

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")).

17 October 2023

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

Sale of Second Tranche of Exempt Offer Bond Programme

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 sale of all bonds issued under the US\$5m second tranche (the "Second Tranche") of the Kazakhstan exempt offer bond programme (the "Programme").

Background

As previously announced, the Company listed the Second Tranche of bonds under the Programme on 19 September 2023, to accelerate the development of the Balasausqandiq project including front-end engineering.

The nominal value of the Second Tranche was US\$5m, with a nominal coupon rate of 10%, payable quarterly, and a three year maturity.

Sale / Proceeds

All bonds listed under the Second Tranche have been sold and net proceeds of US\$4.87m have now been received by the Company.

Trading of the Second Tranche of bonds on the Astana International Exchange commenced on 20 September 2023.

Summary

The two tranches of bonds issued and listed under the Programme to date have been sold, in aggregate, for US\$8m. Under the terms of the Programme, US\$12m of headroom remains for the issue of future tranches by the Company.

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 stages, Stage 1 and Stage 2, treating 1m tonnes per year and an additional 3m tonnes per year. Production will be some 5,600 tonnes of V₂O₅ from Stage 1, rising to 22,400 tonnes V₂O₅ after Stage 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.