

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

3 September 2020

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

Issue of Equity

Ferro-Alloy Resources Limited (LSE: FAR), the vanadium mining and processing company with operations based in Southern Kazakhstan announces that, conditional only on Admission becoming effective, it has allotted 6,250,000 ordinary shares of no par value ('Ordinary Shares') by way of a direct subscription into the Company for cash at a price of 8 pence per share, raising a total of £500,000.

Application will be made to the FCA and to the London Stock Exchange for the 6,250,000 Ordinary Shares, which rank *pari passu* with the Company's existing issued ordinary shares, to be admitted to the standard segment of the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities respectively. Dealings are expected to commence from 8.00 a.m. on 8 September 2020 ("Admission").

Following Admission, the Company will have in issue a total of 324,339,052 Ordinary Shares. The Company does not hold any Ordinary Shares in treasury. Therefore, following Admission, the total number of voting rights in the Company will be 324,339,052 which may be used by shareholders or other persons as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

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

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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.

A reserve on the JORC 2012 basis has been estimated only the first ore-body number 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 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.