

18 April 2019

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

Operations Update

Ferro-Alloy Resources Limited, the vanadium mining and processing company with operations based in Southern Kazakhstan, is pleased to announce an operations update ahead of the publication of its final results for the year ended 31 December 2018.

Ferro-Alloy was admitted to trading on the Main Market of the London Stock exchange in March 2019 and raised £5.2 million on admission ("Admission"). As indicated at the time of Admission, part of this funding is to be utilised to expand production at the existing vanadium concentrate processing operation (the "Existing Operation"), where the target is to expand production to around 1,500 tonnes per annum, as well as conduct preliminary work on the main project to produce 22,500 tonnes per year from the Balasausqandiq mine ("the Mine").

Work on the expansion has gained momentum, financed both by operating earnings and the raising of funds on Admission, and the Company is pleased to confirm that there have been a number of developments at the Existing Operation including;

- various items of equipment have started to arrive on site, including a rotating pre-roasting oven, six new 16 cubic metre leach tanks for the acid leaching of the low-grade wastes, and a further receiving tank for roasted material from the main roaster has been installed;
- the engineering design work for the connection to the adjacent high voltage power line has been completed and contracts are being finalised which will provide the greater power required by the expanded plant at a lower cost, and will eliminate power outages and instability;
- the detailed design of a 990 square metre extension of the plant building and electrometallurgical and recrystallisation equipment have been completed, procurement contracts for the steel and panels have been let, and work on the foundations has already commenced;
- a 25-tonne mobile crane, an additional loader, and three site transport vehicles have been acquired
- accommodation for an additional 24 site construction workers has been installed and work has started on an additional floor of accommodation for company workers

The Company's final results for the year ended 31 December 2018 will be announced on 30 April 2019.

Nick Bridgen, CEO, commented: "Following our listing on the London Stock Exchange, I have been impressed by the commitment of our on-site team and the efficiency with which we have been able to design, acquire and install equipment. The potential of Balasausqandiq vanadium deposit, with a reserve of over 70 million tonnes estimated on a locally required basis, cannot be understated with its unique geology, industry leading low costs and capex, and its significant scale".

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, situated in Kyzylordinskaya Oblast in Southern Kazakhstan. The ore contains vanadium as the principal product, together with by-products of carbon, molybdenum, uranium, rare earth metals, potassium, and aluminium.

A reserve on the JORC 2012 basis has been estimated only the first ore-body number which amounts to 23 million tonnes, not including the small amounts of near-surface oxidised material which is in the Inferred resource category. 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 additional existing concentrate processing operation is situated 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 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 ammonium metavanadate (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.