



FERRO-ALLOY
RESOURCES GROUP

CORPORATE PRESENTATION Q2 2023

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Overview

Vanadium producer in Kazakhstan

Corporate

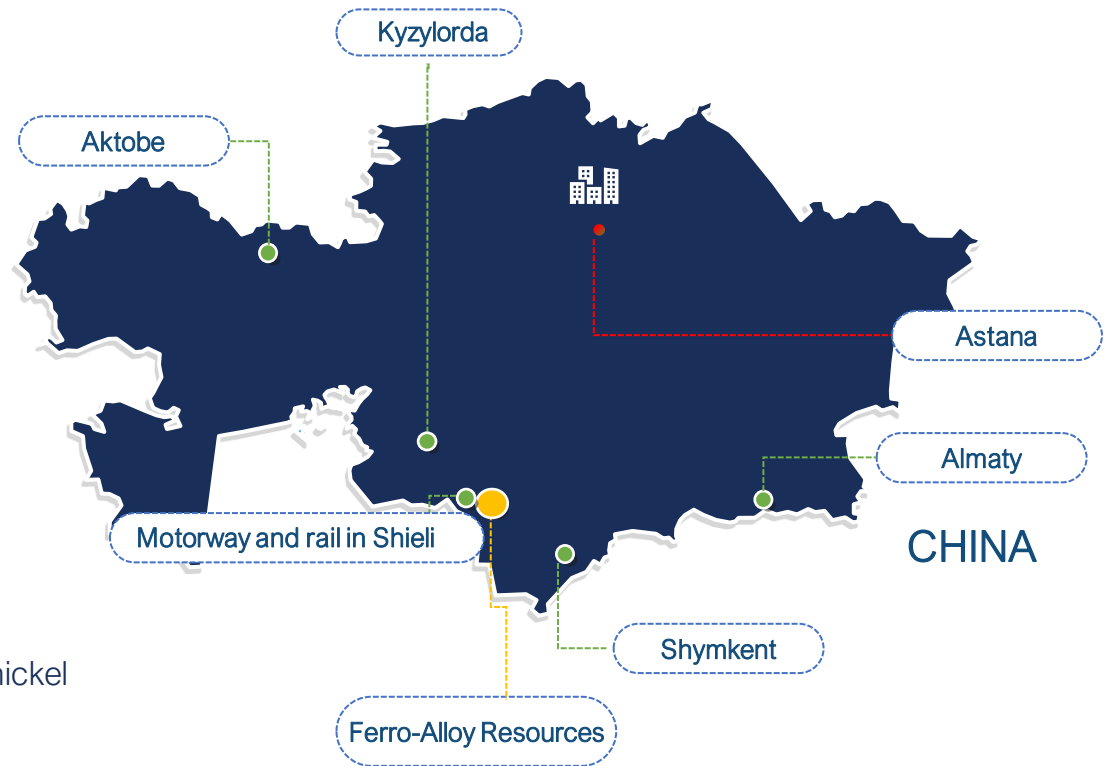
- Listed on London Stock Exchange and Astana International Exchange
- Operations: Kazakhstan

Activities

- Producing vanadium, molybdenum and nickel from purchased concentrates
- Feasibility study - Balasausqandiq project – targeting 22,400 tonnes of vanadium pentoxide plus by-products per year

Vanadium – a critical green metal

- Traditional use for micro-alloying steel - reduces world steel requirements
- A huge new market as a battery metal



Strategic Investment

Led by Sir Mick Davis, former Xstrata CEO, Vision Blue has made a multi-stage strategic investment into FAR:

- **\$15.5m** already invested (including \$1.1m by co-investors and \$5.4m subscription during September 2022 equity fundraise)

Further options:

- **\$2.5m** - option to subscribe within two months of announcement of feasibility study for Phase 1 of the Balasausqandiq project for Convertible Loan Notes (which, subject to certain conditions and any adjustment events occurring, are convertible into 19,952,433 shares at 9p* per share)
- **\$10m** - option to subscribe for up to 28,731,504 shares at 25p** per share, exercisable when FAR raises funds for construction of Phase 1 of the Balasausqandiq project, subject to consents
- **\$20m** - option to subscribe for up to 18,417,630 shares at 78p*** per share, exercisable at any time until two years after the completion date under the investment agreement or when FAR raises money for construction of Phase 1 of Balasausqandiq project, subject to consents

* 12.5298 cents (USD) per share using the agreed exchange rate

** 34.805 cents (USD) per share using the agreed exchange rate and subject to any adjustment events occurring

*** US\$1.085916 per share using the agreed exchange rate and subject to any adjustment events occurring

Share capital

Major shareholders

Shareholder	Current shares (m)	After conversion of VBR loan notes (m)
Vision Blue Resources	77.6 (17.3%)	111.1 (23.0%)
Andrey Kuznetsov	68.5 (15.2%)	68.5 (14.2%)
Nicholas Bridgen	59.5 (13.2%)	59.5 (12.3%)
Other shareholders	244.1	244.1
Total	449.7	483.2

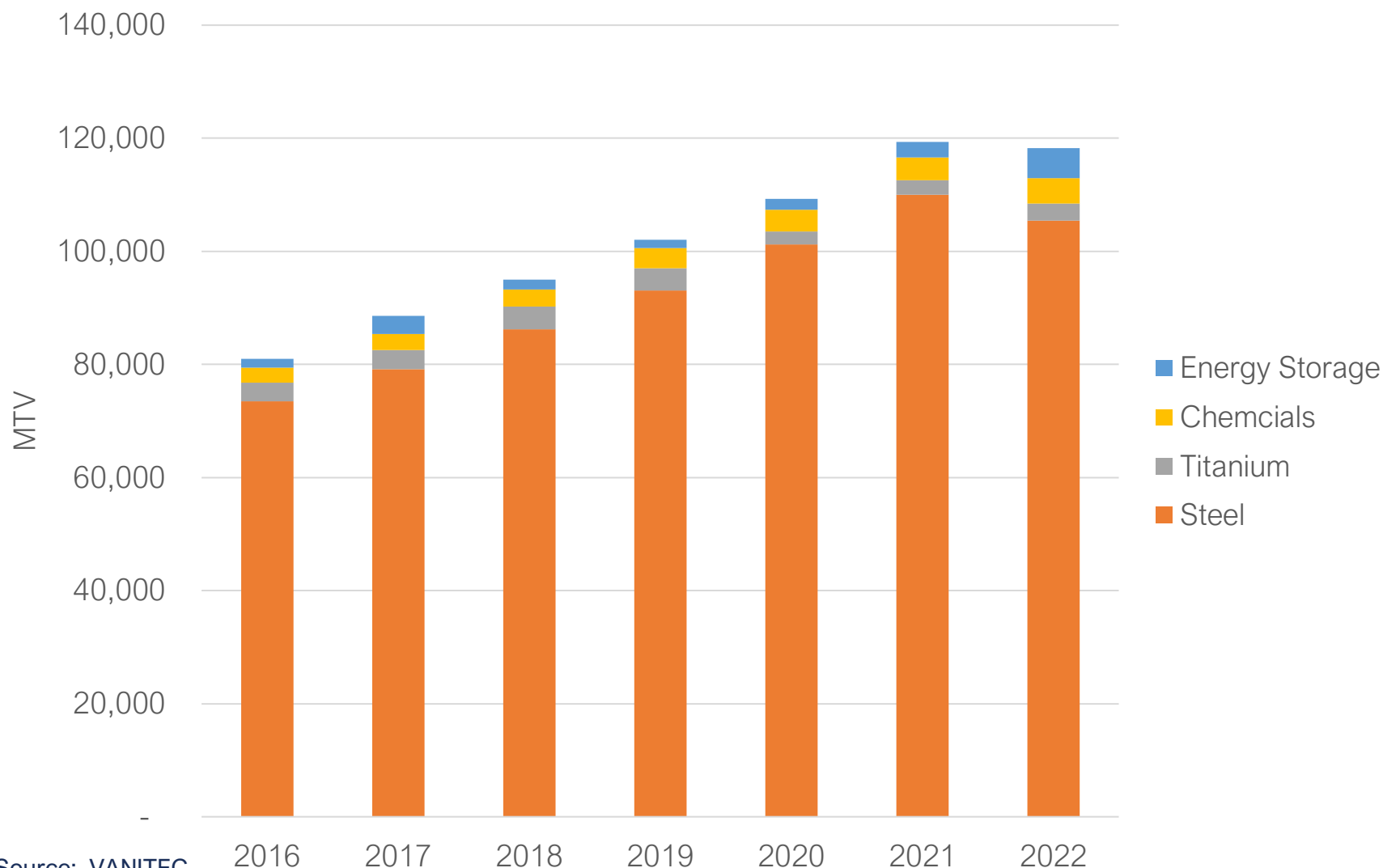
Vision Blue Resources holds US\$4,200,000 of loan notes which are convertible into 33,520,088 shares at the pre-agreed issue price of 9p per share (12.5298 cents (USD) per share using the agreed exchange rate and subject to any adjustment events occurring).

Figure for Vision Blue Resources excludes 8,779,073 shares held by co-investors.



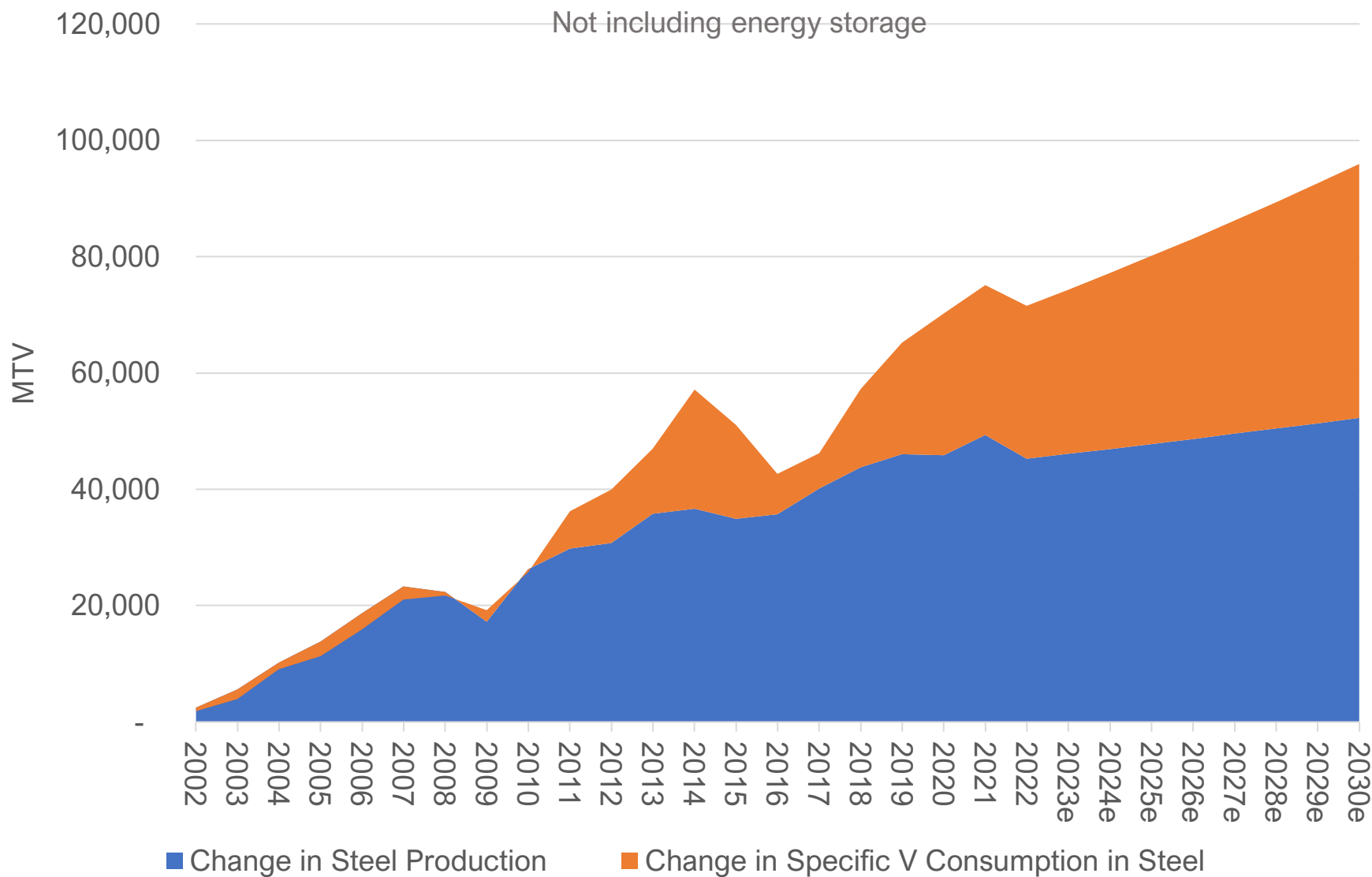
The Vanadium Market

Global vanadium consumption by application



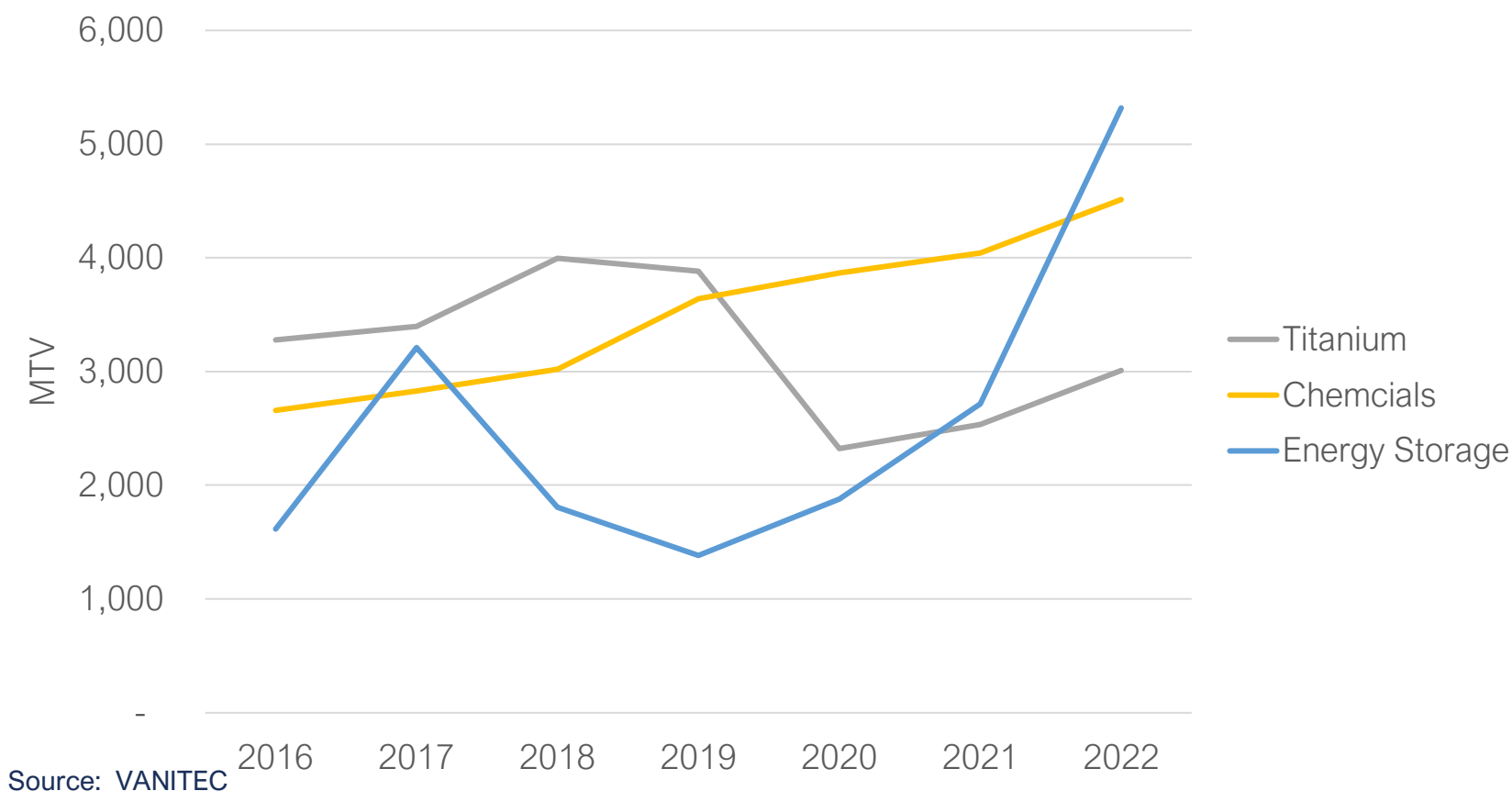
Source: VANITEC

Sources of new demand 2002-2030



Global vanadium consumption - speciality uses

Global Vanadium Consumption by Application





Two operations

A: Balasausqandiq project – approximately 96% of NPV

B: Existing processing operation – approximately 4% of NPV Balasausqandiq



Balasausqandiq deposit

(96% of FAR's NPV)

Balasausqandiq deposit: An unusual type of ore



Nearly all the vanadium produced in the world is from titano-vanadiferous magnetite, a form of iron ore. Extraction of vanadium from this material is energy intensive and expensive.

The ore at Balasausqandiq is different. It is a sedimentary deposit, with a high grade of vanadium and negligible iron – a significant advantage.

Balasausqandiq – why a huge cost advantage over other producers and projects?

Crucially not a titano-vanadiferous magnetite deposit

WHY THIS MATTERS:

- No need for high temperature roasting
- No need to pre-concentrate ore
- High recovery
- Valuable by-products



- Significantly reduces capital costs
- Significantly reduces operating costs
- Negative cost of vanadium production after by-product credits



Balasausqandiq – other advantages

FAVOURABLE GEOLOGY

- Outcrops at surface, open pit
- Very large deposit
- Total resource plus exploration potential 115m tonnes (middle of estimated range)
- Visible geological cut-off, low stripping ratio

EXISTING INFRASTRUCTURE AND TRANSPORT LINKS

- Surfaced road already existing to site from town of Shieli (70 km)
- Shieli lies on the route of the motorway and rail links connecting Western Europe with East-Coast China
- High voltage (110kV) power line already connected
- Water and land readily available

ENVIRONMENTAL AND SOCIAL

- All the constituents of the ore and recycling operations can be sold as products
- No arable land will be disturbed
- The site is 16 km from the nearest habitation - no people will be moved or disturbed
- Lower CO₂e than other primary vanadium suppliers

Balasausqandiq – economics

LOWEST COST PRODUCER

Balasausqandiq forecast cash cost of production:

- \$1.54/lb expected (costs apportioned between products)
- \$(1.20) if by-product revenues are deducted from costs

EXCEPTIONAL FINANCIAL STATISTICS (Phases 1 and 2 combined)

- NPV of \$2 billion (10% discount rate, after tax cash flows)
- 79% operating margin
- 89% IRR
- Annual operating cash flow \$430m per year after tax (at 2018 assumed V2O5 price of \$7.50/lb)

Source: Competent Person's Report, 2018

Feasibility study highlights

Resource

- 2022 exploration programme completed on OB1 - 4
- OB 1 Indicated mineral resource: 33m tonnes, 0.62% V₂O₅, 203,000 V₂O₅ content
- OBs 2 – 4: Mineral resource estimate expected around July 2023

Metallurgy

- Full metallurgical test results expected in Q3 2023
- High vanadium recovery confirmed by interim results
- Test-work on sorption and final recovery ongoing

Carbon

- Testwork on producing a carbon-silica concentrate and suitability for making tyres as substitute for carbon black successful
- Based on substitution price, carbon could be a co-product of value greater than vanadium
- Significantly lower CO₂ (e) output than traditional carbon black
- Further tests and negotiations with tyre manufacturers planned

Expanded scope

- Scope previously expanded to include Phase 2. Now potentially including sulphuric acid plant and carbon concentrator plant

Balasausqandiq – mineral resource estimate

Ore-body 1 (SRK 2023)

Classification	Zone	Tonnage (Mt)	% V ₂ O ₅	Tonnes V ₂ O ₅ contained
Indicated	Oxide	1.57	0.67	
	Transitional	1.25	0.66	
	Fresh (Sulphide)	30.08	0.61	
Total		32.90	0.62	203,364

Ore-bodies 2 – 5 (GBM – Competent Person's Report 2018)

Classification	Zone	Tonnage (Mt)	% V ₂ O ₅	Tonnes V ₂ O ₅ contained
Exploration potential		90.5	0.69	624,550
Total		90.5	0.69	624,550



Existing operation

(4% of FAR's NPV)

Existing process plant - today



- Recovers vanadium, molybdenum and nickel from recycled raw-materials
- Based on expanded pilot/test plant for the Balasausqandiq project

Existing operation

Existing operation

- Treating purchased vanadium-containing concentrates – usually catalysts from the de-metallisation of oil in refineries
- Products:
 - Vanadium pentoxide
 - Ferro-molybdenum
 - Nickel concentrates
- All the valuable materials contained in the raw materials are recovered
- No tailings are retained on site

Existing operation – target production

	Tonnes treated/produced	Projected monthly sales revenue 2023 at current prices and discounts \$m (% of total)
Tonnes treated	500	
<i>Production:</i>		
Vanadium pentoxide	35 – 50	\$0.7m - \$0.95m (70%)
Molybdenum in FeMo	7 - 9	\$0.3m - \$0.4m (30%)
Nickel in concentrate	4 - 15	\$0.1m - \$0.35m (10%)
Total		\$1.0m - \$1.4m (100%)

The metal content of raw-materials varies considerably and high-grade materials are more expensive to buy. The above projected figures are based on a typical mix of raw-materials but the actual materials treated may be different. Figures are approximate

Existing process plant – why?

Advantages:

- Useful cash flow
- Retains an experienced management team
 - Technical experience
 - Four PhD's within technical team
 - Enables informed input to design of Balasausqandiq project
 - Capability in-house to develop needed technology
- Operating management ready for Balasausqandiq operations

Operating the existing process plant significantly de-risks the implementation of the Balasausqandiq project



Development plan

Development plan

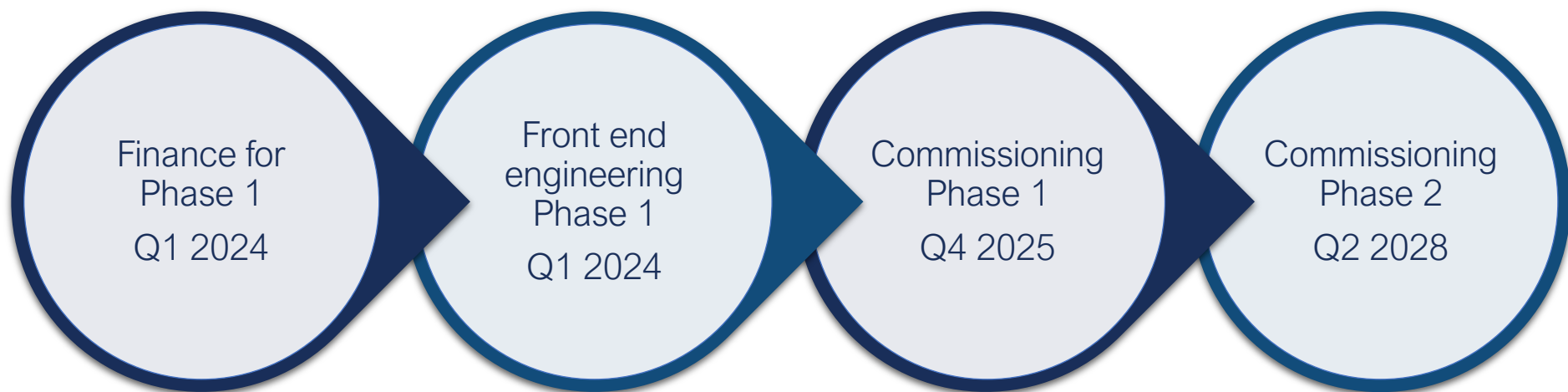
Now	Existing operation and feasibility study for Balasausqandiq
Phase 1	Mining and processing 1 Mtpa of ore Production 5,600 tpa (to be funded from existing operations, debt, and exercise of options by strategic partner)
Phase 2	Expansion to 4 Mtpa of ore Production increase to 22,400 tpa (to be funded from earnings of Phase 1)

Production figures in tonnes of vanadium pentoxide (V2O5). Source Competent Person's Report 2018

- Equity for funding for Phase 1 is expected to be by the cash flows arising from the existing operation and by debt plus limited equity issues if required. Note: Vision Blue Resources has options to subscribe for additional US\$32.5m equity or convertible loan notes
- The current intention is that funding of Phase 2 will be substantially from operating earnings of Phase 1 plus limited debt

Timeline – post feasibility study

Approximate timeline of development plan





Q&A