

26 September 2024

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

**Interim Results for the six months ended 30 June 2024**  
**and**  
**Carbon concentrate and feasibility study update**

Ferro-Alloy Resources Limited (LSE:FAR), the vanadium producer and developer of the large Balasausqandiq vanadium deposit in Southern Kazakhstan, announces its unaudited interim results for the six months ended 30 June 2024 and provides an update on the results from the testing completed on its carbon concentrate and the Balasausqandiq feasibility study.

**Overview**

***Carbon Concentrate***

- Results from the testing of the Company’s carbon concentrate to be produced from the tailings of the Balasausqandiq ore have confirmed the suitability of the concentrate for use in tyre rubber manufacture and other carbon black based rubber applications.
- The testing has shown that the carbon concentrate can be successfully used as a partial substitute for conventional carbon black filler in a passenger car tyre sidewall compound formulation.
- A marketing report quantifying the value proposition of the concentrate is being finalised.

***Feasibility Study***

- Feasibility study for Phase 1 is ongoing:
  - Current focus of the study is on the optimisation of the planned tailings storage facility. Site selection is in progress and preliminary capital estimates have been completed on a staged construction basis to refine initial capital spend.
  - Design capacity of the of the Phase 1 process plant has been increased to 1.65m tonnes throughput per year and the comminution circuit design work has been completed.
  - Reagent optimisation programme commenced to quantify improvements to the project’s expected operational expenditure.
  - In order to accommodate the increased design capacity of the Phase 1 process plant and the reagent optimisation programme, the Company now expects the feasibility study to be published during Q2 2025.

## **Operations**

- The Plant operated well during the period. Production in H1 2024 was slightly lower than H1 2023 due to lower overall grades of vanadium and molybdenum contained within the catalysts processed.
- Commissioned two new drying ovens which allow the conversion of ammonium metavanadate by disassociation into vanadium pentoxide which commands better pricing. The Company is evaluating plans to acquire the equipment to produce vanadium pentoxide flake to access a larger market.
- Test processing of the nickel-rich residues held at the plant site on a commercial scale did not sufficiently replicate the results achieved in the laboratory and consequently the plant will revert to processing bought-in catalysts during Q4 2024. This decision is partly driven by low metal prices. The Plant may resume treating the residues if metal product prices recover.
- Research and development are ongoing to determine the suitability of the nickel-rich residues for the production of ferro-nickel.

## **Financial**

- Total revenues of US\$2.1m for the period (H1 2023: US\$3.3m) reflect the significant decrease in the price of vanadium pentoxide between the two reporting periods.
- Overall loss for the period of US\$3.99m (H1 2023: loss of US\$1.53m).
- Cash balance of US\$2.5m at the period end and US\$1.1m as at 20 September 2024.

## **Corporate**

- During the period, the Company listed and sold a third tranche of bonds with a nominal value of US\$5m under the terms of the Kazakhstan Bond Programme on the AIX.

### **Nick Bridgen, CEO of Ferro-Alloy Resources said:**

*“The success of the carbon test work programme has confirmed the tremendous value of this product in the manufacture of tyres and in the rubber industry generally. This will be factored into the feasibility study which will also include the increased throughput and reagent optimisation programme.*

*The current vanadium price is exceptionally low, principally caused by the slow-down of construction in China. This is affecting current results, but the long-term forecasts continue to show a deficit of world production as vanadium redox flow batteries ramp up and China recovers. Historically, when a deficit arises, the price moves up strongly.”*

**ENDS**

**For further information, visit [www.ferro-alloy.com](http://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% V<sub>2</sub>O<sub>5</sub> equating to 203,364 contained tonnes of vanadium pentoxide ("V<sub>2</sub>O<sub>5</sub>"). 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 phases, Phase 1 and Phase 2, with Phase 1 treating 1.65m tonnes per year.

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.