

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 (INCLUDING AS IT FORMS PART OF THE LAWS OF ENGLAND AND WALES BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR")).

27 July 2023

Ferro-Alloy Resources Limited
("Ferro-Alloy" or the "Group" or the "Company")

Launch of Bond Programme and Listing of First Tranche

Ferro-Alloy Resources Limited (LSE:FAR), the vanadium producer and developer of the large Balasausqandiq vanadium deposit in Southern Kazakhstan, is pleased to announce the launch of a new phased US\$20 million exempt offer bond programme valid until 31 July 2033 (the "Programme"). The Company has listed the first tranche of the bonds under the Programme on the Astana International Exchange ("AIX") with the ability to raise up to US\$3 million initially.

Summary

- The Company's previously issued bonds amounting to US\$1.1 million were redeemed at maturity in March 2023. Further to this redemption, the Company has launched the Programme, which was approved by the AIX on 24 July 2023.
- The highlights of the Programme are as follows:
 - The Programme will comprise one or more tranches of bonds, each listed on the AIX;
 - The total nominal value of all tranches issued under Programme shall not exceed US\$20 million;
 - Each tranche of the Programme will be offered only to accredited investors (as defined by 1.1.2(6)(a) of AIFC MAR Rules) based in Kazakhstan and governed by the laws and regulations of the Astana International Financial Centre ("AIFC");
 - Bonds issued under the Programme will be denominated in either US dollars or Kazakhstan tenge with interest payable to bondholders bi-annually;
 - All bonds issued will rank as unsecured debt obligations of the Company; and
 - The applicable coupon rate, duration, issue price and other relevant terms of any bonds issued under the Programme will be defined and determined by the terms and conditions of each tranche of bonds issued.

First Tranche

- On 27 July 2023, the Company listed the first tranche of bonds under the Programme on the AIX ("the First Tranche") with the ability to raise up to US\$3 million.
- A summary of the terms and conditions of the First Tranche is as follows:
 - ISIN: KZX000001474
 - Specified currency: US Dollars
 - Face value: US\$2,000

- Number of bonds: 1,500 units
 - Total nominal amount of the bonds: US\$3 million
 - Issue date: 27 July 2023
 - First date of trading: 28 July 2023
 - Last date of the circulation period: 26 July 2026
 - Maturity date: 27 July 2026
 - Coupon rate: 9.0% fixed of the nominal value of the bonds issued
 - Frequency of interest payments: twice a year, 27 January, and 27 July of each year, commencing on 27 January 2024
 - Coupon basis: 30 days in a month / 360 days in a year
- Trading of the First Tranche of bonds will commence on 28 July 2023.

Commenting on the Programme, Nick Bridgen, CEO of Ferro-Alloy Resources said:

“The Programme will provide the Company with the opportunity to replace the bonds that were repaid in March 2023, and provide the flexibility to make further bond issuances to finance the acceleration of the Company’s development as required in the future.”

For further information, visit www.ferro-alloy.com or contact:

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About Ferro-Alloy Resources Limited:

The Company's operations are all located at the Balasausqandiq deposit in Kyzylordinskoye Oblast in the South of Kazakhstan. Currently the Company has two main business activities:

- a) the high grade Balasausqandiq vanadium project (the "Project"); and
- b) an existing vanadium concentrate processing operation (the "Existing Operation")

Balasausqandiq is a very large deposit, with vanadium as the principal product together with several by-products. Owing to the nature of the ore, the capital and operating costs of development are very much lower than for other vanadium projects.

The most recent mineral resource estimate for ore-body one (of seven) provided an Indicated Mineral Resource of 32.9 million tonnes at a mean grade of 0.62% V₂O₅ equating to 203,364 contained tonnes of vanadium pentoxide ("V₂O₅"). In the system of reserve estimation used in Kazakhstan the reserves are estimated to be over 70m tonnes in ore-bodies 1 to 5 but this does not include the full depth of ore-bodies 2 to 5 or the remaining ore-bodies which remain substantially unexplored.

The Project will be developed in two phases, Phase 1 and Phase 2, treating 1m tonnes per year and an additional 3m tonnes per year. Production will be some 5,600 tonnes of V₂O₅ from Phase 1, rising to 22,400 tonnes V₂O₅ after Phase 2 is commissioned.

There is an existing concentrate processing operation at the site of the Balasausqandiq deposit. The production facilities were originally created from a 15,000 tonnes per year pilot plant which was then expanded and adapted to recover vanadium, molybdenum and nickel from purchased concentrates.

The existing operation is located on the same site and uses some of the same infrastructure as the Project, but is a separate operation which will continue in parallel with the development and operation of the Project.