

# Ferro-Alloy Resources Limited

(registered as a non-cellular company limited by shares under the laws of Guernsey with registration number 63449)

## TERMS AND CONDITIONS

### OF THE 3-YEAR COUPON BONDS DUE 27 JULY 2026 (ISIN: KZX000001474) UNDER THE KAZAKHSTAN USD 20,000,000 10-YEAR EXEMPT OFFER BOND PROGRAMME

The Bonds will be constituted by and have the benefit of a Kazakhstan USD 20,000,000 exempt offer bond programme (the “Exempt Offer Programme”) established by Ferro-Alloy Resources Limited (the “Issuer”). The Bonds of this Tranche have been issued under the Exempt Offer Programme to Accredited Investors in accordance with the Acting Law of the Astana International Financial Center (the “AIFC”) (the “Bonds”). Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Exempt Offer Programme dated July 24, 2023 (the “Exempt Offer Document”). This document constitutes the Terms and Conditions of the Bonds (the “Terms and Conditions”) described herein. This document is prepared for the purposes of the AIFC rules and must be read in conjunction with the Exempt Offer Document. Full information on the Issuer and the exempt offer of the Bonds is only available on the basis of the combination of these Terms and Conditions and the Exempt Offer Document. The Terms and Conditions and the Exempt Offer Document have been published on the website of the Astana International Exchange (hereinafter the “AIX”) at [www.aix.kz](http://www.aix.kz).

**AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of these Terms and Conditions including the accuracy or completeness of any information or statements included in them. Liability for the Terms and Conditions lies with the issuer of the Terms and Conditions and other persons such as Experts whose opinions are included in the Terms and Conditions with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which the Terms and Conditions relate for any particular investor or type of investor. If you do not understand the contents of these Terms and Conditions or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.**

Terms defined in the Exempt Offer Document have the same meanings in these Exempt Offer Terms unless they are expressly defined herein.

|   |   |
|---|---|
| <b>Tranche number</b>   | The first tranche (1 <sup>st</sup> )  |
| <b>Type and name</b>  | Unsecured Bonds with Coupon payment,<br>Exempt bonds of Ferro-Alloy Resources Limited   |
| <b>ISIN</b>   | KZX000001474  |
| <b>Specified currency</b>   | US Dollars  |
| <b>Face value</b>   | US\$ 2,000 (two thousand US Dollars)  |
| <b>Number of Bonds</b>  | 1,500 (one thousand five hundred) units   |
| <b>Total nominal amount of the Bonds</b>  | US\$ 3,000,000 (three million US Dollars)   |
| <b>Issue date</b>   | July 27, 2023   |
| <b>Last date of the circulation period</b>                                      | July 26, 2026   |
| <b>Maturity date</b>  | July 27, 2026   |
| <b>Coupon rate</b>  | 9.0% fixed of the nominal value of the Bonds during the entire circulation period of the Bonds  |
| <b>Frequency of interest payments and/or dates of payment interest on Bonds</b> | Twice a year: 27 January and 27 July in each year during the circulation period, commencing 27 January 2023   |
| <b>Calculation of interest payments</b>   | The amount of interest payable to each Bondholder at the payment date is calculated as the multiplication of the face value of the placed Bonds owned by the respective Bondholder and the Coupon rate divided by two |
| <b>Coupon basis</b>   | 30/360  |
| <b>Interest accrual commencement date</b>                                       | Interest accrual commencement date is the Issue date  |
| <b>Interest accrual last date</b>   | Interest accrual last date is the Last date of the circulation period   |
| <b>The offer period opening and</b>   | During the entire circulation period starting from the Issue date until the Last date   |

|                        |   |
|------------------------|---|
| <b>closing dates</b>   | of the circulation period   |
| <b>Allotment date</b>  | The settlement of the Bonds' transactions executed on the AIX within the whole circulation period is T+2 in accordance with the AIX CSD Rules |
| <b>Use of proceeds</b> | To fund the ongoing commercial activities of the Issuer and the completion of the Issuer's Balasausqandiq deposit feasibility study           |
| <b>Issue price</b>     | 100%  |

#### Coupon Payment Dates

| Coupon period sequence number | Coupon period commencement date | Coupon period expiry date and Record Date (23:59:59 time) | Interest payment commencement date | Interest payment expiry date |
|-------------------------------|---------------------------------|---|------------------------------------|------------------------------|
| 1                             | 27 July 2023                    | 26 January 2024   | 27 January 2024                    | 9 February 2024              |
| 2                             | 27 January 2024                 | 26 July 2024  | 27 July 2024                       | 9 August 2024                |
| 3                             | 27 July 2024                    | 26 January 2025   | 27 January 2025                    | 7 February 2025              |
| 4                             | 27 January 2025                 | 26 July 2025  | 27 July 2025                       | 8 August 2025                |
| 5                             | 27 July 2025                    | 26 January 2026   | 27 January 2026                    | 9 February 2026              |
| 6                             | 27 January 2026                 | 26 July 2026  | 27 July 2026                       | 7 August 2026                |

Each interest payment date is subject to postponement to the following Business Day if such day is not a Business Day.

#### Bonds repurchase schedule by the Issuer

| Coupon period sequence number | Bond repurchase announcement date (if the Issuer's Board of Directors made a resolution on repurchase) | Bond repurchase period commencement date | Bond repurchase period expiry date |
|-------------------------------|--|--|------------------------------------|
| 1                             | 15 January 2024  | 27 January 2024                          | 9 February 2024                    |
| 2                             | 15 July 2024   | 27 July 2024                             | 9 August 2024                      |
| 3                             | 13 January 2025  | 27 January 2025                          | 7 February 2025                    |
| 4                             | 14 July 2025   | 27 July 2025                             | 8 August 2025                      |
| 5                             | 13 January 2026  | 27 January 2026                          | 9 February 2026                    |
| 6                             | 13 July 2026   | 27 July 2026                             | 7 August 2026                      |

Signature:

By: Nicholas Bridgen

Title: Chief Executive Officer

Date: July 24, 2023

