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2 March 2022

Ferro-Alloy Resources Limited ('FAR' or the 'Company' or the 'Group')

Operations Update

Ferro-Alloy Resources Limited (LSE:FAR), the vanadium producer and developer of the large Balasausqandiq vanadium deposit in Southern Kazakhstan, is today providing an update on operations.

The Board of FAR is deeply shocked by the recent invasion of Ukraine and is deeply concerned about the tragic consequences unfolding there. Whilst the situation in Ukraine remains complex and changeable, the Company's operations in Kazakhstan are currently unaffected with raw materials and supplies being delivered to site as normal.

Although the Company's operating company in Kazakhstan has commercial relationships with some companies in Russia to procure certain materials, there are alternative suppliers for all these materials in Kazakhstan and other countries.

While exchange rates are volatile currently, the immediate impacts of the fall in the value of the Russian Rouble by around 30%, and the fall in the value of the Kazakhstan Tenge by around 15%, are to significantly reduce the Group's costs given most of them are denominated in these two currencies.

Shareholders will be updated should the situation materially change.

The Company confirms that the on-going work programmes relating to the preparation of the Bankable Feasibility Study are progressing as set out in the announcement of 29 November 2021 and the Company looks forward to providing a detailed update in relation to this in due course.

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.

A reserve on the JORC 2012 basis has been estimated only for the first ore-body (of five) which amounts to 23 million tonnes, not including the small amounts of near-surface oxidised material which is in the Inferred resource category. 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.

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 adapted to treat concentrates and expanded. Further expansion is being undertaken which is expected to result in annualised production capacity of around 1,500 tonnes of contained vanadium pentoxide plus significant by-product molybdenum.

The strategy of the Company is to develop both the Project and the Existing Operation in parallel. Although they are located on the same site and use some of the same infrastructure, they are separate operations.