Ferro-Alloy Resources Limited

Interim Financial Report (unaudited) for the six months ended 30 June 2025

Contents

Interim Management Report

Introduction

The Group has been engaged primarily in carrying out a feasibility study into the giant Balasausqandiq vanadium project. The study will be announced shortly after this Interim Financial Report and will be the subject of a separate announcement.

Concurrently, the Group operates a small-scale process plant which treats vanadium-bearing concentrates when it is profitable to do so, but with a strategic focus on research and development.

Research and development

The Group continues to progress several research and development initiatives at the existing plant, aimed at building capability for use in the planned major development of the Balasausqandiq project.

Carbon black: substitute (“CBS”): The company commissioned a pilot plant, capable of producing 400 kg per hour of the new CBS product announced earlier in the year. Production of commercial samples of this new type of CBS, to be made from the high carbon / low vanadium waste rock scheduled to be stripped during the mining of Ore-Body 1, has commenced.

Vanadium oxides: the Group has commissioned the dissociation oven required for the production of vanadium oxides suitable for the production of battery electrolyte for vanadium redox flow batteries. Process optimisation and product testing are underway.

High purity vanadium pentoxide: the Group has commissioned the recrystallisation circuit and centrifuge drying required for the production of high purity vanadium pentoxide or other vanadium oxides. High purity products are required for the manufacture of battery electrolyte and other chemical purposes and commands a price premium over standard vanadium pentoxide.

Processing

Despite the focus of the existing plant being on research and development, the Group procured and treated vanadium-bearing concentrates that were considered sufficiently profitable to process.

As a result the existing plant produced in the first six months of the year 151 tonnes (2023: 169.2 tonnes) of vanadium pentoxide (mainly as ammonium metavanadate) and 27.8 tonnes (2023: 14 tonnes) of molybdenum (in ferro-molybdenum).

Corporate

During the period, the Company issued 10,422,098 ordinary shares of nil par value in the capital of the Company in lieu of cash for the payment of non-executive director fees, payment of certain Group suppliers and fulfillment of a share subscription received from its Astana International Exchange market maker. See note 16 for further details.

Earnings and cash flow

The Group generated total revenues of US$2.5m for the period compared to US$2.1m for the first six months of 2024, representing an increase in overall revenues of 16.7%. The increase in revenue reflects the processing of concentrates with a higher molybdenum content for which prices are more favourable than vanadium pentoxide.

The cost of sales for the period under review was US$3.4m in line, given the volumes and nature of concentrates processed during the period, with the first six months of 2024 (2024: US$3.6m).

Administrative expenses for the period were US$1.5m (2024: US$1.9m) representing an overall decrease of US$0.4m mainly attributable to reductions in employment costs and the costs associated with the Company’s listing and the raising of debt finance.

The Group made a loss before and after tax of US$3.5m (2024: loss of US$3.99m).

Net cash outflows used in operating activities were US$0.5m (2024: cash outflow of US$2.6m). Net cash used in investing activities during the period was US$2.2m (2024: cash outflow of US$1.1m) an increased outflow of US$1.1m attributable to the capitalisation of feasibility study costs. Net cash outflow from financing activities was US1.1m (2024: net cash inflow of US$4.5m) representing the payment of interest on the bonds previously issued by the Company under the Kazakhstan Bond Programme.

Balance sheet review

At the period end, non-current assets totalled US$13.2m (2024: US$14.1m reflecting, in the main, the impairment of the Group’s plant and equipment during the prior financial year.

Current assets, excluding cash balances, totalled US$5m at the period end compared to US$5.1m for the prior period.

The Group held an aggregate cash balance of US$0.4m at the period end (2024: US$2.5m) and US$0.5m as at 23 September 2025.

Interim Management Report continued

The Group held non-current liabilities of US$17.2m at the period end (2024: US$12.4m) representing the value of the Company's bonds sold since the inception of the Kazakhstan Bond Programme.

Current liabilities at the period end were US$4.6m (2024: US$3.9m) comprising of trade payables and accrued bond interest.

Environmental, social and governance

Both the existing operation and the planned process plant for Balasausqandiq will have a strongly positive environmental impact. The vanadium from production will benefit energy storage in both vanadium redox flow batteries, the front-running technology for fixed ground long-term energy storage, but also potentially in certain technologies for mobile batteries used in electric vehicles. In its use for alloying steel, the greater strength and performance imparted reduces the amount of steel required.

The CO_2 emissions created by our production at Balasausqandiq are expected to be a fraction of most other producers which generally require concentration and high-temperature roasting to liberate the vanadium. The carbon black substitute product which we plan to market as a replacement for carbon black is produced without burning hydrocarbons, as is the usual production process.

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 and allow the Group to gain valuable experience of the vanadium and carbon black industries. The principal risks of this operation are the prices of its products (vanadium, molybdenum and nickel), availability of profitable vanadium-bearing concentrates and the efficiency of recovery of products from those concentrates.

The Group is constantly reviewing the market opportunities for supplies of profitable vanadium-bearing concentrates from reliable suppliers that can deliver concentrates on a timely basis. The Group aims to extract all the useful components of the raw materials so that ultimately no residues remain on site and so that the maximum value is obtained from each tonne treated.

(b) Balasausqandiq project

The Balasausqandiq project is primarily dependent on long-term vanadium prices.

The project is also dependent on raising finance to meet projected capital costs (see below) and the successful construction and commissioning of the project's proposed mine processing facilities. It is not unusual for new mining projects to experience unforeseen problems, incur unexpected costs and be exposed to delays during construction, commissioning, and initial production, all of which could have a material adverse effect on the Group's operations and financial position. The Group has taken steps to mitigate such potential adverse effects by engaging globally recognised engineers and consultants to assist with the development and design of the key elements of the project in addition to the Group's own highly qualified workforce.

(c) Geopolitical situation

While the ongoing invasion of Ukraine by Russia is not directly impacting the Group, the Directors remain vigilant of the situation. The continued main risk of the conflict is to the Group's transport routes, many of which involve transit through Russia. Whilst these are currently operating without issue, sanctions have been made against Russian and Belarusian vehicles transiting through Europe (but not against vehicles registered in other jurisdictions in the region such as Kazakhstan). There is a risk that further sanctions might prevent transit through Russia into Latvia, through which the majority of the Group's exports flow. The Group continues to review alternative transit routes for raw material imports and product exports through the West of Kazakhstan, either via the Caspian Sea or overland south of the Caspian Sea. Routes to China are working normally.

With respect to the global sanctions imposed on certain Russian entities and individuals, the Group monitors the implications of those sanctions on the Group's trading activities on an ongoing basis.

(d) Financing risk

The Balasausqandiq project will require substantial funds to be raised in debt and equity which will be dependent upon market conditions at the time of fundraising.

In March of 2021 the Company signed an investment agreement with Vision Blue Resources Ltd ("Vision Blue"). Under the terms of this agreement and in addition to Vision Blue's participation in the 2022 and 2025 equity fundraises, investments totalling US$14.5m have already been made and Vision Blue has the right to subscribe a further US$2.5m at the original deal price of 9 pence per share at any time up to two months after the announcement of the Phase 1 feasibility study. Vision Blue also has further options to subscribe up to US$30m at higher prices to partially finance the construction of the project.

(e) Climate change risk

The Group has not identified any particular climate change related scenarios that would likely have a significant impact on the Balasausqandiq project or the existing operation. The existing operation already functions in an environment that is subject to extreme weather conditions and is, therefore, considered to have a strong resilience to existing and future climate-related scenarios.

(f) 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.

(g) Commodity price risk

As already noted above, the success of the Group is dependent upon the long-term prices of the products to be produced by the planned mine processing facilities. As a result of there being no formally established trading markets for the Company's principal products from the project, there is a risk that price fluctuations and volatility for these products may have an adverse impact on the Group's future financial performance.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

a. the condensed set of unaudited financial statements which have been prepared in accordance with IAS 34 'Interim Financial Reporting' give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its undertakings included in the consolidation as a whole, as required by DTR 4.2.4R;

b. the interim management report includes a fair review of the information required by DTR 4.2.7R; and

c. the interim management report includes a fair review of the information required by DTR 4.2.8R.

This interim financial report for the six months ended 30 June 2025 has been approved by the Board and signed on its behalf by:

William Callewaert

Director

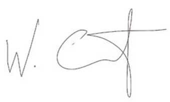
29 September 2025

Condensed unaudited Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025

	Note	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Revenue from customers (pricing at shipment)	2	2,533	2,170	4,722
Final pricing adjustments after delivery	2	(4)	(21)	16
Total revenue	2	2,529	2,149	4,738
Cost of sales	3	(3,354)	(3,622)	(7,550)
Gross loss		(825)	(1,473)	(2,812)
Other income	4	42	7	50
Administrative expenses	5	(1,547)	(1,850)	(3,022)
Impairment loss		-	-	(954)
Distribution expenses		(59)	(58)	(149)
Other expenses	6	(36)	(24)	(563)
Loss from operating activities		(2,425)	(3,398)	(7,450)
Net finance cost	8	(1,072)	(593)	(1,979)
Loss before income tax		(3,497)	(3,991)	(9,429)
Income tax		-	-	-
Loss for the period		(3,497)	(3,991)	(9,429)
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations		(523)	(761)	(1,080)
Total comprehensive loss for the period		(4,020)	(4,752)	(10,509)
Loss per share (basic and diluted)	16	(0.007)	(0.008)	(0.020)

These condensed unaudited financial statements were approved by the directors on 29 September 2025 and signed by:



William Callewaert

Director

Condensed unaudited Statement of Financial Position

for the six months ended 30 June 2025

	Note	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
ASSETS				
Non-current assets				
Property, plant and equipment	9	3,237	5,404	3,535
Exploration and evaluation assets	10	8,975	7,836	7,999
Intangible assets	11	17	20	18
Prepayments	14	944	853	971
Total non-current assets		13,173	14,113	12,523
Current assets				
Inventories	12	2,198	1,800	874
Trade and other receivables	13	2,083	2,152	1,237
Prepayments	14	732	1,166	853
Cash and cash equivalents	15	391	2,528	3,777
Total current assets		5,404	7,646	6,741
Total assets		18,577	21,759	19,264
EQUITY AND LIABILITIES				
Equity				
Share capital		56,118	55,027	55,027
Additional paid-in capital		397	397	397
Share-based payment reserve		42	20	42
Foreign currency translation reserve		(5,725)	(4,883)	(5,202)
Accumulated losses		(54,032)	(45,097)	(50,535)
Total equity		(3,200)	5,464	(271)
Non-current liabilities				
Loans and borrowings	17	17,134	12,396	17,134
Provisions		24	30	24
Total non-current liabilities		17,158	12,426	17,158
Current liabilities				
Trade and other payables	18	4,316	3,636	1,843
Deferred income	19	-	-	102
Interest payable	17	303	233	432
Total current liabilities		4,619	3,869	2,377
Total liabilities		21,777	16,295	19,535
Total equity and liabilities		18,577	21,759	19,264

Condensed unaudited Statement of Changes in Equity

for the six months ended 30 June 2025

	Share capital $000	Additional paid in capital $000	Share-based payment reserve $000	Foreign currency translation reserve $000	Accumulated losses $000	Total $000
Balance at 1 January 2024	55,027	397	20	(4,122)	(41,106)	10,216
Loss for the year	-	-	-	-	(3,991)	(3,991)
Other comprehensive income						
Exchange differences arising on translation of foreign operations	-	-	-	(761)	-	(761)
Total comprehensive loss for the year	-	-	-	(761)	(3,991)	(4,752)
Balance at 30 June 2024	55,027	397	20	(4,883)	(45,097)	5,464
Balance at 31 December 2024	55,027	397	42	(5,202)	(50,535)	(271)
Balance at 1 January 2025	55,027	397	42	(5,202)	(50,535)	(271)
Loss for the period	-	-	-	-	(3,497)	(3,497)
Other comprehensive loss						
Exchange differences arising on translation of foreign operations	-	-	-	(523)	-	(523)
Total comprehensive loss for the period	-	-	-	(523)	(3,497)	(4,020)
Transactions with owners, recorded directly in equity						
Shares issued, net of issue costs	1,091	-	-	-	-	1,091
Balance at 30 June 2025	56,118	397	42	(5,725)	(54,032)	(3,200)

Condensed unaudited Statement of Cash Flows

for the six months ended 30 June 2025

	Note	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Cash flows from operating activities				
Loss for the period		(3,497)	(3,991)	(9,429)
Adjustments for:				
Depreciation and amortisation	3, 5	404	391	962
Impairment of plant and equipment		-	-	954
Profit on sale of plant and equipment		-	-	(42)
Write-off of property, plant and equipment		-	3	2
Write-down of inventory to net realisable value		-	-	71
Write-off of prepayments		-	-	273
Share-based payment expense		-	-	22
Net finance costs	8	1,072	593	1,979
Cash used in operating activities before changes in working capital		(2,021)	(3,004)	(5,208)
Change in inventories		(1,324)	183	1,109
Change in trade and other receivables		(846)	(836)	79
Change in prepayments		148	(369)	47
Change in trade and other payables		3,451	1,495	(298)
Change in deferred income	19	102	(102)	-
Net cash used in operating activities		(490)	(2,633)	(4,271)
Cash flows from investing activities				
Acquisition of property, plant and equipment	9	(104)	(135)	(204)
Acquisition of exploration and evaluation assets	10	(2,101)	(1,002)	(2,113)
Acquisition of intangible assets	11	-	(1)	(3)
Proceeds on fixed asset disposal		-		45
Net cash used in investing activities		(2,205)	(1,138)	(2,275)
Cash flows from financing activities				
Proceeds from issue of share capital	16	10		
Proceeds from borrowings	17	-	5,003	10,003
Issue cost on borrowing		-	-	(565)
Interest paid	17	(1,123)	(523)	(1,041)
Net cash used in financing activities		(1,113)	4,480	8,397
Net (decrease) / increase in cash and cash equivalents		(3,808)	709	1,851
Cash and cash equivalents at the beginning of the period / year	15	3,777	1,952	1,952
Effect of movements in exchange rates on cash and cash equivalents		422	(133)	(26)
Cash and cash equivalents at the end of the period / year		391	2,528	3,777

Notes to the Condensed unaudited Financial Statements

for the six months ended 30 June 2025

1 (a) Basis of preparation

These Condensed unaudited Financial Statements have been prepared in accordance with IAS34 *'Interim Financial Reporting'* and International Financial Reporting Standards as adopted by the European Union ("IFRS") on a going concern basis.

The same accounting policies and basis of preparation have been followed as adopted in the annual financial statements of the Group which were published on 29 April 2025.

(b) Going concern

The consolidated unaudited financial statements for the six months ended 30 June 2025 have been prepared in accordance with IFRS on a going concern basis.

The operations of the Group are financed from a combination of cash flows generated by the existing operation, bond issues and funds raised from shareholders and strategic investors. In common with many pre-production entities, the Group will need to raise further funds in order to progress from the feasibility study phase into construction and ultimately into production.

Following the publication of the Balasausqandiq Phase 1 feasibility study, the Directors are confident based on their previous experience and success in raising capital and the results of the feasibility study to date, that the Company will be able to secure further funding and will, therefore, continue as a going concern for at least the next 12 months.

Accordingly, the Directors believe that it is appropriate that the Company adopts the going concern basis of accounting in preparation of these financial statements but note that the requirement to raise further funding is considered to be a material uncertainty. The financial statements do not include the adjustments that would be required if the Group was unable to continue as a going concern.

(c) 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.

Inventories (Note 12)

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 the period end less applicable discounts. The estimates are based on market data and historical trends.

Exploration and evaluation assets (Note 10)

The Group holds material exploration and evaluation assets and judgement is applied in determining whether impairment indicators exist under the Group's accounting policy. In determining that no impairment indicator exists management have considered the Competent Person's Report on the asset, the strategic plans for exploration and future development and the status of the Subsoil Use Agreement ("SUA"). Judgement was required in determining that a current application for deferral of obligations under the SUA will be granted and management anticipate such approvals being provided given their understanding of the Kazakh market and plans for the asset.

Notes to the Condensed unaudited Financial Statements continued

(d) Unaudited status

These Condensed unaudited Financial Statements have not been audited or reviewed by the Group's auditor.

2 Revenue

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Sales of vanadium products	1,457	1,264	3,076
Sales of ferro-molybdenum	1,055	720	1,517
Tolling revenue	-	179	-
Service revenue	21	7	129
Total revenue from customers under IFRS 15	2,533	2,170	4,722
Other revenue *(adjustments to price after delivery and fair value changes)*	(4)	(21)	16
Total revenue	2,529	2,149	4,738

Vanadium products

Under certain sales contracts the single performance obligation is the delivery of ammonium metavanadate ("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 of vanadium pentoxide for AMV 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 revenue initially received. 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 is recorded as other revenue.

3 Cost of sales

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Materials	2,162	2,438	4,729
Wages, salaries and related taxes	600	659	1,401
Depreciation	366	355	783
Electricity	67	60	139
Other	159	110	498
	3,354	3,622	7,550

4 Other income

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Currency conversion gain	9	3	5
Other	33	4	45
	42	7	50

5 Administrative expenses

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Wages, salaries and related taxes	867	955	1,688
Professional services	63	120	332
Taxes other than income tax	18	-	71
Listing and financing expenses	234	356	163
Audit	136	107	124
Materials	16	22	48
Rent	21	37	37
Depreciation and amortisation	38	36	70
Insurance	14	43	45
Bank fees	10	5	18
Travel expenses	12	23	44
Communication and information services	7	9	16
Other	111	137	366
	1,547	1,850	3,022

Notes to the Condensed unaudited Financial Statements continued

6 Other expenses

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Currency conversion loss	35	20	49
Write-down of inventory to net realisable value	-	-	71
Write-down of obsolete assets	-	-	2
Impairment loss	-	-	273
Share-based payment expense	-	-	22
Other	1	4	146
	36	24	563

7 Personnel costs

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Wages, salaries and related taxes	1,532	1,702	3,640
	1,532	1,702	3,640

Personnel costs of US$502,000 (2024: US$537,000) have been charged to cost of sales, US$867,000 (2024: US$955,000) to administrative expenses and US$163,000 (2024: US$210,000) were charged to cost of inventories which were not yet sold as at the end of the period.

8 Finance costs

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Net foreign exchange gain	79	(28)	337
Unwinding of discount on bonds	-	-	302
Interest expense on financial liabilities (bonds)	993	621	1,340
Net finance costs	1,072	593	1,979

9 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 2024	5,015	3,822	522	49	256	242	9,906
Additions	-	81	-	2	-	52	135
Transfers	-	194	-	-	-	(194)	-
Disposals	-	(3)	-	-	(1)	-	(4)
Foreign currency translation difference	(179)	(150)	(19)	(1)	(9)	(2)	(360)
Balance at 30 June 2024	4,836	3,944	503	50	246	98	9,677
Balance at 31 December 2024	4,410	3,448	452	42	267	66	8,685
Balance at 1 January 2025	4,410	3,448	452	42	267	66	8,685
Additions	-	101	-	-	3	-	104
Disposals	-	(12)	-	(4)	(2)	-	(18)
Foreign currency translation difference	27	20	3	-	1	-	51
Balance at 30 June 2025	4,437	3,557	455	38	269	66	8,822
Depreciation							
Balance at 1 January 2024	851	2,621	361	33	89	-	3,955
Depreciation for the period	226	227	17	3	10	-	483
Disposals	-	(1)	-	-	-	-	(1)
Foreign currency translation difference	(41)	(104)	(14)	(1)	(4)	-	(164)
Balance at 30 June 2024	1,036	2,743	364	35	95	-	4,273
Balance at 31 December 2024	1,208	3,448	341	31	122	-	5,150
Balance at 1 January 2025	1,208	3,448	341	31	122	-	5,150
Depreciation for the period	200	201	15	3	10	-	429
Disposals	-	(12)	-	(4)	(2)	-	(18)
Foreign currency translation difference	97	(80)	1	-	6	-	24
Balance at 30 June 2024	1,505	3,557	357	30	136	-	5,585
Carrying amounts							
At 1 January 2024	4,164	1,201	161	16	167	242	5,951
At 30 June 2024	3,800	1,201	139	15	151	98	5,404
At 31 December 2024	3,202	-	111	11	145	66	3,535
At 30 June 2025	2,932	-	98	8	133	66	3,237

Depreciation expense of US$366,000 (2024: US$355,000) has been charged to cost of sales, excluding cost of finished goods that were not sold at year-end, US$38,000 (2024: US$36,000) to administrative expenses, and US$9,000 has been charged to the cost of finished goods that were not sold at the end of the period (2024: US$96,000).

Construction in progress relates to upgrades to the processing plant.

Notes to the Condensed unaudited Financial Statements continued

10 Exploration and evaluation assets

The Group's exploration and evaluation assets relate to the Balasausqandiq deposit. During the six month period ended 30 June 2025, the Group capitalised the costs of technical design, sample test-work and project management costs, all relating to the Group's Phase 1 feasibility study. As at 30 June 2025, the carrying value of exploration and evaluation assets was US$9.0m (2024: US$7.8m).

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Balance at 1 January	7,999	7,145	7,145
Additions (Phase 1 feasibility study)	2,101	1,002	1,619
Foreign currency translation difference	(1,125)	(311)	(765)
Balance at 30 June / 31 December	8,975	7,836	7,999

11 Intangible assets

	Mineral rights $000	**Patents $000**	**Computer software $000**	**Total $000**
Cost				
Balance at 1 January 2024	84	34	3	121
Additions	-	1	-	1
Foreign currency translation difference	(3)	(1)	-	(4)
Balance at 30 June 2024	81	34	3	118
Balance at 31 December 2024	73	31	3	107
Balance at 1 January 2025	73	31	3	107
Additions	-	-	-	-
Foreign currency translation difference	-	1	-	1
Balance at 30 June 2025	73	32	3	108
Amortisation				
Balance at 1 January 2024	84	14	3	101
Amortisation for the year	-	1	-	1
Foreign currency translation difference	(3)	(1)	-	(4)
Balance at 30 June 2024	81	14	3	98
Balance at 31 December 2024	73	13	3	89
Balance at 1 January 2025	73	13	3	89
Amortisation for the year	-	1	-	1
Foreign currency translation difference	-	1	-	1
Balance at 30 June 2025	73	15	3	91
Carrying amounts				
At 1 January 2024	-	20	-	20
At 30 June 2024	-	20	-	20
At 31 December 2024	-	18	-	18
At 30 June 2025	-	17	-	17

During the six months ended 30 June 2025 and 2024, amortisation of intangible assets was charged to administrative expenses.

12 Inventories

	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
Raw materials and consumables	1,548	815	516
Finished goods	528	975	287
Work in progress	122	10	71
	2,198	1,800	874

During the six months ended 30 June 2025, inventories expensed to profit and loss amounted to US$2.2m (2024:US$2.4m).

13 Trade and other receivables

	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
Current			
Trade receivables from third parties	914	1,215	319
Due from employees	37	20	-
VAT receivable	1,190	918	781
Other receivables	-	63	195
	2,141	2,216	1,295
Expected credit loss provision for receivables	(58)	(64)	(58)
	2,083	2,152	1,237

The expected credit loss provision for receivables relates to credit impaired receivables which are in default and the Group considers the probability of collection to be remote given the age of the receivable and default status.

14 Prepayments

	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
Non-current			
Prepayments	944	853	971
	944	853	971
Current			
Prepayments for goods and services	732	1,166	853
	732	1,166	853

Notes to the Condensed unaudited Financial Statements continued

15 Cash and cash equivalents

	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
Cash at current bank accounts	324	551	209
Cash at bank deposits	67	1,976	3,567
Petty cash	-	1	1
Cash and cash equivalents	391	2,528	3,777

16 Equity

(a) Share capital

Number of shares unless otherwise stated

	Ordinary shares		
	Unaudited 30 June 2025	Unaudited 30 June 2024	Audited 31 December 2024
Par value	-	-	-
Outstanding at beginning of year	483,222,238	483,222,238	483,222,238
Shares issued	10,422,098	-	-
Outstanding at end of period/year	493,644,336	483,222,238	483,222,238

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.

On 6 January 2025, the Company issued 1,684,160 ordinary shares of nil par value in the capital of the Company in lieu of cash for the payment of non-executive director fees (1,151,724 ordinary shares issued in lieu of US$142,500) and certain Group suppliers. (532,436 ordinary shares issued in lieu of US$65,877). Additionally, the Company received a share subscription of US$10,000 for 80,823 ordinary shares of nil par value in the capital of the Company from its Astana International Exchange market maker.

On 13 March 2025, the Company issued a total of 8,657,115 ordinary shares of nil par value in the capital of the Company in lieu of cash (US$872,552.76) for the payment of a Group supplier.

Reserves

Share capital: Value of shares issued less costs of issuance.

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

Share-based payment: Share options issued during the period.

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 considered as permanent equity.

Accumulated losses: Cumulative net losses.

(b) Dividends

No dividends were declared for the six months ended 30 June 2025 (2024: US$ nil).

(c) Loss per share (basic and diluted)

The calculation of basic and diluted loss per share has been based on the loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding. There are no convertible bonds and convertible preferred stock, so basic and diluted losses are equal.

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

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Loss for the period, attributable to owners of the Company	(3,497)	(3,991)	(9,429)
Loss attributable to ordinary shareholders	(3,497)	(3,991)	(9,429)

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

Shares	**Unaudited six-month period ended 30 June 2025**	Unaudited six-month period ended 30 June 2024	Audited year ended 31 December 2024
Issued ordinary shares at 1 January (after subdivision)	483,222,238	483,222,238	483,222,238
Effect of shares issued (weighted)	7,313,189	-	-
Weighted-average number of ordinary shares at period / year end	490,535,427	483,222,238	483,222,238
Loss per share of common stock attributable to the Company: (Basic and diluted / US$)	(0.0071)	(0.0083)	(0.020)

17 Loans and borrowings

In 2023 the Company launched a US$20m bond programme in Kazakhstan ("the Programme") and has issued four tranches of unsecured corporate bonds under the Programme with effective interest rates of 9.2%, 10.4%, 11% and 13.5% respectively.

With respect to the first tranche of bonds (2023), investors have subscribed for a total of 1,500 bonds with a nominal value of US$2,000 each. These bonds are unsecured, have a three-year term and bear a coupon rate of 9%, paid twice-yearly. The bonds have been listed on AIX with ISIN number KZX000001474.

With respect to the second tranche of bonds (2023), investors have subscribed for a total of 50,000 bonds with a nominal value of US$100 each. These bonds are unsecured, have a three-year term and bear a coupon rate of 10%, paid quarterly. The bonds have been listed on AIX with ISIN number KZX000001623.

With respect to the third tranche of bonds (2024), investors have subscribed for a total of 50,000 bonds with a nominal value of US$100 each. These bonds are unsecured, have a three-year term and bear a coupon rate of 11%, paid quarterly. The bonds have been listed on AIX with ISIN number KZX000001946.

With respect to the fourth tranche of bonds (2024), investors have subscribed for a total of 50,000 bonds with a nominal value of US$100 each. These bonds are unsecured, have a three-year term with an option to redeem 12 months early and bear a coupon rate of 13.5%, paid quarterly. The bonds have been listed on AIX with ISIN number KZX000003348.

Notes to the Condensed unaudited Financial Statements continued

	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
Non-current liabilities			
Bonds payable	17,134	12,396	17,134
	17,134	12,396	17,134
Current liabilities			
Interest payable	303	233	432
	303	233	432

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions below:

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
At 1 January	17,566	7,527	7,527
Cash flows:			
– Interest paid	(1,123)	(523)	(1,041)
– Proceeds from loans and borrowings	-	5,003	10,003
Total	16,443	12,007	16,489
Non-cash flows			
– Interest accruing in the period	993	622	1,340
– Bond discount / premium	-	-	(263)
At 30 June / 31 December	17,436	12,629	17,566

18 Trade and other payables

	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
Trade payables	2,861	2,565	1,273
Debt to employees	269	242	188
Other taxes	381	52	310
Advances received	805	777	72
	4,316	3,636	1,843

19 Deferred income

	Unaudited 30 June 2025 $000	Unaudited 30 June 2024 $000	Audited 31 December 2024 $000
Government grants	-	-	102
	-	-	102

During 2023, the Group was awarded grant funding by the Kazakhstan Science Fund for the development of technology for the production of mixed vanadium oxides for use in vanadium redox flow batteries.

20 Contingencies

(a) Insurance

The insurance industry in the Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally or economically available. The Group does not have full coverage for its plant facilities, business interruption or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. There is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Taxation contingencies

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions which are often unclear, contradictory and subject to varying interpretations by different tax authorities. Taxes are subject to review and investigation by various levels of authorities which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years but under certain circumstances a tax year may remain open for longer.

These circumstances may create tax risks in Kazakhstan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

There are no tax claims or disputes at present.

Notes to the Condensed unaudited Financial Statements continued

21 Segment reporting

The Group's operations are split into three segments based on the nature of operations: processing, subsoil operations (being operations related to exploration and mining) and corporate segment for the purposes of IFRS 8 Operating Segments. The Group's assets are primarily concentrated in the Republic of Kazakhstan and the Group's revenues are derived from operations in, and connected with, the Republic of Kazakhstan.

Unaudited six-month period ended 30 June 2025

	Processing $000	Subsoil $000	Corporate $000	Total $000
Revenue	2,529	-	-	2,529
Cost of sales	(3,354)	-	-	(3,354)
Other income	42	-	-	42
Administrative expenses	(390)	(28)	(1,129)	(1,547)
Distribution & other expenses	(95)	-	-	(95)
Finance costs	(283)	-	(789)	(1,072)
Loss before tax	(1,551)	(28)	(1,918)	(3,497)

Unaudited six-month period ended 30 June 2024

	Processing $000	Subsoil $000	Corporate $000	Total $000
Revenue	2,149	-	-	2,149
Cost of sales	(3,622)	-	-	(3,622)
Other income	6	-	1	7
Administrative expenses	(475)	(42)	(1,333)	(1,850)
Distribution & other expenses	(82)	-	-	(82)
Finance costs	217	-	(810)	(593)
Loss before tax	(1,807)	(42)	(2,142)	(3,991)

Audited year ended 31 December 2024

	Processing $000	Subsoil $000	Corporate $000	Total $000
Revenue	4,738	-	-	4,738
Cost of sales	(7,550)	-	-	(7,550)
Other income	49	-	1	50
Administrative expenses	(1,132)	(40)	(1,850)	(3,022)
Impairment charge	(954)	-	-	(954)
Distribution & other expenses	(690)	-	(22)	(712)
Finance costs	394	-	(2,373)	(1,979)
Loss before tax	(5,145)	(40)	(4,244)	(9,429)

Included in revenue arising from processing are revenues of US$2.2m (2024: US$1.3m) which arose from sales to two of the Group' largest customers. No other single customer contributes 10 per cent or more to the Group's revenue.

All of the Group's assets are attributable to the Group's processing operations.

Sales to the Group's largest customers during the six months ended 30 June 2025 were as follows:

Customer A	US$1.9m (81%) (2024: US$0.4m)
Customer B	US$0.3m (14%) (2024: US$1.0m)

22 Related party transactions

Transactions with management and close family members

Management remuneration

Key management personnel received the following remuneration during the year, which is included in personnel costs (see Note 7):

	Unaudited six-month period ended 30 June 2025 $000	Unaudited six-month period ended 30 June 2024 $000	Audited year ended 31 December 2024 $000
Wages, salaries and related taxes	538	538	1,053

The amount of wages and salaries outstanding at 30 June 2025 is equal to US$nil (2024: US$nil).

23 Subsequent events

On 7 July 2025, the Company issued 16,666,667 ordinary shares of nil par value in the capital of the Company, raising gross proceeds of £1,000,000, having received share subscriptions from investors including certain directors of the Company and VBR.

Company Information

Ferro-Alloy Resources Limited

Company Registration Number	63449
Registered Office	Maison Allaire Smith Street St Peter Port Guernsey GY1 2NG
Directors	Sir Mick Davis Nicholas Bridgen Andrey Kuznetsov William Callewaert Christopher Thomas Petrus Nienaber James Turian
Corporate Brokers	Shore Capital Stockbrokers Limited 57 St James's Street, Cassini House London, SW1A 1LD Panmure Liberum Limited Ropemaker Place, Level 12 25 Ropemaker Street London, EC2Y 9LY
Auditors	Crowe U.K. LLP 55 Ludgate Hill London, EC4M 7JW
Registrar	Computershare Investor Services (Guernsey) Limited 1st Floor, Tudor House Le Bordage St Peter Port Guernsey, GY1 1DB
Financial Press Relations	BlytheRay Ltd 4-5 Castle Street London, EC3V 9DL

Designed and
printed by:

perivan.com

Ferro-Alloy Resources Limited
Maison Allaire
Smith Street
St Peter Port
Guernsey
GY1 2NG

www.ferro-alloy.com