report is late subject to a maximum of \$5,000 within any one year.

(e) Changes to Insider Profile

Reporting Insiders must file an amended insider profile to reflect any change in the information contained in their most recent insider profile prior to filing their next insider report or, in the case of a change to a Reporting Insider’s name or relationship to the Corporation, within 10 calendar days of such change.

5. Definition of Material Information and Non-public Information

(a) Material Information

Securities legislation and this Policy make frequent reference to the term “material information”. 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. See Schedule B for examples of the types of events or information which may be material.

(b) Non-public Information

Material information is “non-public” if it has not been generally disclosed. Information is considered to have been generally disclosed if (i) the information has been disseminated in a manner calculated to effectively reach the marketplace, and (ii) public investors have been given a reasonable amount of time to analyze the information. For the purposes of this Policy, information will be considered public (i.e., no longer non-public) after information has been generally disclosed by means of a broadly disseminated press release and the trading has closed on the second business day following such press release.

If you are unsure whether the information that you possess is material or non-public, the Chief Executive Officer or Chief Financial Officer of the Corporation should be consulted before trading in any securities of the Corporation.

6. Statement of Policy and Procedures

(a) Prohibited Activities

- (i) No Insider may purchase or sell securities of the Corporation while in possession of material non-public information concerning the Corporation.
- (ii) No Insider may attempt to take any economic or other personal advantage of any material non-public information. This means that Insiders who have knowledge of material non-public information must not purchase or sell the Corporation’s securities or permit any member of his or her immediate family, anyone acting in his or her behalf or on behalf of his or her immediate family, or any entity in which he or she, or his or her family members, have a personal interest to purchase or sell the Corporation’s securities.
- (iii) No Insider may purchase or sell securities of the Corporation outside of the “trading windows” described below, or during any designated special trading blackout periods.

- (iv) No Insider may purchase or sell securities of the Corporation during any trading blackout period imposed on employees and consultants of the Corporation generally.
- (v) No Insider may disclose material non-public information concerning the Corporation to any outside person (including family members, analysts, individual investors, members of the investment community and news media) unless such disclosure is necessary in the course of business and in accordance with the Corporation's Disclosure Policy. In any instance where such information is disclosed to outsiders, the outsider must be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not purchase or sell securities of the Corporation until the information has been generally disclosed.
- (vi) No Insider may give trading advice of any kind relating to securities of the Corporation to anyone while possessing material non-public information about the Corporation, except that Insiders should advise others not to trade securities of the Corporation if such trade might violate the law or this Policy.
- (vii) No Insider may (A) trade in securities of any other public company, trust, partnership or other entity while possessing material non-public information concerning that entity, (B) "tip" or disclose material non-public information concerning any company to anyone, or (C) give trading advice of any kind to anyone concerning any other company while possessing material non-public information about that company that such insider, employee or consultant learned in the course of service to the Corporation.
- (viii) In order to avoid possible inadvertent conflict with this Policy, it is recommended that, outside of any stock option plans, no Insider leave with a broker any outstanding sell or purchase orders.
- (ix) No Insider may (A) engage in short sales of securities of the Corporation, (B) buy or sell puts, calls or other derivatives in respect of securities of the Corporation, or (C) purchase the Corporation's securities on margin as held in a margin account.
- (x) Insiders should only make purchases of the Corporation's securities for investment purposes and not short-term speculation. The Corporation's securities may not be bought with the intention of reselling them within six months or sold with the intention of buying the Corporation's securities within six months of sale.

No Insider may directly or indirectly engage or participate in any act, transaction, trading method or other practice, or course of conduct that such Insider knows or ought reasonably to know (i) results in or contributes to a misleading appearance

of trading activity in, or an artificial price for, the Corporation's securities, or (ii) perpetrates a fraud on any person or company.

(b) Trading Windows and Blackout Periods

(i) *Definition of Blackout Period and Trading Window*

A "blackout period" is any time during which an Insider is restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation. Alternatively, a "trading window" is the period of time between blackout periods during which an Insider is not restricted by the terms of this Policy or applicable securities law from trading in securities of the Corporation.

(ii) *Designation of Blackout Periods*

The Corporation will use reasonable efforts to notify Insiders by e-mail when a blackout period is in effect. However, it is the obligation of every Insider to ensure, prior to affecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in securities of the Corporation. In the event that an Insider is unsure whether they may purchase or sell securities of the Corporation, they should contact the Chief Executive Officer or Chief Financial Officer of the Corporation to determine if a general blackout period is in effect or if the Insider is in possession of material non-public information.

(iii) *Blackout Periods for Insiders*

Insiders may not purchase or sell securities of the Corporation (i) during the period beginning on the first day following the end of each fiscal quarter and each fiscal year and ending after the close of business two days following widespread public release of quarterly or year-end operating results, or (ii) after the receipt of a notice from the Corporate Secretary of an instruction not to trade until further notice is given. However, such blackout periods may be modified at any time, subject to compliance with applicable securities laws.

(iv) *Trading Windows for Non-Insiders*

All other employees and consultants who are not Insiders may purchase and sell securities of the Corporation at any time, provided they are not in possession of material non-public information and no blackout period applicable to such employees or consultants is in place.

(v) *No Trading While in Possession of Material Non-public Information or During Blackout Periods*

No Insider possessing material non-public information concerning the Corporation may purchase or sell securities of the Corporation even during

applicable trading windows. Persons possessing such information may purchase or sell securities of the Corporation during a trading window only after the close of trading on the second business day following the widespread public release of the information.

No Insider may purchase or sell securities of the Corporation outside of applicable trading windows or during any designated blackout periods. No Insider may disclose to any outside third party that a special blackout period has been designated.

(c) Priority of Statutory or Regulatory Trading Restrictions

The trading prohibitions and restrictions set forth in this Policy will be superseded by any greater prohibition or restrictions prescribed by applicable securities laws and regulations.

(d) Exception

The purchase of the Corporation's common shares by way of an exercise of an option or other executive compensation scheme granted under the Corporation's stock option plan or otherwise is permitted during a black-out period, provided that the sale or simultaneous purchase and sale of such common shares is prohibited and material non-public information was not a factor in the decision to purchase the Corporation's securities.

(e) Special Relationship Following Trading

Persons who learn material non-public information while in a special relationship with the Corporation (including directors, officers, employees, and consultants and other special relationship persons) by law continue to be in a special relationship after termination of their relationship with the Corporation, and remain subject to prohibitions against Insider Trading and Tipping, until the second trading day following the Corporation's widespread release of such information.

7. Enforcement

- (a) The Corporation is a reporting issuer or its equivalent under the securities legislation of certain provinces of Canada. Further, the Corporation's stock trades on a public market in Canada and it has operations world-wide. The Insider Trading, Tipping and other prohibition and requirements described in this Policy are based on those in effect in the Province of Ontario, Canada as at the date of approval of this Policy. However, Insiders may be subject to securities laws of other jurisdictions in addition to, or instead of, Ontario laws, depending on their connections to such jurisdictions, and these securities law may differ from the Ontario requirements described in this Policy, or these requirements may change from time to time.

- (b) Insiders will be subject to the prohibitions and requirements described in this Policy as a minimum standard, in addition to those of the securities laws of any jurisdiction with which they may have a connection.
- (c) Engaging in Insider Trading, Tipping, market manipulation, fraud or violating insider reporting requirements may have severe consequences, including fines, imprisonment and civil liability.
- (d) Violators of the Policy or Insider Trading, Tipping, market manipulation, fraud or insider reporting laws by any director, officer or employee may subject such person to disciplinary action by the Corporation, up to and including termination, and may be cause for the termination of any contract between the Corporation and such person. Such persons may also be accountable to the Corporation for any benefit or advantage received as a result of Insider Trading.

Approved: The Board of Directors of Almonty Industries Inc.

Date: January 23, 2012

SCHEDULE A

DETERMINATION OF REPORTING INSIDERS

“Reporting Insider” means an Insider of the Corporation if the Insider is:

1. the Chief Executive Officer, Chief Financial Officer or Chief Operating Officer of the Corporation or of a Major Subsidiary of the Corporation;
2. a director of the Corporation or of a Major Subsidiary of the Corporation;
3. a person or company responsible for a principal business unit, division or function of the Corporation;
4. an individual performing functions similar to the functions performed by any of the Insiders described in paragraphs 1 to 3;
5. the Corporation itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
6. any other Insider that:
 - (a) in the ordinary course receives or has access to information as to material facts or material changes concerning the Corporation before the material facts or material changes are generally disclosed; and
 - (b) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Corporation (i.e., power or influence which is reasonably comparable to that exercised by one or more of the Insiders referenced in paragraphs 1 to 4).

“Insider” means:

1. a director or officer of the Corporation;
2. a director or officer of a person or company that is itself an Insider or Subsidiary of the Corporation; or
3. the Corporation itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.

“Major Subsidiary” means a Subsidiary of the Corporation if:

1. the assets of the Subsidiary, as included in the Corporation’s most recent annual audited or interim balance sheet, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of financial position, are 30 per cent or more of the consolidated assets of the Corporation reported on that balance sheet or statement of financial position, as the case may be; or

2. the revenue of the Subsidiary, as included in the Corporation's most recent annual audited or interim income statement, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of comprehensive income, is 30 per cent or more of the consolidated revenue of the Corporation reported on that statement.

"Officer" means, with respect to an entity:

1. a chair or vice-chair of the board of directors, a chief executive officer, a chief financial officer, a chief operating officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a general manager;
2. every individual who is designated as an officer under a by-law or similar authority of the entity; and
3. every individual who performs functions similar to those normally performed by an individual referred to in paragraphs 1 or 2.

"Subsidiary" means an entity:

1. where the Corporation beneficially owns or has control or direction over, whether direct or indirect, securities of such entity carrying votes which, if exercised, would entitle the Corporation to elect a majority of the directors of the entity, unless the Corporation holds the voting securities only to secure an obligation;
2. which is a partnership, other than a limited partnership, where the Corporation holds more than 50 per cent of the interests of the partnership; or
3. which is a limited partnership and the general partner of the limited partnership is the Corporation.

SCHEDULE B

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