

Press release

July 2016

Deutsche Rohstoff AG: Almonty increases Sangdong Reserves by 78% and signs letter of commitment with KD Bank over CAD 67.9 million

Heidelberg. Almonty Industries, of which Deutsche Rohstoff currently holds 12.58%, is pleased to announce a 78% reserve increase at its Sangdong project in South Korea. As a result of ongoing exploration activities over the last months the project now contains 7.9 million tonnes of ore reserves, grading 0.45% (previously: 4.7 million tonnes at 0.42%). A NI 43-101 compliant report is expected to be released over the next 45 days. The Sangdong deposit is considered to be one of the largest tungsten deposits in the world and Almonty expects to maintain a low cost production profile over a very long mine life.

Furthermore, Almonty and the state-owned Korean Development Bank (KDB) entered into a binding Letter of Commitment for a term loan facility in the amount of CAD 57.9 million (KRW 50 billion). The loan facility is subject to fulfillment of several customary conditions precedent, such as the successful placement of equity or equity-linked facilities constituting the balance of the development capital expenditures - currently estimated to be in the range between CAD 40 million and CAD 60 million. Production from Sangdong is anticipated to commence in the second half of 2018.

Thomas Gutschlag, CEO of Deutsche Rohstoff, comments: "We are pleased to see that Almonty managed to attract a strong regional partner for financing the Sangdong project. Almonty has reached a major milestone on its way to become a dominant player in the tungsten market outside of China."

Almonty also announced today that it would not longer pursue a listing at the Australian stock exchange ASX as part of the takeover of ATC Alloys, despite opposite announcements previously being made. Furthermore Almonty now intends to issue a convertible note in the amount of CAD 1,000,000, maturing two years from the date of issue with an interest rate of 5% p.a. and a strike price of CAD 0.55.

Detailed press releases and resource updates can be found on Almonty's website <http://www.almonty.com>.

Heidelberg, 26 July 2016



Deutsche Rohstoff identifies, develops and divests attractive resource projects in North America, Australia and Europe. The focus is on the development of oil and gas opportunities within the United States. Metals, such as gold, copper, rare earth elements, tungsten and tin complete our portfolio. For more information please visit www.rohstoff.de.

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