Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR).

Ferro-Alloy Resources Limited / EPIC: FAR.L/ Market: LSE/ Sector: Mining

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Ferro-Alloy Resources Limited ('the 'Company')

First Commercial Production and Sales of Calcium Molybdate

Ferro-Alloy Resources Limited (LSE: FAR), the vanadium mining and processing company with operations based in Southern Kazakhstan, is pleased to announce that it has made its first commercial production and sale of calcium molybdate.

Calcium molybdate ($CaMoO_4$) is used in the production of ferromolybdenum, molybdenum-containing alloys, ceramics and direct alloying of steel and alloys with molybdenum in electric arc furnaces. The molybdenum content of calcium molybdate is sold on the pricing basis of molybdic oxide less a small discount.

The molybdenum will be extracted as a by-product from the same raw materials that the Company buys for the extraction of vanadium so there will be no additional raw-material costs. The quantity which the group can produce is dependent upon the grades of material being treated but is expected to be up to 14 tonnes of calcium molybdate (containing around 10 tonnes of molybdic oxide) per month. Some interruptions to production in the next few months are expected due to on-going Covid-19 restrictions and until the new connection to the adjacent high-voltage power line is made, expected in Spring of 2021, which is expected to significantly reduce down-time caused by power outages and instability. Nevertheless, the impact on revenues and earnings will be significant in the context of the current processing operation.

Although the immediate target is to produce calcium molybdate as a by-product from existing raw-materials, the Company now has the option to source molybdenum-bearing raw-materials with molybdenum is the primary metal where it is more profitable to do so.

The Company is in discussions with potential off-takers and expects to sign a long-term contract shortly.

Nick Bridgen, CEO, said: *"I am extremely pleased with the speed at which we have been able to make our first commercial production and sale of calcium molybdate. This is another step in our plan for the development of the current small-scale operation while plans for the development of the Balasausqandiq project continue. It will bring a significant increase in revenue with only a small impact on costs and will be highly complementary to the record levels of production seen in recent months."*

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

ENDS

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Further information about Ferro-Alloy Resources Limited

The Company's operations are all located at the Balasausqandiq Deposit in Kyzylordinskaya 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 profitable vanadium concentrate processing operation (the "Existing Operation")

Balasausqandiq is a very large deposit, with vanadium as the principal product, together with by-products of carbon, molybdenum, uranium, rare earth metals, potassium, and aluminium. Owing the nature of the ore, the capital and operating costs of development are very much lower than for other 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 2-5.

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 low-grade concentrates and is now in the process of being expanded and further adapted to treat a wider variety of raw materials.

The Company has already completed the first steps of a development plan for the existing operation which is expected to result in annualised production capacity increasing gradually to around 1,500 tonnes of contained vanadium pentoxide. The development plan includes upgrades to

infrastructure, an extension to the existing factory and the installation of equipment to increase the throughput and to add the facilities to convert AMV into vanadium pentoxide.

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