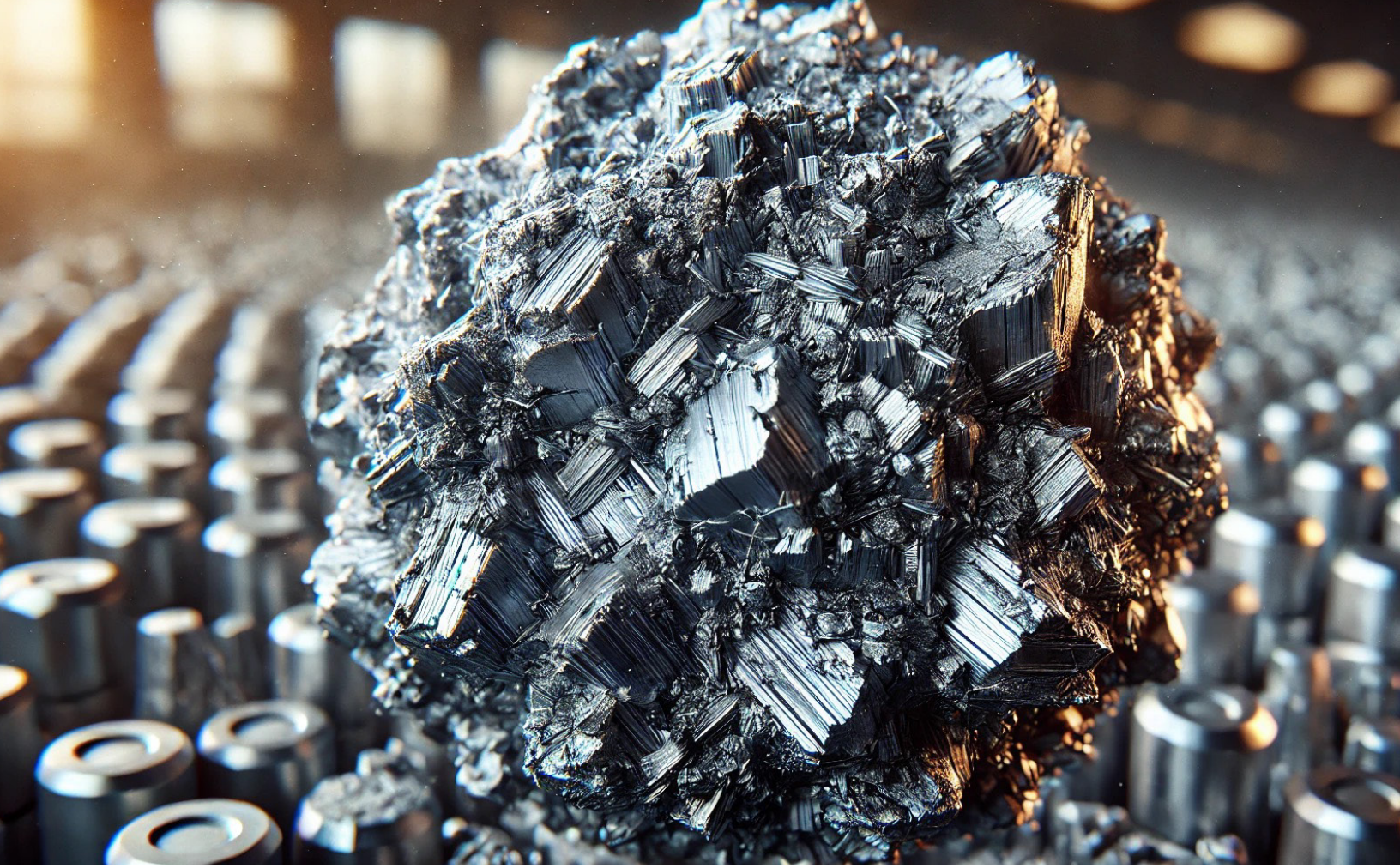
ALLIED CRITICAL METALS
RESEARCH REPORT

Positioned for Impact: Securing a Western Supply of Tungsten

A Game-Changing Position to Strategically Support Europe's Shift Toward Resource Independence

EXECUTIVE SUMMARY

- **Allied Critical Metals (CSE: ACM | FSE:0VJ0) is developing two tungsten resources in northern Portugal: Borralha and Vila Verde, to meet current U.S. and European Market demands, as China and Russia restrict western supply.**
- **The Vila Verde pilot plant will start producing in early 2026 to generate immediate profits.**
- **A PEA anticipated this fall for Borralha will demonstrate a profitable operation producing 1 million tonnes per year.**
- **Allied Critical Metals established an offtake agreement through a letter of intent with Global Tungsten & Powders (GTP) to minimize risks and show market demand during their initial production phase.**
- **The executive leadership at ACM consists of CEO Roy Bonnell and President Joao Barros, who bring international mining experience alongside operational capabilities in Portugal.**



INTRODUCTION: BUILDING A CRITICAL TUNGSTEN SUPPLIER IN EUROPE

Canadian-based Allied Critical Metals (ACM), is gearing up its tungsten mining program in Portugal as the country provides mining-friendly conditions within the European Union. Through its Portuguese subsidiary, ACM has obtained 100% ownership of the Borralha and Vila Verde tungsten projects located in the northern region of the country. Together, these two projects will serve as the foundational elements for ACM's Western tungsten production, as the company moves toward becoming a major supplier of this strategically valuable metal.

Through a successful reverse takeover (RTO) on April 29th, 2025, Deeprock Minerals Inc. (DEEP) merged with Allied Critical Metals, which led to the official listing of ACM's common shares on the Canadian Securities Exchange (CSE) using the ticker symbol "ACM." Through this momentous achievement, ACM established its presence on public markets, enhancing its ability to obtain funds while increasing its exposure to investors.

STRATEGIC RATIONALE

Allied Critical Metals is focusing its attention on tungsten mining at a critical time in the Western market. Today, the European Union and the United States classify tungsten as a critical raw material due to its supply chain vulnerability and major economic importance. Since 2015, there has been no domestic output of tungsten production in the United States, and Europe remains heavily reliant on imports, predominantly from China. ACM is tackling the supply gap by resurrecting and expanding dormant high-grade tungsten mines in Portugal. In previous years, the Borralha mine served as a significant tungsten producer, while Vila Verde houses substantial tungsten reserves, which jointly serve as ACM's foundation to pave the way for a dependable and local tungsten source for Western industrial needs.

TUNGSTEN MARKET: CRITICAL MINERAL STATUS AND SUPPLY DYNAMICS

Commonly referred to as the "Military Metal", due to its vital component in military products and commodities within other industrial sectors. Tungsten is the hardest and most dense metal in regular use, with the highest melting (3,422°C) and boiling points of any other element.

Key uses of tungsten include:

- **Electronics & Semiconductors: You can find tungsten in the form of tungsten hexafluoride in microchips, as it is a major component within semiconductor manufacturing.**

- **Industrial Machinery & Tooling: Tungsten is found within industrial machinery, partially in its use in tungsten carbide. You can find this component of tungsten within cutting tools, drill bits, and construction equipment.**

- **EV Batteries: Tungsten is a popular material for brake and engine systems within vehicles. The consistent adoption of electric vehicle (EV) battery technologies that use tungsten-niobium anodes can increase tungsten requirements from 1.5 kg to 2.5 kg per vehicle, including the current materials present in EV batteries.**

Today, China and Russia generate 87% of the world's tungsten output, which has effectively created a near-monopolistic situation that raises concerns among Westerners about supply chain protection and market control of the element. Due to its versatile use within supply chains and its extreme industrial properties, the world views tungsten as a critical mineral. To retaliate, Western governments have taken several steps to minimize these significant risks by establishing self-sufficient systems through initiatives such as:

- **The United States' 2022 REEshore Act (Restoring Essential Energy and Security Holdings Onshore for Rare Earths Act of 2022) prohibits any use of Chinese tungsten in military equipment beginning in 2026.**

- **In the EU, the concern for Chinese tungsten dependence has led to a renewal of anti-dumping duties on Chinese tungsten carbide imports for another five years. EU authorities concluded that the removal of these tariffs would sustain injury to European industries due to below-market pricing on Chinese imports. This policy illustrates the EU's intention to foster and protect domestic and allied tungsten supply.**

- **Even China faces internal stress as its tungsten concentrate production remains stable, while the country needs more of this resource for its technological advancement. The Chinese government implemented strict export controls and limited tungsten quotas that drove prices upward worldwide (between $300 and $350 MTU during 2023 and 2024 due to these constraints).**

Each year, the global tungsten economy generates ~$5-6 billion USD and currently sees strong growth potential if Western manufacturers can obtain non-Chinese sources at non-volatile price points. Tungsten concentrate prices stand at ~US$24,640 per tonne (US$348/MTU) due to its limited supply and high demand. Through both mining operations in Portugal, ACM is equipped to supply European and North American increasing demand for tungsten while shielding them from geopolitical risks. By stepping up and building on Portugal's historic mining legacy, ACM can leverage regional expertise, a mining-friendly jurisdiction, and established infrastructure.

The critical status of tungsten and its limited supply demonstrate a strong foundation for ACM's mining projects. The company's venture into production at Borralha and Vila Verde occurs at the optimal time as the global push to "de-risk" tungsten supply chains, elevating its strategic role, far beyond economics.

BORRALHA PROJECT: REVITALIZING A HISTORIC MINE INTO A STRATEGIC TUNGSTEN ASSET

The Borralha Tungsten Project lies in the Montalegre municipality in Northern Portugal, at a distance of 100 km from Porto and 40 km from Braga. Borralha was once the site of Valedas Gatas mine, which ranked as Portugal's third-biggest tungsten producer before its shutdown in 1986. During the early 1900's the mining operations in that region focused on narrow high-grade underground veins that exposed remarkable tungsten grades. The extensive deposits of lower-grade breccia pipes, together with near-surface stockwork, represent an opportunity to explore uncharted resources that modern mining techniques can effectively extract.

Pan Metals, a Portuguese subsidiary of ACM, obtained the Borralha project in 2024 after concluding an agreement with Minerália (the former license holder). The Borralha project secured a valid mining license (No. C-167) from Portugal's Directorate-General for Energy and Geology (DGEG). The license authorizes Allied Critical Metals to conduct additional exploratory work and pilot-scale mining operations for 150,000 tonnes of mineralized material annually as the organization completes its Definitive Feasibility Study (DFS) and Environmental Impact Study. Allied Critical Metals will initiate full-scale mining by October 2026, according to the license terms, which establish a production royalty of 3% to the government once the project achieves profitability. Of note, the current Borralha mining license reduces the risk of permit delays as ACM can push project development without having to secure a new mining concession.

The Borralha project focuses on developing a significant breccia-hosted tungsten deposit rather than the typical narrow vertical veins. The large property contains two main breccia bodies: St. Helena and Venise. The St. Helena body serves as the main target for mining operations at Borralha. St. Helena's breccia pipe is 500 metres in length, 200 metres in width and reaches depths of up to 250 metres. Its thickness and its near-surface location allow for open-pit or bulk underground mining methods. This serves as an option for a more scalable alternative to vein hunting.

Borralha received an independent resource estimate in early 2024, which established its substantial initial resource deposits. At a 0.10% WO_3 cut-off, the Indicated Mineral Resource is ~4.9 million tonnes grading ~0.22% WO_3, with an additional Inferred Resource of ~1.0 million tonnes at ~0.21% WO_3. This equates to roughly 12,000 tonnes of contained WO_3 in Indicated and ~2,000 tonnes in Inferred category, along with accessory credits in tin (~0.008–0.01% Sn) and copper (~0.08% Cu). Notably, a portion of the resource (0.5 Mt Indicated and 1.0 Mt Inferred) is oxidized material from the surface down to ~30 m depth that could be stockpiled or blended. The majority of the resource consists of fresh rock (unoxidized) that contains slightly higher WO_3 grades of about 0.22%.

Borralha's maiden NI 43-101 mineral resource estimate (effective March 25, 2024) marks a major milestone in confirming its commercial viability; with over 14 million tonnes of inferred resources, it ranks among the largest known tungsten deposits in Western Europe. It's worth noting, the deposit remains open; the current resource is limited only by the extent of past drilling, not geological boundaries. ACM foresees strong opportunities through targeted exploration. Its Phase 1 work program involves 1,000 metres of additional reverse-circulation drilling aimed at upgrading the resource classification and extending mineralization along promising breccia zones and parallel structures highlighted by geophysical surveys.

DEVELOPMENT PLAN & NEXT STEPS

Borralha is projected to enter the construction phase during the second half of 2025, while moving toward the development decision and project funding stage. The strategic timing for a full-scale Borralha mine to begin production in 2026/27 matches two major events — Western demand increase and US tungsten military gear ban implementation starting in 2026. Borralha stands as a potential flagship Western tungsten mine because its large size and low operational costs should deliver production results that match or surpass other significant non-Chinese projects (Panasqueira mine in Portugal produces about 1,000 t WO_3 per year, while the new Sangdong mine in South Korea targets 2,000–2,500 t WO_3 annually). The production capacity of 1,700 tons per year at Borralha would position ACM as one of the three largest tungsten producers in the world outside China, while demonstrating the project's vital status.

VILA VERDE: NEAR-TERM PRODUCTION MEETS LONG-TERM GROWTH

The Vila Verde Tungsten-Tin Project extends the Borralha operations due to its short-term production capabilities and further exploration possibilities. Vila Verde stands 45 km southeast of Borralha in the Vila Verde municipality (not to be confused with the project name). The Vila Verde project existed in the past as an early tungsten and tin exploration site, which contained numerous valuable mineralized sections that remained unexploited. ACM implements two main strategies for Vila Verde, which include establishing immediate production through a pilot plant and developing exploration activities to discover an expanded mineable resource base.

The DGEG approved a prospecting license, which covers approximately 14 square kilometres of the Vila Verde property. The Vila Verde site contains tungsten (WO_3) and tin (Sn) mineral deposits, which extend throughout quartz veins and stockwork inside a granite host similar to Borralha's vein systems but across a larger land area. Minerália, together with other past operators, performed exploration activities, which resulted in 17 diamond drill holes (2,103 m) that confirmed the existence of two main mineralized areas known as the Cumieira zone and the Porqueira zone. The discovery of these zones shows that a substantial tungsten-tin system exists near the surface.

Minerália utilized historical exploration findings to determine an initial inferred resource quantity of ~7.3 million tonnes of mineralized material at a 0.05% WO_3 (500 g/t) cut-off grade. The January 2023 Vila Verde report refers to the 2014 estimate without following the NI 43-101 standards, however, it contains valid tonnage information that enables Vila Verde to challenge Borralha. The resource grade for this estimate lies between 0.1% and 0.2% WO_3 and includes significant tin value. The historical estimate functions as a starting point for further exploration, according to ACM, with the necessity to execute additional drilling together with modern assaying to validate and improve the resource quality. Based on these numbers, Vila Verde demonstrates potential to evolve from an auxiliary mine into an independent development project, which could sustain long-term operations.

The property's distinctive characteristic in Vila Verde consists of large areas covered with alluvial and tailings materials, which remain from previous mining activities and natural tungsten vein erosion. The ACM determined that these materials could undergo simple processing to generate concentrate and, therefore, enable fast production without requiring immediate hard-rock mining operations. In 2023, ACM started building a 150,000 tonne-per-year pilot plant at Vila Verde that would exclusively handle surface materials. The pilot plant serves different functions, which include:

- **Early cash flow generation in support of ACM's exploration and development phases (effectively self-funding further work).**
- **Showcase the metallurgy and marketability of tungsten concentrate to potential buyers, de-risking the larger project.**
- **Uphold active on-site operations, which is beneficial for permitting (the plant operates under an Experimental Mining License, which allows 150k throughput for 5 years).**
- **Incrementally build upon operational expertise and regional workforce in tungsten processing**

The pilot plant was designed as a modular gravimetric and magnetic separation facility, in theory, a scaled-down tungsten concentrator. The feedstock consists of combined historical tailings and alluvial gravels with an average composition of approximately 0.21% WO_3. The processing costs remain low since no drilling or blasting is required, and the crushing operations are minimal, and tungsten recovery from these fine materials has been demonstrated through laboratory testwork. The processing sequence starts with sand screening and washing, followed by spiral treatment and shaking table operations and magnetic separation for tungsten recovery through wolframite, which exhibits magnetic properties. The system operates through low-tech processing methods combined with cost-effective measures, which mirror how mineral sands and alluvial gold operations function.

The pilot plant will operate on the following performance indicators and schedule:

- **Capacity: The processing system holds 150,000 tonnes and supports an increase to 300,000 tonnes per year after the initial start-up period. Phase two of expansion will introduce new processing equipment and parallel lines, which require an additional investment of ~US$ 2.0 M.**

- **Capital Cost: The pilot plant development requires an approx. USD$5 million investment to complete Phase 1. The development budget covers crusher and grinder rentals and custom-built hydro-cyclones as well as tables and magnetic separators, in addition to site infrastructure.**

The pilot plant's concentrate from Vila Verde has attracted potential offtakers whom ACM has already started engaging with Tungsten concentrate sales typically occur through specialized processors, which are APT (ammonium paratungstate producers) manufacturers. ACM sent sample concentrates to Global Tungsten & Powders (GTP) in Pennsylvania, USA, for evaluation while continuing discussions about a potential offtake agreement. The ability of ACM to introduce new Western tungsten sources to the market quickly has generated significant interest from stakeholders who seek non-Chinese supply solutions.

ACM aims to establish itself as a tungsten producer by 2025 through the upcoming Vila Verde pilot plant. The achievement of this modest-scale operation will lead ACM to achieve revenue generation while maintaining potential production expansion. The pilot plant's successful operation would verify the extensive value of Vila Verde's hard-rock resources.

The Vila Verde property offers exploration potential in parallel with ACM's test operations, which now lead back to broader prospecting across the area. Vila Verde's future potential will be unlocked through the company's 2024–2025 work program.

- **Data Compilation & Trenching in Phase 1: In phase 1, ACM is initiating measures by digitizing and compiling all historical drill and geochemical data alongside its geological mapping activities. Furthermore, trenching in phase 1 targets, the Cumieira and Porqueira zones, to undergo better mineralized structure exposure through planned backhoe trenches and surface channel sampling, which will assist in revising drill targets and updating the geological model.**

- **Initial Resource Drilling in Phase 2: The upcoming drilling campaign will span 5,000 m RC as part of the project to establish the initial NI 43-101 resource assessment. Two objectives will be met during the drilling program — firstly, to verify high-grade mineralized areas and secondly, to identify new extensions in both strike and depth. At the same time, the research team will perform metallurgical tests to better understand the recovery process of tungsten and tin from main ore bodies. This $2.28 million program will enable a comprehensive resource assessment for Vila Verde by the end of 2025, which will establish its independent mining value.**

- **Licensing: Submitted and awaiting approval is an application for an Experimental Mining License (EML); the EML (similar to Borralha's license terms) would enable ACM to run pilot operations and exploration up to 150k tpa for five years until seeking a full mining license. The process to obtain an EML at this phase is mainly administrative because it involves presenting a financial guarantee worth ~€250k and submitting a work plan which ACM can complete. Vila Verde will achieve an essential milestone through the EML grant because it will gain mining rights equivalent to what Borralha currently holds.**

Vila Verde's ultimate vision foresees a possible transition from pilot plant to full-scale operations if exploration confirms an economically viable mineable deposit. In the scenario of operational success, Vila Verde will function as ACM's second tungsten production facility in the decade by processing hard-rock ore for increased market share. The pilot plant functions as a transitional phase for the company because it generates revenue while proving concepts until exploration enhances the resource base necessary for expansion. Through its phased implementation, ACM reduces risk exposure and capital needs because the company implements its value creation through several stages.

LEADERSHIP BIOS

ROY BONNELL

CHIEF EXECUTIVE OFFICER & DIRECTOR

Throughout 30+ years, Roy developed his management abilities while working in capital markets, natural resources, and venture capital. Roy's expertise primarily focuses on investor relations, together with partnerships and corporate structuring, that directly support ACM's reverse takeover and growth strategy. Roy obtained his LLB, MSc, and MBA credentials and led multiple public and private mining organizations through his roles as CEO and Director by driving project advocacy and capital acquisition. Roy provides leadership that guarantees stakeholders receive excellent governance and direct pathways to achieve rapid critical metal production.

JOÃO BARROS

PRESIDENT, CHIEF OPERATING OFFICER & DIRECTOR

With more than two decades in the field, João Barros serves as an experienced Portuguese mining engineer and geologist who handles exploration and permitting and project development work. In his role as President of Ascendant Resources Inc. and Redcorp Empreendimentos Mineiros, Lda, João oversaw key mining projects throughout Portugal. Through his membership in the Portuguese Engineers Association, João applies his expert abilities to conduct environmental impact assessments and feasibility studies, which form the foundation for advancing ACM’s operations on the ground.

SEAN O’NEILL

NON-EXECUTIVE CHAIRMAN & DIRECTOR

Through his 20 years of professional practice, Sean serves as the Securities Head at Boughton Law Corporation and provides consulting services to international mining organizations. Since 2000, Sean has been a member of the British Columbia Bar Association while maintaining professional qualifications as a registered engineer (P. Eng.) and obtaining an MBA, LLB, along with a BSc in Chemical Engineering. His dual competencies in law and engineering played a critical role in developing the reverse takeover framework for ACM while he directed governance practices and regulatory compliance, and strategic supervision.

A COMPELLING CRITICAL METALS INVESTMENT OPPORTUNITY

Allied Critical Metals Corp. delivers an exceptional investment opportunity to people who want to enter the critical minerals market. In the current time of essential material supply chain security requirements, the western supplier of tungsten will emerge as the key strategic player among a few others because ACM holds this position. The company's two-project portfolio in Portugal provides an attractive balance of short-term and long-term value drivers.

- **Near-Term Catalysts: The next 6–12 months brings many milestones to ACM, boosting its overall market value and brand awareness in the market. By 2026, Vila Verde will be operational and ACM will join the ranks as a revenue-producing organization. The success of initial concentrate sales and offtake will demonstrate product quality, while the Borralha resource estimate update and Pre-Feasibility Study will begin. Every upcoming event will reduce the project risks while providing clear evidence of project advancement. The company's public listing on the CSE will give investors transparent news updates and performance benchmarks for their investments.**

- **Strategic Appeal: Western countries strive to decrease their reliance on Chinese and Russian tungsten resources, thus creating new market opportunities for various global investors. The projects developed by ACM receive strategic interest from industrial buyers as well as defence contractors and government-supported funds.**

- **Experienced Leadership: The company's leadership at ACM has achieved notable progress by completing the RTO while securing project financing. The structured developmental plan at ACM, together with its solid connections to stakeholders, creates confidence regarding production path success. The launch of the pilot plant in 2025 positions ACM to seamlessly expand into full-scale mining operations.**

Allied Critical Metals presents itself as an exceptional investment within the junior mining sector through its strategic focus on high-demand critical minerals while owning valuable assets that demonstrate strong economic potential and operating under experienced leadership who follow an accelerated development path. The rising strategic importance of tungsten in light of worldwide supply chain reorganizations positions ACM as a prime European producer. Early investors who want to fulfil rising tungsten supply security needs now support the company as a pertinent investment opportunity in the critical metals sector.

CORPORATE SNAPSHOT

CAP STRUCTURE

Security Type	Price per Share	Shares O/S
Common Shares - Founders		20,000,000
Common Shares - Private Financings	$0.10	39,680,900
Common Shares - Auto. Convertible Debentures	$0.20	24,536,757
Common Shares - Concurrent Financing	$0.20	23,094,155
Common Shares - Shell - Deeprock Minerals Inc	$0.20	2,534,765
Basic Shares Outstanding		**109,846,577**
Options (1) -		-
Warrants - Concurrent Financing	$0.25	11,547,074
Broker's Warrants - Private Financings	$0.10	197,400
Broker's Warrants - Concurrent Financing	$0.25	911,900
Advisory Warrants - Concurrent Financing	$0.25	260,000
Special Warrants - Borrahla (2)	$0.30	4,466,667
Special Warrants - Vila Verde (2)	$0.40	6,700,000
Warrants - Shell - Deeprock Minerals Inc.	$2.40	116,875
Fully Diluted Shares Outstanding		**134,046,493**

SHAREHOLDER SUMMARY

1. The company's Omnibus Plan will provide for the grant of a number of Stock Options equal to up to 10% of the total issued and tstanding number of common shares.

2. The Special Warrants are performance special warrants issued as part of the consideration paid to the vendors of the Tungsten Projects, which are comprised of: (i) the Borralha Special Warrants, which vest no earlier than 12 months plus a day after the date of Listing provided that the vesting conditions are met, and has a face value of $1,340,000 which converts on vesting for no additional consideration into common shares at the greater of $0.30/share and the 20 day VWAP; and (ii) the Vila Verde Special Warrants, which vest no earlier than 36 months plus a day after the date of Listing provided that the respective vesting conditions are met, and has a face value of $2,680,000 which converts on vesting for no additional consideration into common shares at the greater of $0.40/share and the 20 day VWAP. There will be up to 11,166,667 common shares issuable pursuant to the Special Warrants, assuming that the respective vesting conditions are met for the Special Warrants and assuming the minimum conversion price of $0.30/share for the Borralha Special Warrants and $0.40/share for the Vila Verde Special Warrants.

LIST OF SOURCES

1. **Allied Critical Metals Corp. (2024). Corporate Presentation**. *(Investor presentation outlining company projects and strategy.)*

2. **Mina da Borralha Project — Environmental Impact Study and Mine Plan Presentation (May 2024).** *(Project presentation detailing the mine plan and EIA for the Borralha Tungsten Project.)*

3. **Vila Verde Tungsten-Tin Project — Project Presentation (2024).** *(Project presentation providing an overview of the Vila Verde tungsten-tin project and pilot plant.)*

4. **Technical Report on the Borralha Property, Parish of Salto, District of Vila Real, Portugal** – NI 43-101 Report (Effective Date: July 31, 2024). *(Independent geological and resource report for the Borralha Tungsten Project.)*

5. **Technical Report on the Vila Verde Property, District of Vila Real, Portugal** – NI 43-101 Report (Effective Date: July 30, 2024). *(Independent geological and resource report for the Vila Verde Tungsten-Tin Project.)*

6. **Term Sheet — Private Placement of Units for Gross Proceeds up to $2,500,000.** Allied Critical Metals Corp. (July 2024). *(Offering term sheet for a non-brokered private placement of equity units.)*

7. **Listing Transaction Cover Sheet and Disclosures.** Allied Critical Metals Corp. & DeepRock Minerals Inc. (June 14, 2024). *(Summary of reverse takeover listing transaction and related disclosures for Allied Critical Metals' public listing.)*

8. **Allied Critical Metals Inc. — Official Website**. *(Company website, corporate information and project updates.)* **Available at:** https://alliedcritical.com

9. **U.S. Geological Survey (USGS). (2023). *Mineral Commodity Summaries: Tungsten, 2023.*** *U.S. Department of the Interior.* **Available at:** https://pubs.usgs.gov/periodicals/mcs2023/mcs2023-tungsten.pdf

10. **U.S. Geological Survey (USGS). (2024). *Mineral Commodity Summaries: Tungsten, 2024.*** *U.S. Department of the Interior.* **Available at:** https://pubs.usgs.gov/periodicals/mcs2024/mcs2024-tungsten.pdf

11. **NATO. (2024, February 15). *NATO identifies key raw materials critical to Allied security and prosperity.*** *NATO Official News Release.* **Available at:** https://www.nato.int/cps/en/natohq/news_231765.htm

12. **SFA Oxford. (2023). *Critical minerals in defence and national security.*** *SFA Oxford Insights Report***. Available at:** https://www.sfa-oxford.com/knowledge-and-insights/critical-minerals-in-low-carbon-and-future-technologies/critical-minerals-in-defence-and-national-security/

13. **MarketScreener. (2025, May 5). *Allied Critical Metals Poised to Become Leading Tungsten Producer with Dual Projects in Portugal.*** *MarketScreener Press Release.* **Available at:** https://www.marketscreener.com/quote/stock/DEEPROCK-MINERALS-INC-47193875/news/Allied-Critical-Metals-Poised-to-Become-Leading-Tungsten-Producer-with-Dual-Projects-in-Portugal-49808413/