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10 November 2021

Ferro-Alloy Resources Limited ('FAR' or the 'Company' or the 'Group')

First sale of ferro-molybdenum and completion of testing of ferro-vanadium

Ferro-Alloy Resources Limited (LSE:FAR), the vanadium producer and developer of the large Balasausqandiq vanadium deposit in Southern Kazakhstan, is pleased to announce it has made its first commercial sale of ferro-molybdenum and has completed testing of the production of ferro-vanadium.

As announced on 22 September 2021, the Company had started conversion of its calcium molybdate product into the higher value ferro-molybdenum. FAR are now pleased to announce that the first commercial contract for sale has been signed.

The Company is now recovering around 4.5 tonnes per month of ferro-molybdenum as a by-product from its recovery of vanadium from bought-in concentrates and this is expected to grow as throughput of the plant increases. The molybdenum is initially recovered as calcium molybdate which was previously sold at a discount to prevailing molybdenum prices, but this is now being converted and sold as ferro-molybdenum, avoiding the discount.

In addition, the Company is pleased to announce that testing of the production of ferro-vanadium using a similar process to ferro-molybdenum has been successfully completed, allowing the Company to choose in future whether to sell its vanadium production as vanadium pentoxide or ferro-vanadium, depending on which is the most profitable taking account of pricing and costs. Ferro-vanadium typically sells for some US\$3-\$4 per kilogramme more than for the same quantity of vanadium in vanadium pentoxide, roughly reflecting conversion costs, but the ability to make ferro-vanadium opens up a wider range of customers and, in particular, customers in Kazakhstan which minimise transport costs and provide other fiscal advantages.

The Company's full range of products available for sale now consist of:

- Ammonium metavanadate (AMV)
- Vanadium pentoxide
- Ferro-vanadium
- Ferro-molybdenum
- Nickel concentrates

Nick Bridgen, CEO, commented: *"These are two important steps towards maximising the value we get from our exiting operation, and further demonstrates our growing technical expertise.*

"With vanadium prices at a relatively high and stable level, and with our growing production, our existing operations now fulfil their objective of providing cash flows to support our feasibility study and ongoing development of the Balasausqandiq deposit."

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 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.