

7 December 2022

Ferro-Alloy Resources Limited
(“Ferro-Alloy” or “the Company”)

Feasibility Study Update

Completion of Drilling Programme for 2022

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 completion of drilling for ore body one (“OB1”) and the partial completion of drilling on ore bodies 2, 3 and 4 (“OB2, OB3 and OB4”), following a total of 19,720 metres of drilling undertaken in 2022.

Phase 1 Update

The Company has previously announced a resource and a reserve estimate for OB1 of 23 million tonnes, sufficient for a mine-life of more than 20 years for Phase 1 of the project (processing 1 million tonnes of ore per year).

As part of the ongoing bankable feasibility study (“BFS”), and with the objective of ensuring a high degree of definition of the OB1 folded deposit, the decision was taken to increase the drilling meterage on OB1 and the Company provides the following update:

- OB1 drilling programme now complete;
- Assaying for OB1 is expected to be completed by the end of December 2022;
- Updated resource estimate for OB1 expected to be finalised by SRK Consulting (Kazakhstan) Limited and announced during Q1 2023; and
- Ore reserves required to support Phase 1 of the project will be derived from the revised resource estimates as part of the BFS.

Phase 2 Update

The drilling programme for OB2, OB3 and OB4, that will support Phase 2 of the project (an additional 3 million tonnes of ore processed per year), has been completed so far as possible. There is an area of difficult topography (not expected to create difficulties for actual mining) and the Company is currently assessing the options available to access the undrilled area or omit it from the BFS if sufficient tonnes of resource and reserve are assessed from the remaining area.

Nick Bridgen, CEO, commented: *“I am very pleased to report the completion of the drilling programme for OB1, and the drilling progress made that will support Phase 2. The early results of the expanded bankable feasibility study are expected to confirm the potential for Balasausqandiq to become a globally significant vanadium operation, and I look forward to updating our shareholders on the results of the exploration and metallurgical programmes in the New Year.”*

ENDS

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 the 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 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.