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

29 June 2020

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

Final Results for the year ended 31 December 2019

Ferro-Alloy Resources Limited (LSE:FAR), the vanadium mining and processing company with operations based in Southern Kazakhstan is pleased to announce its final results for the year ended 31 December 2019.

Overview

- Successfully commenced trading on the London Stock Exchange, raising US$6.9m (£5.3m)
- Significant progress made towards major expansion of the existing processing operation with new equipment installed, increasing capacity to 60 tonnes of vanadium pentoxide per month
- Installed entirely new pyrometallurgical production process aimed at treating higher grade vanadium-containing secondary materials
- Upgraded existing hydrometallurgical process with improved product quality
- 2019 production of vanadium pentoxide increased 21.6% to 152 tonnes (2018: 125 tonnes)
- Preparatory work completed on second major phase of expansion, planned to take capacity up to some 1,500 tonnes per year
- Work on construction of a link to the high voltage power line started which will increase reliability and reduce the cost of power by half
- Upgrade of the feasibility study continuing on the Balasausqandiq vanadium project, which has a NPV of $2 billion at a long-term forecast vanadium pentoxide price of US$7.50/lb
- Prices of vanadium pentoxide were falling throughout 2019 from an exceptionally high price of nearly $30/lb in 2018 to a more normal range of US$5-7/lb in early 2020

Post-Period

- Listed on the Astana International Exchange ('AIX') in Kazakhstan
- Raised £250,000 by the issue of equity
- Raised $300,000 by the issue of bonds on the AIX
- Funding will assist with remaining expansion plans and upgrade of feasibility study
- Covid-19 resulted in various restrictions on travel which disrupted and curtailed operations in a number of ways, including slower progress on the feasibility study, delays to the link to an adjacent high voltage power line, commissioning issues with newly installed equipment and the shutdown of the hydrometallurgical process line because of lack of specialist staff on site.
- Production recommenced on the hydrometallurgical process on 1 June 2020 which, in spite of some continuing Covid-19 restrictions, has resulted in a significant increase in production to a monthly rate nearly three times that of the first quarter of 2019.

Nick Bridgen, CEO, commented: *"In a year in which we achieved a listing on the London Stock Exchange, Ferro-Alloy Resources also made significant progress on the ground"*

"During the year, a significant amount of new equipment was installed. This should increase processing capacity to around 60 tonnes of vanadium pentoxide per month. We should build up to this level as the new power-link comes online and Covid-19 restrictions are further relaxed. This was achieved without any significant stoppage of operations, with vanadium pentoxide production up nearly 22% year-on-year and now up to a level nearly three times higher than in the first quarter of 2019.

"As widely reported, the price of vanadium pentoxide fell from extreme and exceptional highs of around US$30/lb at the end of 2018 to just over US$5/lb at the end of 2019. This fall has produced an arithmetically inevitable squeeze on margins as raw-materials are purchased on the basis of much higher prices than the subsequent sales, and long delivery schedules mean that realised prices are even lower than those prevailing at the time of shipment. However, these effects of the downturn should even out in the long run as prices go up and down. Prices have stabilised somewhat during 2020 to date, and currently sit a little lower than our long term forecast price of around US$7.50/lb. Both today's market price and the Company's long-term forecast price provide a very high margin to the forecast cash cost of production of US$1.54/lb at the Balasausqandiq vanadium project.

"Balasausqandiq is a truly extraordinary project with, I believe, unparalleled potential. Due to its unique geology, the project should be one of the world's largest and lowest cost vanadium mines, meaning that it will be extremely profitable even at a significant discount to the current vanadium price. With our existing operation combined with a defined development plan for the Balasausqandiq Vanadium Project, Ferro Alloy offers a fantastic opportunity to gain exposure to the vanadium market where demand continues to grow, particularly with the increasing usage of vanadium redox flow batteries for renewable energy storage.

"I am very grateful for the support from existing and new shareholders, and new bond holders, and with a firm base I look forward to further progress being made over the coming months."

Annual Report

The Annual Report for the year ended 31 December 2019 will be available on the Company's website shortly at www.ferro-alloy.com

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. 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, originally created from a 15,000 tonnes (ore) 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 development of the Balasausqandiq mine and processing plant will be in two phases, the first of which will add a further 5,600 tonnes per annum of vanadium pentoxide to production, and then a further 16,800 tonnes in the second phase, bringing the total including the existing operation to 23,900. 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.

CEO's report on operations for the year to 31 December 2019 and 2020 to date

Introduction

2019 was an eventful year for the Group. On 28 March 2019 Ferro-Alloy Resources Limited was admitted to listing on the London Stock Exchange, raising $6.9m before expenses for the purpose of expanding production from the existing process plant and upgrading the feasibility study of the Balasausqandiq project to Western Bankable standards.

In spite of the dual headwinds of a steep fall in the price of vanadium and the Covid-19 crisis, the Company has made significant progress, with production now running at a rate nearly three times higher than in the first quarter of 2019 and capacity for significantly more as power availability is increased and the relaxation of Covid-19 government measures in Kazakhstan allow for full utilisation.

Production

During 2019 a significant amount of new equipment was installed. Although, for various reasons, this capacity has not yet been fully utilised, the installed processing capacity of the plant has now increased to around 60 tonnes of vanadium pentoxide per month, depending on the grade of raw material. Full utilisation of this capacity is being limited by Covid-19 issues and by the availability of power which is currently being expanded, so the full benefit of this increase in capacity has not yet been realised. This significant increase in capacity was achieved without any long-term stoppage of operations, with production in 2019 amounting to 152 tonnes, up 21.6% from 125 tonnes in 2018. All production figures in this report refer to tonnes of vanadium pentoxide contained in ammonium metavanadate, “AMV”.

The increase in capacity has been achieved by the commissioning of an entirely new pyrometallurgical production process aimed at treating higher grade vanadium-containing secondary materials which require an initial roasting step and a different leaching approach. At the same time, significant improvements have been made to the existing process line resulting in product quality improving.

The creation of the pyrometallurgical line accounted for the largest proportion of investments in 2019. The first of two roasting ovens had been purchased in 2018 and initial testing guided the installation of a second oven in 2019 and the installation of new leach equipment and press filters to greatly improve and expand this operation. Production from this line was limited during 2019 to around 20 tonnes whilst a single oven was in operation and the line tested, but the pyrometallugrical line will account for the bulk of the expansion from 2020 onwards.

Preparatory work has also been completed on the next stage of expansion, planned to take capacity up to around 1,500 tonnes per year. A new 1,000 m² building has been constructed to house the decomposition oven to convert the AMV to vanadium pentoxide and an electric arc furnace which will allow the production directly of ferro-vanadium.

Work on the construction of a link, with appropriate transformer capacity, to the adjacent high voltage power line has started. It was planned to finalise it in the second quarter of 2020 but little work has been done in the second quarter as a result of the Covid-19 crisis. In the fourth quarter of 2019 we experienced significant outages of power due to heavy winter conditions affecting the existing line which resulted in high costs for back-up power generation and reduced production. The new high voltage power line will increase reliability, the cost of power will reduce by half, and existing plant capacity can be better utilised.

Production and shipments by quarter in 2019 were:

Quarter	Production (tonnes of vanadium pentoxide contained in AMV)	Shipments (tonnes of vanadium pentoxide contained in AMV)
Q1	32,093	39,066
Q2	39,037	40,551
Q3	38,253	40,032
Q4	43,073	35,701
Total	152,456	155,350

The Company's only product during the year was AMV, a precursor product from which vanadium pentoxide is made by heating in a dissociation oven. AMV is sold on the basis of the content of vanadium pentoxide, less a discount to standard vanadium pentoxide. All production figures are therefore quoted in terms of the content of vanadium pentoxide.

Covid-19

Kazakhstan has been less affected by Covid-19 than many European countries but nevertheless, there have been over 31,000 detected cases and, sadly, over 140 people have died. With a population some 28% of that of the UK, this is a relatively small but still serious outbreak. Kazakhstan was quick to respond and declared a state of emergency on 16 March 2020. Measures taken to control the spread have included a complete lock-down of several major cities, the temporary closure of non-essential businesses and industries, and an almost complete standstill on international and domestic travel which is only recently beginning to be relaxed. International flights are restarting from a limited number of countries but most categories of visitors are still prohibited from entry.

The protection of the health and safety of our employees is our paramount concern and the Company has implemented all the measures recommended and required by the Kazakhstan authorities. So far, none of our employees has been affected and our operations have continued. However, the restrictions on travel have disrupted and curtailed operations in a number of ways which have reduced output and progress with our projects.

The Company's main operation in Kazakhstan is manned by two teams of workers, each working for half of the month while residing on site, followed by half of the month on leave. During the lock-down it was not possible to rotate staff as usual, or to bring some professional managers to site from their homes which in many cases are long distances from the operation. Bringing some subcontractors and their equipment to site was also impossible.

The Company responded to these challenges by keeping some personnel on site for longer than their usual rotation but the more technically difficult production circuit that treats iron concentrates was closed in March 2020 and only reopened at the beginning of June 2020, resulting in a loss of production of around 30 -33 tons of vanadium pentoxide.

The state of emergency was ended on 11th May 2020 and the lock-down conditions were relaxed on the 3rd of June, with industrial and construction sectors and most types of services reopening. The

Company brought the new rotation of staff on 1st June 2020 and immediately re-started production from the iron concentrates with the new team, so that production is now taking place from both lines.

The overseas supplier of a recently installed major item of new equipment is currently unable to visit to make commissioning rectifications which is reducing current output.

Progress on our feasibility study has likewise been slowed. Visits by specialists to site have not been possible, and although there is no curtailment of the shipment of samples, the necessary radiological examination in order to complete transport and import documentation has not yet been possible. The relevant institute is now slowly returning to work and we expect the samples to be shipped shortly.

It is not possible to forecast the course of the Covid-19 outbreak, but Kazakhstan's early intervention and relatively strong countermeasures have enabled an early relaxation of controls and we are now returning to more efficient operations.

Production outlook

Production during the first quarter of 2020 amounted to 49.1 tonnes of vanadium pentoxide (in AMV), having been affected by the closure of the iron-concentrates line and other Covid-19 issues, as well as winter power outages. The iron-concentrates line was restarted on 1 June 2020 so both lines are now in production. There remain some difficulties in bringing appropriate staff and contractors to site, so some limitations are expected to continue for some time.

As mentioned above, a major piece of equipment that was recently installed is not working optimally but the European suppliers are unable to visit site to make repairs because of Covid-19 restrictions on entry of foreign specialists. The Company has ordered the necessary parts independently of the manufacturers, with delivery and installation expected over the next two months.

Production from iron-concentrates is likely to stabilise at around 11 or 12 tonnes per month and from the pyrometallurgical line at an initial restricted rate of 15 - 20 tonnes per month, rising over time as the new power-line is installed and the ongoing commissioning repairs and the release from other Covid-19 restrictions allow a better use of the existing capacity. Depending on the grade of raw material input, we expect to have the potential to reach over 60 tonnes per month of overall production from both lines.

As finance permits, the second major phase of expansion to the existing plant will be re-started, taking the plant potential capacity to 1,500 tonnes of vanadium pentoxide output per year.

Feasibility study

The Company has selected SRK international to produce the upgraded feasibility study, and Coffey Geotechnics Limited, a Tetra Tech group company, to carry out the processing part of the study. Coffey's work is well underway but Covid-19 has prevented the sending of samples outside Kazakhstan because it has been impossible to obtain the required content and safety certificates from government institutes which have closed. The relevant institutes have now reopened and the work is in hand.

Vanadium prices

The price of vanadium pentoxide fell from extreme highs of approaching $30/lb in November 2018 to around US$16/lb by the start of 2019 and to just over US$5 by the end of 2019. The average was around US$9 for 2019, down from US$18 in 2018. The unusually high price in 2018 and early 2019 was caused by production cut-backs during a long period of low prices combined with increases in demand, particularly from the implementation by China of new construction standards which necessitated much higher use of the types of steels that require vanadium. The very high prices

resulted in some substitution with what was then cheaper niobium, and some production increases, resulting in an overcorrection which caused the price to fall below its expected long run level. The price so far in 2020 has been more stable in the range $5 - $7 and some forecasters are optimistic that prices will improve as substitution by niobium is reversed and the high-cost production, instigated by the exceptionally high prices, proves uneconomic to sustain.

It is important to note that the high prices of 2018 and early 2019 were exceptional. The Company has been and continues to use a long-term forecast price of around US$7.50/lb, a little higher than today's level, but lower than external forecasters and other vanadium project companies are using. Both the current market price and our long-term estimate provide an exceptionally high margin to the Company's forecast cash cost of production of US$1.54, contained in the Competent Person's Report on our Balasausqandiq project by GBM.

Covid-19 is likely to affect both world production and supply in the short term, with no clear price-direction. Longer term, the implementation of higher standards for construction steel throughout the world and increasing use of other alloys using vanadium are likely to increase demand for vanadium from its traditional markets. The roll-out of vanadium redox flow batteries for renewable energy storage, which was stalled by the exceptionally high vanadium price in 2018 and 2019, is now expected to resume and grow to be a very significant additional market for vanadium.

Earnings and cash flow

The Group reported revenues of US$1.8m for the period compared to US$4.2m in 2018, reflecting the considerable fall in vanadium prices.

Revenue, and the corresponding trade receivable, are recognised at the time of transfer of control to the customer but, as is common in the industry, the final pricing determination is often based on assay and prices after arrival of the goods at the port of destination. Therefore, revenues recognised at the time of shipment are subject to adjustment to prices prevailing up to four months later. Typically, the customer makes a provisional payment based on volumes, quantities and spot prices at the date of shipment and makes a final payment once the product has reached its final destination. As a result, when prices are rising, the final receipt can exceed the initial revenue recorded and vice versa. Where prices decrease significantly, this can result in the Company being in a net payable position if a downward adjustment to the consideration exceeds the provisional payment received.

Amounts receivable from or payable to customers for sales which are still subject to final price determination are initially recorded at the estimated fair value at the time of shipment, with changes in fair value recorded as other revenue. Changes in this fair value during the year and, for those sales where the final determination has not been made, fair values assessed on the basis of prices prevailing at the year end, reduced revenue by US$0.6m to US$1.8m (2018: by US$0.3 to US$4.2m). In periods of rising prices this adjustment would be expected to be positive and in the long run such pluses and minuses can be expected to even out. The final price determinations made after the end of 2019 in respect of sales made before the end of the year were not significantly different from the fair value assessed at the end of the year.

US$000	2019	2018
Revenue from shipments recorded at the price at time of dispatch	2,391	4,543
Adjustments to revenue after final price determination and fair value changes	(550)	(323)

Revenue	1,841	4,220

Cost of sales increased to US$3.2m from US$1.7m in 2019 primarily reflecting the increased volumes (+22% impact) and increases in the price of the vanadium concentrate purchased at the high prices prevailing in 2018 and early 2019 (+61% impact). The largest part of cost of sales is the purchase of raw materials, the price for which is determined as a percentage of the value of the content of vanadium at prices prevailing at the time of purchase. Since such materials are purchased up to several months before processing, and sales price determination is made several months after shipment, the prices used as a basis for the calculation of raw material prices were significantly higher than the price used as a basis for product sales. This means that the operating margin was squeezed as prices fell in 2019. Again, during times of rising prices this effect would be reversed and is likely to even out in the long term as prices move up and down.

Administrative expenses of US$1.8m (2018: US$1.3m) principally comprised employee costs, listing costs, audit, listing costs and professional services. The professional costs directly relating to the listing on the London Stock Exchange amounted to US$0.304m (2018: US$0.164m).

Net finance cost was US$0.183m (2018: net finance costs US$0.036m) as a result of the tenge devaluation and sales in USD and RUR.

The Group made a loss before tax of US$3.34m (2018: net profit before tax of US$2.96m).

Net cash outflows from operating activities totalled US$2.5m (2018: US$1.3m inflow) principally reflecting the effects of decreases in vanadium prices as described above and listing costs.

Net cash outflows from investing activities included US$2.3m (2018:US$0.9m) of capital expenditure associated with expanding the processing operation.

Net cash inflows from financing activities comprised subscriptions for shares amounting to US$6.9m (before costs), yielding US$6.6m net of costs, arising from the placing at the time of the listing of the Companies shares on the London Stock Exchange on 28 March 2019 .

The Group had cash of US$0.648m at 31 December 2019 (2018: US$0.892m).

Key performance indicators

The Group is in a period of development and its current operations, the processing of bought-in secondary vanadium-containing materials for extraction of vanadium, are relatively small in comparison with the main objective of the Group to develop the Balasausqandiq mine and processing facility. Moreover, the current operations are themselves undergoing a significant expansion which means that operations are not in a steady state capable of meaningful inter-period comparisons. The directors are therefore of the opinion that Key Performance Indicators may be misleading if not considered in the context of the development of the operation as a whole for which the information for shareholders is better given in a descriptive manner than in tabular form.

Furthermore, the existing processing business of the company is complex and the business model has been developed to allow maximum flexibility in the type of raw-materials treated so that market variations in raw material prices can be moderated by the ability to select raw materials which may be more profitable to treat notwithstanding they be of lower grade and result in a lower level of production. Nevertheless, the directors consider that the main indicator of performance, although subject to interpretation as described above, is the level of production. This has been dealt with in the section “Production” above.

Environmental matters are of paramount importance to the Group. Up to this date most of the residues from the main raw materials treated have been used for the construction of evaporation

ponds and the Company has started to sell the waste products from the high grade raw-materials as a low-grade nickel concentrate. There are opportunities for the sale of future residues from the low-grade iron-concentrates as well, so that the aim of the Company is to have no significant residues remaining on site from the current operation. No significant mining operations have yet been carried out but plans are being developed at an early stage to ensure the highest standards for site rehabilitation at the sites of future mining.

Balance sheet review

Total non-current assets increased to US$5.089m from US$2.773m principally due to the rise in capital expenditure, together with an increase in VAT receivable and prepayments for equipment. The increase in prepayments for equipment is largely related to prepayments made for construction of the new Power Line (US$1m).

The increase in VAT receivables is related to an increase in the import of raw materials resulting from the increase of production, and to the increase in capital investments in equipment.

Current assets increased from US$1.95m to US$2.47m, principally reflecting additional inventories due to higher levels of raw materials and finished goods on site at the year end. The increase in inventories is related to the increase in production as well as building raw materials at the end of autumn in order to have sufficient stock during winter months when transportation is more complicated.

Current liabilities decreased to US$0.7m from US$1.2m primarily as the prior year included a US$0.3m payables at fair value through profit or loss ("FVTPL") as a result of the sharp reduction in prices between shipments in Q4 2018 and 31 December 2018 which reduced to US$59,000 for the current period.

Development plan – existing operation

Throughout 2019 the Company has been working towards a major expansion of the existing processing operation to around 1,500 tonnes per year of production of vanadium pentoxide. Although significant steps have been taken towards this figure, progress on the remaining capacity has been delayed, principally by the Covid-19 situation. Whilst all the essential technologies in hydrometallurgical and pyrometallurgical lines are now already in operation, expansion to this level will require finalisation of the connection to the high voltage power line, installation of the dissociation oven to convert AMV into vanadium pentoxide and installation of the electrometallurgical line for the production of ferro-vanadium.

Balasausqandiq

In parallel with existing operations discussed above, and using the resulting cash flows, the Company plans to continue development of the Balasausqandiq vanadium deposit. The western bankable feasibility study has been initiated with leading consulting companies in the industry. The current study is for Phase 1 of the development plan, including construction of a process facility to treat one million tonnes per year of ore, producing some 5,600 tonnes per year of vanadium pentoxide, plus by-products which are likely to amount to around a third of revenue. A subsequent expansion is planned which will increase vanadium pentoxide production to 22,400 tonnes per year, plus by-products, but this will not be included in the currently ongoing feasibility study.

Although the Balasausqandiq mine and processing plant will be separate and independent from the existing operation, they will operate from the same site and much of the infrastructure work which forms part of the current development plan will benefit both operations.

Corporate

On 28 March 2019 the Company was admitted to listing on the London Stock Exchange, raising £5.2m gross, equivalent to US$6.9m, or US$6.6m net of issue costs. The Company listed on the new Astana International Stock Exchange (AIX) on 6 January 2020 and consequently delisted from the Kazakhstan stock exchange (KASE) on 21 February 2020.

On 6 April 2020 the Company issued 500,000 shares to a provider of financial services as payment for their services. On 14 May 2020 the Company issued 3,846,154 shares to raise £0.25m, and on 5 June 2020 the Company issued unsecured corporate bonds with an interest rate of 7.5% to raise a further US$0.3m.

Description of principal risks, uncertainties and how they are managed

(a) Current processing operations:

Current processing operations make up a small part of the Group's expected future value but provide useful cash flows in the near term and allow the group to gain valuable experience of the vanadium industry. The principal risk of this operation is the price of its product, vanadium. The price of vanadium pentoxide is volatile and has risen from historic lows at the beginning of 2016 to a near-record high of nearly US$30/lb near the end of 2018. Currently, the price of vanadium pentoxide is at around US$6/lb which is a little less than the ten-year average to date. Most forecasters anticipate that vanadium will be in deficit in the short to medium term, resulting in some recovery in current prices, and will return to the long-run marginal cost of production in the longer term which may be substantially higher. The Company acquires raw-materials at a cost that is related to the price of vanadium so there is a natural hedge but there is a risk of changes in vanadium prices between the time of acquisition of the raw materials and sale of the product which cannot be entirely avoided.

The processing operation is also dependent on the continuing availability of raw materials which are subject to competition from other processors. The Company is mitigating this risk by positioning itself to treat a wide variety of potential raw-materials and maintaining low treatment costs.

The level of profitability of the current processing operation is also dependent on production levels sufficient to generate profits to cover fixed overheads. The level of production could be impacted by unanticipated production difficulties, power outages and raw-material delivery limitations. The Company aims to keep a stockpile of raw-materials and has installed a larger capacity generator to maintain production during outages.

The Company is currently carrying out an expansion project which will lower the average cost of production and as part of this project, will be connecting to a larger capacity and more reliable power supply as described above. Although a substantial part of this expansion has already been completed, the plans include completion of the link to the adjacent high voltage powerline and the installation of an electric arc furnace. The full benefits of the expansion depend upon the raising of sufficient finance and the successful completion of these projects.

(b) Covid-19:

There remains a risk that the Covid-19 crisis worsens in Kazakhstan. This could cause further disruption to supply-lines, staffing and subcontractors as has already occurred, but it is also possible that a case might arise on site requiring a temporary shutdown of operations. In addition, Covid-19 may impact the availability of finance or the terms which are available. Whilst it is not possible to

guard against this, the Company continues to take all recommended precautions and will aim to maintain higher than normal stores of essential supplies on site. In terms of funding, cash flows are monitored on a continuous basis to enable the Company to take proactive measures to safeguard liquidity.

(c) Risks associated with the developing nature of the Kazakh economy:

According to the World Bank Kazakhstan has transitioned from lower-middle-income to upper-middle-income status in less than two decades. Kazakhstan's regulatory environment has similarly developed and the Company believes that the period of rapid change and high risk is coming to an end. Nevertheless, the economic and social regulatory environment continues to develop and there remain some areas where regulatory risk is greater than in developed economies.

(d) Balasausqandiq project:

The Balasausqandiq project is a much larger contributor to the Group's value and is primarily dependent on long term vanadium prices. The Company's long-term assumption is US$7.50/lb of vanadium pentoxide, but the forecast low cost of production means that the project would remain profitable at lower price levels.

The project is also dependent on raising finance to meet capital costs anticipated to amount to circa US$100m for the first phase. Raising this money will be dependent on the successful outcome of the western bankable feasibility study which is ongoing. The favourable financial and other characteristics of the project determined by studies so far completed give the directors confidence that the outcome of the study will be successful. Initial discussions with the providers of finance, including with the Development Bank of Kazakhstan for which our project has passed through initial screening, have been encouraging.

Signed on behalf of the Board of Directors on

27 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019

	2019 $000	2018 $000
Revenue from customers (pricing at shipment)	2,391	4,543
Other revenue (adjustments to price after delivery and fair value changes)	(550)	(323)
Total revenue	1,841	4,220
Cost of sales	(3,178)	(1,688)
(Loss)/gross profit	**(1,337)**	**2,532**
Impairment reversal	-	1,775
Other income	70	10
Administrative expenses	(1,841)	(1,271)
Distribution expenses	(42)	(11)
Other expenses	(9)	(35)
(Loss)/profit from operating activities	**(3,159)**	**3,000**
Net finance income/(costs)	(183)	(36)
(Loss)/profit before income tax	**(3,342)**	**2,964**
Income tax	-	(1)
(Loss)/profit for the period	**(3,342)**	**2,963**
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	31	(293)
Total comprehensive (loss) income for the period	**(3,311)**	**2,670**
(Loss)/earnings per share (basic and diluted), US$	(0.011)	0.009

Consolidated Statement of Financial Position as at 31 December 2019

	31 December 2019 $000	31 December 2018 $000
ASSETS		
Non-current assets		
Property, plant and equipment	3,206	2,203
Exploration and evaluation assets	59	59
Intangible assets	24	25
Long-term VAT receivable	652	237
Prepayments	1,148	249
Total non-current assets	**5,089**	**2,773**
Current assets		
Inventories	1,750	929
Trade and other receivables	35	38
Prepayments	38	91
Cash and cash equivalents	648	892
Total current assets	**2,471**	**1,950**
Total assets	**7,560**	**4,723**
EQUITY AND LIABILITIES		
Equity		
Share capital	33,965	27,330
Share premium	-	-
Additional paid-in capital	397	380
Foreign currency translation reserve	(2,934)	(2,965)
Accumulated losses	(24,617)	(21,275)
Total equity	**6,811**	**3,470**
Non-current liabilities		
Provisions	64	60
Total non-current liabilities	**64**	**60**
Current liabilities		
Trade and other payables	626	929
Payables at FVTPL	59	264
Total current liabilities	**685**	**1,193**
Total liabilities	**749**	**1,253**
Total equity and liabilities	**7,560**	**4,723**

Consolidated Statement of Changes in Equity for the year ended 31 December 2019

	Share capital $000	Share premium $000	Additional paid in capital $000	Foreign currency translation reserve $000	Accumulated losses $000	Total $000
Balance at 1 January 2018	15	26,904	380	(2,672)	(24,238)	389
Profit for the year	-	-	-	-	2,963	2,963
Other comprehensive expense						
Exchange differences arising on translation of foreign operations	-	-	-	(293)	-	(293)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**(293)**	**2,963**	**2,670**
Transactions with owners, recorded directly in equity						
Shares issued (net of costs U$6,000)	245	166	-	-	-	411
Reorganisation of share capital to nil par value	27,070	(27,070)	-	-	-	-
Balance at 31 December 2018	**27,330**	**-**	**380**	**(2,965)**	**(21,275)**	**3,470**
Balance at 1 January 2019	27,330	-	380	(2,965)	(21,275)	3,470
Loss for the year	-	-	-	-	(3,342)	(3,342)
Other comprehensive income						
Exchange differences arising on translation of foreign operations	-	-	-	31	-	31
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**31**	**(3,342)**	**(3,311)**
Transactions with owners, recorded directly in equity						
Shares issued, net of issue costs (note 20)	6,635	-	-	-	-	6,635
Warrants issued	-	-	17	-	-	17
Balance at 31 December 2019	**33,965**	**-**	**397**	**(2,934)**	**(24,617)**	**6,811**

Consolidated Statement of Cash Flows for the year ended 31 December 2019

	2019 $000	2018 $000
Cash flows from operating activities		
(Loss)/profit for the year	**(3,342)**	**2,963**
Adjustments for:		
Depreciation and amortisation	428	46
Reversal of impairment of property, plant and equipment and intangible assets	-	(1,613)
Reversal of impairment of exploration and evaluation assets	-	(162)
Loss on write-off of plant, property and equipment	(18)	-
Write-down of inventories to net realisable value and obsolescence	208	11
Expenses on credit loss provisions and impairment of prepayments	-	21
Issuance of call option	17	-
Income tax	-	1
Net finance costs / (income)	183	36
Cash from operating activities before changes in working capital	**(2,524)**	**1,303**
Change in inventories	(989)	(451)
Change in trade and other receivables	(442)	(241)
Change in prepayments	53	(87)
Change in trade and other payables	(369)	320
Change in payables at FVTPL	(205)	264
Net cash from operating activities	**(4,476)**	**1,108**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,337)	(886)
Acquisition of intangible assets	(1)	(2)
Proceeds from disposal of property, plant and equipment	18	
Net cash used in investing activities	**(2,320)**	**(888)**
Cash flows from financing activities		
Proceeds from issue of share capital	6,939	417
Transaction costs on shares subscription	(304)	(6)
Net cash from financing activities	**6,635**	**411**
Net increase in cash and cash equivalents	**(161)**	**631**
Cash and cash equivalents at the beginning of year	892	267
Effect of movements in exchange rates on cash and cash equivalents	(83)	(6)
Cash and cash equivalents at the end of year	**648**	**892**

Notes to the consolidated financial statements for the year ended 31 December 2019

The financial information for the year ended 31 December 2019 and 31 December 2018 set out in this announcement does not constitute the Company's statutory financial statements for the year ended 31 December 2019 but is extracted from the audited financial statements for those years. The 31 December 2018 accounts have been delivered to the Registrar of Companies. The statutory financial statements for 2019 will be delivered to the Registrar of Companies in due course. The auditors have reported on the financial statements for the year ended 31 December 2019 and their report was unqualified but did contain a material uncertainty in relation to going concern.

1 Basis of preparation

Ferro-Alloy Resources Limited (the "Company") is incorporated in Guernsey and has its registered address at Noble House, Les Baissieres, St. Peter Port, Guernsey, GY1 2UE. The consolidated financial statements for the year ended 31 December 2019 comprise the Company and the following subsidiaries (together referred to as the "Group"):

Company	Location	Company's share in charter capital	Primary activities
Ferro-Alloy Products Limited	British Virgin Islands	100%	Carries out the treasury and finance activities for the Group
Energy Metals Limited	UK	100%	Manages processing activity and performs management service
Vanadium Products LLC	Kazakhstan	100%	Performs services for the Group
Firma Balausa LLC	Kazakhstan	100%	Production and sale of vanadium and associated by-products
Balausa Processing Company LLC	Kazakhstan	100%	Development of processing facilities

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs").

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except as otherwise noted below.

(c) Functional and presentation currency

The national currency of Kazakhstan is the Kazakhstan tenge ("KZT) which is also the functional currency of the Group's operating subsidiaries. The functional currency of the Company is US$.

(d) Going concern

The consolidated financial statements are prepared in accordance with IFRS on a going concern basis.

The Directors have reviewed the Group's cash flow forecasts for at least 12 months from the date of approval of the financial statements, together with sensitivities and mitigating actions. In addition, the Directors have given specific consideration to the risks and uncertainties associated with the COVID-19 pandemic and considered reverse stress test scenarios to assess the potential impact on liquidity in line with recent guidance.

The Company completed a share placing in May 2020 to raise £250,000 before expenses and most recently raised US$300,000 before expenses through the issue of unsecured corporate bonds which mature in June 2023, with the right to receive early repayment after a minimum period of 12 months, and bear a 7.5% coupon. In addition, the Group's forecasts indicate that at current vanadium pentoxide prices and the planned production levels following the relaxation of COVID-19 restrictions in Kazakhstan that the Group will generate sufficient cash flows to meet operational costs and maintain liquidity. Whilst the Group plans to continue its expansion of the existing processing facilities the required capital expenditure, which is discretionary or can be deferred without significant penalty, will require additional funding. Accordingly, the Directors are progressing proposals to secure such funding.

Notwithstanding that the current cash position and forecast operational cash flow in the base case and the relatively low number of COVID-19 cases and fatalities to date in Kazakhstan compared to other countries, the potential impact on the Group of the pandemic remains inherently uncertain. There is potential for further government restrictions if the pandemic escalates in Kazakhstan, which may again impact the Group's operations including supply chain disruption, mine site workforce rotations and travel to the mine site in particular, together with the potential for volatility in commodity prices. Stress test scenarios indicate that in the event of a sustained further period of restrictions impacting production levels or significant reduction in vanadium pentoxide prices additional funding would be required.

After review of these forecasts the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future based on the recent funds raised and the operational cash flow generation of the processing operations, whilst in the event of further impacts from COVID-19 the Directors anticipate being able to raise funds if required given the value contained in the Group's assets and the expansion plans. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated financial statements. However, at the date of approval of these financial statements, the potential future impact of COVID-19 and the resulting requirement for additional funding should such adverse scenarios materialise indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

2 Use of estimates and judgements

Preparing the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Carrying value of processing operations

Given the decrease in vanadium pentoxide prices in the period, the Directors have tested the processing operations PP&E for impairment at 31 December 2019 (note 5). In doing, so, net present value cash flow forecasts were prepared using the fair value less cost to develop method which required estimates including vanadium pentoxide prices, production including the impact of ongoing and planned expansion to 1,500tpa and convert current AMV production to vanadium pentoxide and ferro-vanadium, together with costs and discount rate. Key estimates included:

- Production volumes of 12 tons per month of vanadium pentoxide from hydrometallurgical line, 48 tons per month of vanadium pentoxide from pyrometallurgical line and 68 tons per month of vanadium pentoxide from electrometallurgical line.
- Prices of US$5.35/lb in 2020, US$6.75/lb in 2021 and thereafter, reflecting management estimates having consideration of market commentary less a discount, and lower than the US$7.50/lb used by the Company as a long-term assumption for other planning purposes.

- Further capital development costs of US$5m.
- Discount rate of 10% post tax in real terms.

Fair value of trade receivables and payables classified at fair value less profit and loss (note 17, 24 and 25 of full audited financial statements)

The consideration receivable in respect of certain AMV sales for which performance obligations have been satisfied at year end and for which the Group has received prepayment under the terms of the sale agreements, remain subject to pricing adjustments with reference to market prices in the month following arrival at the port of final destination. Under the Group's accounting policies, the fair value of the consideration is determined and the remaining receivable is adjusted to reflect fair value, or, if the final estimated consideration is lower than the amounts received prior to the year end, a payable at FVTPL is recorded. In the absence of forward market prices for the commodity, management estimated the forward price based on: a) spot market prices for vanadium pentoxide at 31 December 2019 less applicable deductions for AMV; b) foreign exchange rates; c) risk free rates and d) carry costs when material.

As at 31 December 2019 the Group recorded trade receivables at fair value of US$0.030m (2018: US$0,021m). As at 31 December 2019 the Group recognised a payable at FVTPL of US$0.059m (2018: US$0.264m).

Inventories (note 7)

The Group holds material inventories which are assessed for impairment at each reporting date. The assessment of net realisable value requires consideration of future cost to process and sell and spot market prices at year end less applicable discounts. The estimates are based on market data and historical trends.

Reversal of impairment of exploration and evaluation assets in 2018 (note 4 and 6)

The Group historically impaired its exploration and evaluation assets as a result of a lack of clear plans for future exploration and development and the vanadium price environment at the time. As at 31 December 2018, management identified triggers for the potential reversal of this impairment given the advanced stage of the proposed listing on the London Stock Exchange, associated plans for development of its vanadium deposit, the results of an independent Competent Person's Report which estimates ore resources of 24m tonnes, a net present value of US$2 billion for the project, and the improved pricing environment. This assessment required judgment. The recoverable value of the project is considered to exceed the carrying value post impairment reversal based on the Competent Person's Report. In determining the fair value less cost to develop of the vanadium deposit, significant estimates include resources and future production, vanadium prices of US$7.50/lb long term, operating costs, capital development and discount rates. Given the implied net present value there are no reasonably possible changes in these estimates that would result in the recoverable amount being less than the carrying value. Accordingly, a reversal of impairment was recorded as detailed in note 4.

Reversal of impairment of PP&E in 2018 (note 4 and 5)

The Group historically impaired PP&E associated with its processing operations given uncertainty regarding the future plans for the plant and the vanadium pricing environment at the time.

As at 31 December 2018, management identified triggers for potential reversal of impairment given the advanced stage of the proposed listing on the London Stock Exchange, associated expansion of the stand-alone processing operation, the results of an independent Competent Person's Report which estimated a net present value on a fair value less cost to develop significantly in excess of historical cost for the separate processing operation together with the improved pricing environment. This assessment required judgment. The recoverable value of the project was considered to exceed the carrying value post impairment reversal based on the Competent Person's Report. In determining the fair value less cost to develop of the processing operation key estimates at 31 December 2018 included:

- Production volumes of 12 tonnes per month of vanadium pentoxide (in AMV) at the beginning of 2019 rising to 125 tonnes per month by mid-2020.
- Prices of US$13/lb in 2019, US$10/lb in 2020 and US$7.50/lb thereafter, reflecting management estimates having consideration of market commentary and risk factors.
- Capital development costs of US$10m.
- Discount rate of 10% post tax in real terms.

Given the implied net present value there were no reasonably possible changes in these estimates that would result in the recoverable amount being less than the carrying value. Accordingly, a reversal of impairment was recorded as detailed in note 4.

3 Revenue

	2019 $000	2018 $000
Revenue from sales of vanadium products	2,376	4,540
Sales of gravel and waste rock	15	3
Total revenue from customers	**2,391**	**4,543**
Other revenues – change in fair value of customer contract	(550)	(323)
	1,841	**4,220**

Vanadium products

Under certain sales contracts the single performance obligation is the delivery of AMV to the designated delivery point at which point possession, title and risk on the product transfers to the buyer. The buyer makes an initial provisional payment based on volumes and quantities assessed by the Company and market spot prices at the date of shipment. The final payment is received once the product has reached its final destination with adjustments for quality / quantity and pricing. The final pricing is based on the historical average market prices during a quotation period based on the date the product reaches the port of destination and an adjusting payment or receipt will be made to the initially received revenue. Where the final payment for a shipment made prior to the end of an accounting period has not been determined before the end of that period, the revenue is recognised based on the spot price that prevails at the end of the accounting period.

Other revenue related to the change in the fair value of amounts receivable and payable under the sales contracts between the date of initial recognition and the period end resulting from market prices are recorded as other revenue. Refer to note 12, 24 and 25 of the full audited financial statements for details of trade receivables and payables at FVTPL recorded in 2019 and 2018.

4 Other income and reversal of impairment

	2019 $000	2018 $000
Reversal of impairment	-	1,775
Other	70	10
	70	**1,785**

Refer to note 2 for details of the impairment reversals in 2018.

5 Property, plant and equipment

	Land and buildings $000	Plant and equipment $000	Vehicles $000	Computers $000	Other $000	Construction in progress $000	Total $000
Cost							
Balance at 1 January 2018	1,853	2,015	364	13	42	202	4,489
Additions	9	131	123	13	47	350	673
Disposals	-	(27)	-	-	(4)	(17)	(48)
Foreign currency translation difference	(251)	(283)	(61)	(3)	(10)	(61)	(669)
Balance at 31 December 2018	**1,611**	**1,836**	**426**	**23**	**75**	**474**	**4,445**
Balance at 1 January 2019	1,611	1,836	426	23	75	474	4,445
Additions	2	183	157	15	28	1,053	1,438
Transfers	62	28	-	-	-	(90)	-
Disposals	-	(48)	-	-	-	-	(48)
Foreign currency translation difference	12	15	4	1	1	8	41
Balance at 31 December 2019	**1,687**	**2,014**	**587**	**39**	**104**	**1,445**	**5,876**
Depreciation							
Balance at 1 January 2018	1,853	2,015	295	13	32	202	4,410
Depreciation for the period	-	10	29	1	5	-	45
Disposals	-	(27)	-	-	-	-	(27)
Reversal of impairment	(1,022)	(393)	-	-	-	(175)	(1,590)
Foreign currency translation difference	(250)	(270)	(42)	(2)	(5)	(27)	(596)
Balance at 31 December 2018	**581**	**1,335**	**282**	**12**	**32**	**-**	**2,242**
Balance at 1 January 2019	581	1,335	282	12	32	-	2,242
Depreciation for the period	53	312	46	6	9	-	426
Transfer	-	-	-	-	-	-	-
Disposals	-	(14)	-	(1)	(2)	-	(17)
Foreign currency translation difference	5	12	2	-	-	-	19
Balance at 31 December 2019	**639**	**1,645**	**330**	**17**	**39**	**-**	**2,670**
Carrying amounts							
At 1 January 2018	**-**	**-**	**69**	**-**	**10**	**-**	**79**
At 31 December 2018	**1,030**	**501**	**144**	**11**	**43**	**474**	**2,203**
At 31 December 2019	**1,048**	**369**	**257**	**22**	**65**	**1,445**	**3,206**

During 2019 depreciation expense of US$394 thousand (2018: US$24 thousand) has been charged to cost of sales, excluding cost of finished goods that were not sold at year-end, US$26 thousand (2018: US$ 15 thousand) – to administrative expenses, and US$6 thousand has been charged to cost of finished goods that were not sold at the year-end (2018: US$6 thousand). Construction in progress relates to upgrades to the processing plant associated with the expansion of the facility.

6 Exploration and evaluation assets

The Group's exploration and evaluation assets relate to Balasausqandiq deposit. During the year ended 31 December 2019 the Group did not capitalise any exploration and evaluation assets (in 2018: US$Nil). As at 31 December 2019 the carrying value of exploration and evaluation assets was US$0.059m (2018: US$0.059m). In 2018 the Group reversed an impairment of US$0.16m with the movement for the year net of a change in estimate on provisions for rehabilitation.

7 Inventories

	31 December 2019 $000	31 December 2018 $000
Raw materials and consumables	1,575	527
Finished goods	172	184
Work in progress	-	-
Goods in transit	3	218
	1,750	**929**

8 Prepayments

	31 December 2019 $000	31 December 2018 $000
Non-current		
Prepayments for equipment	1,148	249
	1,148	**249**
Current		
Prepayments for goods and services	38	91
	38	**91**

9 Equity

(a) Share capital and share premium

Number of shares unless otherwise stated	**Ordinary shares**	
	31 December 2019	**31 December 2018**
Par value	-	-
Outstanding at beginning of year	305,471,087	1,523,732
Shares issued prior to share split	-	1,493
Share reorganisation (split)	-	305,045,000
	-	426,087
Shares issued	7,507,761	-
Outstanding at end of year	**312,978,848**	**305,471,087**

Ordinary shares

All shares rank equally. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

In July 2018 the Company's shareholders voted by ordinary resolution to subdivide each share into 200 new shares of no par value so that the listed shares will be of a value within the normal range for listing companies. As a result the share premium was transferred to share capital in 2018.

On 28 March 2019 the Company was admitted to listing and on the same day issued the following ordinary shares in a placing carried out simultaneously on the London Stock Exchange ("LSE") and the Kazakhstan Stock Exchange ("KASE"):

	Date	**No of shares**	**Price per share, $**	**Subscription amount, $**
London Stock Exchange	28.03.2019	7,492,853	0.916384	6,866,331
Kazakhstan Stock Exchange	28.03.2019	14,908	0.916384	13,661
		7,507,761		**6,879,992**

Costs of US$304 thousand were incurred as transaction fees on the share issues and were recorded against the share capital.

On 14 May 2020 the Company has allotted 3,846,154 ordinary shares of no par value by way of a direct subscription into the Company for cash at a price of 6.5 pence per share, raising a total of £250,000.

Reserves

Share capital: Value of shares issued less costs of issuance. Prior to the share restructuring share capital related to the nominal value of shares issued.

Share premium: Amounts subscribed for shares in excess of nominal value less share issue costs, prior to the share restructuring. Subsequent to share restructuring no share premium applies.

Additional paid in capital: Amounts due to shareholders which were waived.

Foreign currency translation reserve: Foreign currency differences on retranslation of results from functional to presentational currency and foreign exchange movements on intercompany balances considered to represent net investments which are permanent as equity.

Accumulated losses: Cumulative net losses.

(b) Dividends

No dividends were declared for the year ended 31 December 2019.

(c) (Loss) earnings per share (basic and diluted)

The calculation of basic and diluted (loss) / earnings per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(i) Loss attributable to ordinary shareholders (basic and diluted)

	2019 $000	2018 $000
Loss for the year, attributable to owners of the Company	(3,342)	2,963
Loss attributable to ordinary shareholders	**(3,342)**	**2,963**

(ii) Weighted-average number of ordinary shares (basic and diluted)

Shares	**2019**	**2018**
Issued ordinary shares at 1 January (after subdivision)	305,471,087	304,746,400
Effect of shares issued (weighted)	5,718,240	366,750
Weighted-average number of ordinary shares at 31 December	**311,189,327**	**305,113,150**
Earnings (loss) per share of common stock attributable to the Company (basic and diluted)	(0.011)	0.009

On 28 March 2019 the Company issued warrants to its lawyers as part of the remuneration for services provided in relation to the Company listing on the London Stock Exchange. See note 10. The warrants are anti-dilutive given the loss for the year.

10 Share-based payments and warrants

During 2018, the Group had an arrangement whereby the Company's non-executive directors ("NEDs") and a part-time employee were remunerated for their services by the issue of the number of the Company's ordinary shares equal in value, taking the value to be the latest price at which shares were subscribed for by third parties, to the agreed remuneration. In 2018, 393 shares were issued prior to the subdivision of the company's shares, equivalent to 78,600 shares post subdivision, and 52,174 shares were issued after the subdivision. The cost of services received from NEDs and the part-time employee was measured as a product of the number of shares issued and the fair value of those shares. The fair value of shares was determined by reference to the consideration received for share subscriptions from third-party subscribers during the year being US$75,195 in 2018. This arrangement was not continued in 2019.

As a result, the Group recognised an increase in share capital of US$ 75 thousand in 2018 as administrative expenses in the statement of profit or loss and other comprehensive income. There was no effect in 2019.

On 28 March 2019 the Company issued warrants to its lawyers as part of the remuneration for services provided in relation to the Company listing on the London Stock Exchange. The principle terms of those warrants are that the holder is entitled to acquire shares in the Company at a fixed price per share at any time during the three years from the date of issue

Exercisable into number of shares (as issued and currently outstanding):	*64,285*
Exercise price:	*£0.70 per share*
Period of exercise:	*At any time up to 28 March 2022*

The warrants are freely transferable

The warrants were valued at the time of issue by means of the Black-Scholes valuation model. The volatility was estimated at 50% based on peer analysis. The risk-free interest rate was estimated as 2.43%. It was assumed that no dividends would be paid during the exercise period. On this basis the fair value of the warrants issued was USD17,323 which was charged to the income statement and was credited to Additional Paid In Capital.

11 Subsequent events

On 6 January 2020 the Company's shares were admitted to listing on the Astana International Stock Exchange (AIX).

From 23 January 2020 the Company's shares were delisted from the Kazakh Stock Exchange (KASE).

On 6 April 2020 the Company issued 500,000 fully paid shares to a financial service provider in consideration for their retained services.

On 14 May 2020 the Company issued 3,846,154 ordinary shares for cash at a price of 6.5 pence per share to raise £250,000 to finance operation processes.

In June 2020 the Company issued unsecured corporate bonds with an interest rate of 7.5% to raise a further $300,000

- Investors have subscribed for 150 of the Company's bonds with a nominal value of US$2,000 each. The bonds are unsecured, have a three-year term, and bear interest of 7.5%, paid twice-yearly. The bonds have been listed on AIX with identifier FAR.0323 and ISIN number KZX000000336.
- 50 bonds were issued on 5th June 2020 with a maturity date of 5 June 2023, and 100 bonds issued on 11th June 2020 with a maturity date of 11 June 2023. The investors have the right to receive early repayment after a minimum period of 12 months.

At the date of approval of these consolidated financial statements, Covid-19 continues to spread internationally, contributing to a sharp decline in global financial markets and a significant decrease in global economic activity. On 11 March 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization and has since then resulted in numerous governments and companies, including Ferro-Alloy Resources Limited, introducing a variety of measures to contain the spread of the virus. The outbreak has also created significant volatility in financial markets and is considered to have negatively impacted commodity prices and caused disruption to operations, which is relevant to financial performance since year end.