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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014. IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

23 March 2021

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

Proposed Placing of Ordinary Shares in Ferro-Alloy Resources Limited

Nick Bridgen, Chief Executive Officer of the Company, (the **"Selling Shareholder"**) announces his intention to sell up to 13,333,333 ordinary shares of no par value (the **"Placing Shares"**) at a [minimum] price of 30 pence per Ordinary Share, to raise proceeds of c. £4 million to satisfy an obligation relating to a divorce settlement.

In the event that there is excess demand Nick Bridgen (on behalf of himself and Andrey Kuznetsov, Operations Director) will sell up to a further 6,666,667 Placing Shares. Mr Bridgen and Mr Kuznetsov have consulted with Vision Blue Resources who are supportive of them selling shares to satisfy excess demand.

The Placing Shares are being offered by way an accelerated bookbuild (the **"Placing"**), which will be launched immediately after this announcement. Shore Capital Stockbrokers Limited (**"Shore Capital"**) and VSA Capital Group Limited (**"VSA"**) (together, the **"Joint Bookrunners"**) are acting as Joint Bookrunners in connection with the Placing.

To bid in the Placing, Placees should communicate their bid by telephone or in writing to their usual sales contact at Shore Capital.

The Placing is being undertaken by Ferro-Alloy CEO Nick Bridgen as part of a previously announced divorce settlement to his ex-wife. The remainder of the Company's ordinary shares held by Mr Bridgen and Mr Kuznetsov following completion of the Placing will be subject to a lock-up agreement which ends 180 days after completion of the Placing (subject to waiver by the Joint Bookrunners and to certain customary exceptions).

The final number of Placing Shares to be placed, and the price at which the Placing Shares are to be placed, will be agreed by the Joint Bookrunners and the Selling Shareholder at the close of the bookbuild process, and the results of the Placing will be announced as soon as practicable thereafter. The timings for the close of the bookbuild process are at the absolute discretion of the Joint Bookrunners.

The Company will not receive any proceeds from the Placing.

For further information, visit www.ferro-alloy.com or contact:

Ferro-Alloy Resources Limited

Nick Bridgen, Chief Executive Officer

info@ferro-alloy.com

Shore Capital (Joint Bookrunner & Corporate Broker)

Corporate Advisory: Toby Gibbs / Mark Percy / John More
Corporate Broking: Jerry Keen

Tel: +44 (0) 207 408 4090

VSA Capital (Joint Bookrunner)

Andrew Monk / Simon Barton

Tel: +44 (0)203 005 5000

St Brides Partners Limited (Financial PR & IR Adviser)

Catherine Leftley/Megan Dennison

Tel: +44 207 236 1177

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 "Balausa 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 numerous byproducts. Owing to 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 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 low-grade concentrates and is now in the process of being expanded and further adapted to treat a wider variety of raw materials.

The Company has already completed the first steps of a development plan for the existing operation which is expected to result in annualised production capacity increasing gradually to around 1,500 tonnes of contained vanadium pentoxide. The development plan includes upgrades to infrastructure, an extension to the existing factory and the installation of equipment to increase the throughput and to add the facilities to convert AMV into vanadium pentoxide.

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.

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This announcement does not constitute or form part of an offer for sale or solicitation of an offer to purchase or subscribe for securities in the United States, Canada, Australia, Japan or any other jurisdiction. The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, absent registration except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the securities referred to herein in the United States or in any other jurisdiction.

No offer and sale of Placing Shares is or will be made in Canada, except to persons who are: (a) an "accredited investor" within the meaning of Section 1.1 of National Instrument 45-106 - Prospectus Exemptions ("**NI 45-106**") of the Canadian Securities Administrators or subsection 73.3(1) of the Securities Act (Ontario) (the "**OSA**"), as applicable, and is either purchasing the Placing Shares as principal for its own account, or is deemed to be purchasing the Placing Shares as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (b) such person was not created or used solely to purchase or hold the Placing Shares as an accredited investor under NI 45-106; (c) a "permitted client" within the meaning of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations ("**NI 31-103**") of the Canadian Securities Administrators; and (d) entitled under applicable Canadian securities laws to purchase the Placing Shares without the benefit of a prospectus under such securities laws.

No prospectus or offering document has been or will be prepared in connection with the Placing. Any investment decision in connection with the Placing must be made on the basis of all publicly available information relating to Ferro-Alloy Resources Limited and Ferro-Alloy Resources Limited's shares. Such information has not been independently verified. The information contained in this announcement is for

background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

In connection with the Placing, either of the Joint Bookrunners or any of their respective affiliates may take up a portion of the Placing Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell for its own accounts such Placing Shares and other securities of Ferro-Alloy Resources Limited or related investments in connection with the Placing or otherwise. Accordingly, references to the Placing Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by either of the Joint Bookrunners and any of their respective affiliates acting as investors for their own accounts. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in Ferro-Alloy Resources Limited or its shares.

Shore Capital and VSA are each authorised and regulated by the FCA. Each of the Joint Bookrunners is acting for the Selling Shareholder only in connection with the Placing and no one else, and will not be responsible to anyone other than the Selling Shareholder for providing the protections offered to clients of the Joint Bookrunners nor for providing advice in relation to the Placing Shares or the Placing, the contents of this announcement or any transaction, arrangement or other matter referred to in this announcement.

This announcement has been issued by the Joint Bookrunners on behalf of the Selling Shareholder and is the sole responsibility of the Selling Shareholder apart from the responsibilities and liabilities, if any, that may be imposed on Shore Capital or VSA by the Financial Services and Markets Act 2000. Neither Shore Capital nor VSA nor any of their respective directors, unlimited partners, officers, employees, advisers or affiliates accepts any responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by the Selling Shareholder or on the Selling Shareholder's behalf or on Shore Capital's or VSA's behalf, in connection with the Selling Shareholder or the Placing, and nothing in this announcement is or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Each of Shore Capital and VSA accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this announcement and any such statement.