

EXEMPT OFFER DOCUMENT

of Ferro-Alloy Resources Limited

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

KAZAKHSTAN US\$ 20,000,000 10-YEAR EXEMPT OFFER BOND PROGRAMME

Ferro-Alloy Resources Limited (the “Issuer”, together with its wholly owned subsidiary undertakings (the “Group”)) has established a US\$ 20,000,000 (twenty million US Dollar) exempt offer bond programme (the “Exempt Offer Programme”) valid until July 31, 2033, pursuant to which the Issuer may from time-to-time issue exempt offer bonds denominated in KZT and USD (“the Bonds”, and each a “Bond”) to Accredited Investors only in accordance with the existing laws of the Astana International Financial Centre (the “AIFC”). Each series of Bonds issued under the Exempt Offer Programme is hereinafter referred to as a “Tranche”. The Exempt Offer Programme may be comprised of one or more Tranches of Bonds issued on the same or different dates. The denomination of any Bonds issued under the Exempt Offer Programme will be defined in the final terms for each Tranche (the “Terms and Conditions”).

This document constitutes the offer document for the Bonds (the “Exempt Offer Document”) described herein and has been prepared by the Issuer pursuant to Rule PR3 of the AIX Business Rules. Full information on the offer of the Bonds is only available on the basis of this Exempt Offer Document and the relevant Terms and Conditions. This Exempt Offer Document has been published by the Issuer on the website of the Astana International Exchange Limited (the “AIX”) at www.aix.kz, and via the AIX Regulatory Announcement Services (the “AIX RAS”). The Terms and Conditions of each Tranche will be published by the Issuer on the AIX website and via the AIX RAS. All information on the Issuer’s operational activities and other details can be found at www.ferroalloy.com.

Application has been made to approve the programme for the Bonds issued under the Exempt Offer Programme pursuant to ADS 4.5 of the AIX Business Rules to be admitted to the Official List of the AIX and to be admitted to trading on the AIX (the “Admission”) based on the respective Terms and Conditions and trading applications. The aggregate nominal amount and completion of certain other terms and conditions which are applicable to each Tranche of Bonds will be set forth in the Terms and Conditions. In order for the Bonds to be admitted to the Official List of the AIX and to be admitted to trading by the AIX, the Terms and Conditions under each such Tranche will be delivered to the AIX for approval before the date of the issue of the Bonds of such Tranche. The form of the Terms and Conditions is set out in Annex 2 to this Exempt Offer Document. **An application for Admission of the Bonds will only be made to the AIX and any Bonds issued under the Exempt Offer Programme will not be listed in any other jurisdiction other than the AIFC.**

AIX will not guarantee that these securities will be included into the Official List maintained by AIX. AIX reserves its right to grant admission of securities to the Official List maintained by AIX and trading on AIX only where it is satisfied that such admission is in accordance with the AIX Markets Listing Rules and AIX Admissions and Disclosure Standards for Issuers.

AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Exempt Offer Document including the accuracy or completeness of any information or statement included in it. Liability for this Exempt Offer Document lies with the Issuer. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which the document relates for any particular investor or type of investor. If you do not understand the content of this Exempt Offer Document or are unsure whether the securities are suitable for your individual circumstances, you should consult an authorised financial adviser.

No representation or warranty, express or implied, is made by the Issuer as to the accuracy or completeness of the information set forth in this Exempt Offer Document, and nothing contained in this Exempt Offer Document is, or shall be relied upon as a promise or representation, whether as to the past or the future.

No action has been or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Bonds in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Exempt Offer Document (in preliminary, proof or final form) or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, may be distributed in or from, or published in any country or jurisdiction outside the AIFC, except under circumstances that will result, to the best of the Issuer’s knowledge and belief, in the Bonds being compliant with any applicable securities laws or regulations.

Under no circumstances shall this Exempt Offer Document constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction outside of the AIFC or under any circumstances in which such offer, solicitation or sale is not authorised or would be unlawful. Recipients of this Exempt Offer Document who intend to subscribe for or purchase the Bonds are reminded that any subscription or purchase may only be made on the basis of the information contained in the Exempt Offer Document.

All subsequent references in this Exempt Offer Document to “Bonds” are to the Bonds which are subject to the relevant Terms and Conditions. All capitalised terms that are not defined in this Exempt Offer Document will have the meaning given to them in the Annex 1.

These Bonds constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on a regular basis as indicated in the relevant Terms and Conditions for each Tranche and to reimburse the principal on the Maturity Date. In case of bankruptcy or default by the Issuer, investors may not recover the amounts they are entitled to and risk losing all or part of their investment. The Bonds are intended for investors who are Accredited Investors and are capable of evaluating the investment in light of their knowledge and financial experience. An investment decision must be based on the information contained in the Exempt Offer Document. Before making any investment decision, the investors must read the Exempt Offer Document in its entirety (and, in particular, paragraphs “Risk factors related to the Issuer” and “Risk factors related to the Bonds” of the Exempt Offer Document). Each potential class of investor must investigate and determine carefully whether it is appropriate for them to invest in the Bonds, taking into account his or her knowledge and experience and they must, if needed, obtain professional advice before making an investment in the Bonds.

INFORMATION ON THE ISSUER AND THE EXEMPT OFFER PROGRAMME	
Issuer	Ferro-Alloy Resources Limited, incorporated on April 12, 2017 and registered as Guernsey company number 63449.
Issuer's main business activities	<p>The Issuer is the holding company of a group of wholly owned companies which carries on a mining and mineral processing business with operations located at the Balasausqandiq vanadium/polymetallic mineral deposit in the Kyzylordinskaya Oblast in Southern Kazakhstan. The Issuer's 100% owned subsidiaries are Vanadium Products LLP (Kazakhstan), Energy Metals Limited (United Kingdom), Firma Balausa LLP (Kazakhstan) and Balausa Processing Company LLP (Kazakhstan).</p> <p>The Group has two main business activities:</p> <ul style="list-style-type: none"> a) the development of the high grade Balasausqandiq vanadium deposit ("Project"); and b) an existing vanadium concentrate processing operation ("Existing Operation"). <p>The Existing Operation is located on the same site and uses some of the same infrastructure as the Project, but is a separate operation which will continue in parallel with the development and operation of the Project.</p>
Issuer's contact details	<p>Tel / email: +44 1481 740335 / info@ferro-alloy.com</p> <p>Registered and physical address: Noble House, Les Baissieres, St. Peter Port, Guernsey, GY1 2UE, Channel Islands.</p> <p>Website: www.ferro-alloy.com.</p>
Exempt Offer Programme validity	This Exempt Offer Programme is valid from the date of approval by AIX for a period of 10 (ten) years
Potential Investors	The Bonds will be offered to Accredited Investors only (as defined in 1.1.2(6)(a) of AIFC MAR), in compliance with 1.2.2(1)(a) of AIFC MAR
Date of approval of the Exempt Offer Programme	July 24, 2023
Selling restrictions	<p>The Bonds shall be offered under Section 1.2.2(1)(a) of AIFC MAR to Accredited Investors only (as defined in MAR 1.1.2(6)a).</p> <p>The Issuer may place the Bonds to any potential Bondholders at its discretion, including those who are affiliated with Issuer or related to the Issuer.</p> <p>The placement of the Bonds is subject to applicable laws and regulations and the Bonds may not be sold to the public in any jurisdiction, other than in compliance with applicable laws and regulations. The Bonds have not and will not be registered under the U.S. Securities Act of 1933 and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.</p>
Size of the Exempt Offer Programme	<p>US\$ 20,000,000</p> <p>When counting the aggregate principal amount of the Exempt Offer Programme, the KZT Bond issues will be included at the KZT / USD exchange rate as at the date of admission of the relevant Tranche to trading on the AIX.</p>
Purpose of the Exempt Offer Programme	The net proceeds of the Bonds issued under the Exempt Offer Programme will be used by the Issuer for the financing of the Group's operations.
Risk factors related to the Issuer	<p>(i) Current processing operations</p> <p>Current processing operations make up a small part of the Group's expected future value but are expected to provide useful cash flows in the near term and allow the Group to gain valuable experience of the vanadium industry. The principal risks of this operation are the prices of its products (vanadium, molybdenum and nickel), availability of vanadium bearing concentrates</p>

and the efficiency of recovery of products from those concentrates.

The Group is constantly reviewing the market opportunities for supplies of vanadium bearing concentrates and has sufficient long-term supply contracts in place for ongoing production. The Group aims to extract all the useful components of the raw materials so that no residues remain on site and so that the maximum value is obtained from each tonne treated. By this means, we aim to be one of the most efficient and lowest cost secondary vanadium treatment plants so that our competitive position reduces the danger of high prices for raw materials making the operation uneconomic.

(ii) Balasausqandiq project

The Balasausqandiq project is a much larger contributor to the Group's value than the Existing Operation and is primarily dependent on long-term vanadium prices.

The Project is dependent on raising finance to meet projected capital costs 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.

(iii) Geopolitical situation

While the ongoing invasion of Ukraine by Russia is not directly impacting the Group's operations, the Issuer remains 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 Belorussian vehicles transiting through Europe (but not against vehicles registered in other jurisdictions in 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 currently 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.

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.

(iv) Financing risk

The Balasausqandiq project will require substantial funds to be raised in debt and possibly further equity which will be dependent upon market conditions at the time and the successful completion of the feasibility study of Stage 1 of the Project.

The Existing Operation is fully developed and operational and, subject to uncertainties over prices and costs, is forecast to make profits in 2023 and onwards.

In March of 2021 the Issuer signed an investment agreement with Vision Blue Resources Limited ("Vision Blue"). Under the terms of this agreement and in addition to Vision Blue's participation in the Issuer's 2022 equity fundraise, investments totaling US\$ 15.5 million have already been made and Vision Blue has the right to subscribe a further US\$ 2.5 million at the original deal price of 9 pence per share at any time up to two months after the announcement of the feasibility study of Stage 1 of the Project. Vision Blue also has further options to subscribe up to US\$ 30 million at higher prices to partially finance the construction of the Project.

The favourable financial and other characteristics of the Project determined by studies so far completed give the Issuer confidence that the outcome of the first stage of the ongoing feasibility study will be successful.

(v) Climate change risk

Changes in the natural environment and extreme weather events as a result of climate change pose significant risks to global economic activity and trade.

The Issuer has not identified any particular climate change related scenarios that would likely have a significant impact on the Project or the Existing Operation. The Existing Operation already functions in an environment that is subject to extreme weather conditions and is,

	<p>therefore, considered to have a strong resilience to current and future climate-related scenarios.</p> <p>(vi) Risks associated with the developing nature of the Kazakh economy</p> <p>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 Issuer 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.</p> <p>(vii) Commodity price risk</p> <p>As already noted above, the success of the Issuer 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 Issuer’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 Issuer’s future financial performance.</p> <p>(viii) Supplier risk</p> <p>The Group has entered into supply agreements with companies for vanadium-bearing concentrates and other raw materials to feed the Existing Operation. There is the possibility that suppliers breach their contractual agreements with the Group leading to an adverse impact on the Group’s financial position or that future contracts will be proposed on commercial terms unacceptable to the Group.</p> <p>(ix) Permitting risks</p> <p>Mining operations in Kazakhstan are supervised by the relevant Kazakh government authorities. Ownership of the subsoil is retained by the state and private enterprises obtain mining rights via licences and contracts, the terms of which must be complied with. The terms of these licences and contracts as well as other legislative obligations often require several permits and other approvals, many of which require regular renewal. Failure to adhere to the terms of subsoil contracts and licences can result in suspension and ultimately cancellation. In such an event mining operations would have to cease. Failure to obtain appropriate permits in a timely manner could also cause delays to the project schedule and not meeting the qualifying criteria or the terms of such permits could involve unplanned expenditure.</p> <p>The mining operations of the Issuer are permitted under the provisions of a Subsoil Use Licence. This licence was granted by the Government of the Republic of Kazakhstan in 1998. It was initially valid for 25 years but on 24 December 2018 and was later extended for 25 years until 2043.</p> <p>(x) Resource risk</p> <p>There is a risk that the Issuer’s estimates of its resources may be inaccurate. Resource estimates are subject to a number of assumptions, including the price of commodities, production costs and recovery rates. Fluctuations in the variables underlying the estimates may result in material changes to its resource estimates which may have a materially adverse impact on the prospects of the Issuer.</p>
INFORMATION ON THE BONDS	
Type of Bonds	Unsecured coupon bonds.
Currency of the Tranches	Kazakhstani Tenge (“KZT”) or Unites States Dollars (“USD”).
Ranking	The Bonds shall constitute direct, general and unconditional obligations of the Issuer which will rank pari passu amongst themselves and rank pari passu, in terms of payment rights, with all other current or future unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by Guernsey and Kazakh law.
Restrictions on the free transferability	The Bonds are freely transferable.

Face value	Will be defined in the Terms and Conditions for each Tranche.
Form of the Bonds	The Bonds are issued in fully registered and dematerialised form under the existing laws of the AIFC and AIX Business Rules.
Issue Price	The exact Issue Price will be defined in the Terms and Conditions of each Tranche. The number and size of Tranches will depend on future financing needs of the Issuer based on the prevailing market conditions. Each Terms and Conditions will be submitted to the AIX before the issue of the Bonds under the Tranche.
Offering method	Direct solicitation to Accredited Investors. No book-building will take place.
Payment of interest on the Bonds	<p>The payment of coupon will be made to those Bondholders who have the right to receive the relevant coupon payment and who have been registered as Bondholders by the AIX Registrar and/or the AIX CSD as of 23:59:59 on the Record Date. In the event of a nominee holding, the interest and corresponding principal debt can only be paid to the account details provided by the Bondholder's broker or custodian acting as the nominee holder of the Bonds.</p> <p>Coupon interest payments on Bonds shall be paid no later than 10 (ten) Business Days after the relevant Record Date by money transfer (in the currency in which the bonds are issued) to the bank accounts of the Bondholders specified in the register of Bondholders as at the Record Date. In the event of a nominee holding, the interest and corresponding principal debt can only be paid to the account details provided by Bondholder's broker or custodian acting as a nominee holder of the Bonds on behalf of Bondholders.</p> <p>The coupon interest payment on the last coupon period shall be made concurrently with repayment of the principal of the Bonds no later than 10 (ten) Business Days after the relevant Maturity Date</p>
Redemption	<p>Repayment of the principal debt of the Bonds will be made simultaneously with the coupon payment for the last coupon period.</p> <p>Repayment of the principal debt will be completed by transferring money to the bank accounts of the Bondholders, who have the right to receive the specified payment and have been registered as the Bondholders by the AIX Registrar as at 23:59:59 on the Record Date.</p>
Events of Default	<p>If any one or more of the below events (each an "Event of Default") shall occur, and such a default or a breach of the Terms and Conditions are not remedied within 10 (ten) Business Days after the default or breach has occurred, a Bondholder may give written notice to the Issuer at its registered office that such Bond is immediately due and repayable, at its principal amount together with accrued coupon interest (if any) to the date of payment.</p> <p>a) Nonpayment: if the Issuer fails to pay the principal debt of any of the Bonds when it becomes due and payable either at maturity, by declaration or otherwise or the Issuer is in default with respect to the coupon interest payment or additional amounts due on any of the Bonds.</p> <p>b) Bankruptcy: an Event of Default will occur where (i) any Person has instituted a proceeding or entered a decree or order for the appointment of a receiver, administrator or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, moratorium of payments or similar arrangements involving the Issuer or all or substantially all of its property and/or assets and such proceeding, decree or order has not been vacated or has remained in force undischarged or unstayed for a period of 45 (forty five) days or (ii) the Issuer institutes proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be adjudicated a bankrupt or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganisation under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, administrator or liquidator or trustee or assignee in bankruptcy or liquidation of the Issuer, as the case may be, or in respect of its property and/or assets, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its indebtedness which is materially prejudicial to the interests of the Bondholders.</p> <p>c) Maintenance of Listing: The Issuer shall comply with all obligations applicable to it as a result of the Bonds being listed on the Official List of the AIX and where the breach</p>

	<p>of those obligations is reasonably likely to cause the delisting of the Bonds from the Official List of the AIX.</p>
Event of Default Remedy	<p>If at any time while any of the Bonds remain outstanding an Event of Default occurs (as defined in the Exempt Offer Document), the Issuer shall, at the option of a Bondholder, having received written notice of early redemption from that Bondholder, redeem that Bondholder's Bond at its nominal amount together with coupon interest accrued to the date of receipt of the Bondholder's written notice of early redemption by the Issuer, no later than 20 (twenty) Business Days after the date that the Bondholder's written notice of early redemption was received by the Issuer.</p> <p>Following the occurrence of any Event of Default, the Issuer may arrange negotiations with a Bondholder in respect of an early redemption at the option of the relevant Bondholder.</p>
Repurchase of the Bonds	<p>The Issuer may repurchase Bonds at any time during the period of their circulation, on its own initiative. The Bond repurchase price shall include coupon interest accrued to the date of repurchase. The schedule of Bonds to be repurchased and the Issuer's announcement of the Bonds to be repurchased (if the Issuer's Board of Directors resolved to repurchase the relevant Bonds) will be defined by the relevant Terms and Conditions of each Tranche.</p> <p>The Bonds repurchased in such a way shall not be deemed as redeemed and the Issuer shall be entitled to offer previously repurchased Bonds for sale at any time during the entire period of their circulation.</p> <p>For the avoidance of doubt, the repurchase of the Bonds by the Issuer should be conditional on the right, but not the obligation of the Bondholder to sell the Bonds to the Issuer, if the Issuer announced the repurchase of the Bonds.</p>
Notices	<p>To the Bondholders</p> <p>All notices to the Bondholders shall be deemed to have been duly given if, so long as the Bonds are on the Official List and so long as the rules of the AIX so require, by publication (i) via the AIX RAS on the website of the AIX at www.aix.kz or (ii) otherwise in accordance with the regulations of the AIX. If the Bonds are excluded from the Official List, any notice shall be sent to the Bondholders by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the register, and any such notice shall be deemed to have been given on the fourth day after the date of mailing.</p> <p>To the Issuer</p> <p>Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at Noble House, Les Baissieres, St. Peter Port, Guernsey, GY1 2UE, Channel Islands and will be deemed to have been validly given when delivered.</p>
Bondholders meeting	<p>The Issuer may, from time-to-time, call meetings of the Bondholders for the purpose of consultation with the Bondholders or for the purpose of obtaining the consent of the Bondholders on any amendments to the Exempt Offer Document and/ or any of the Terms and Conditions.</p> <p>A meeting of the Bondholders shall be called by the Issuer by publication of the relevant Market Notice on the website of the AIX at www.aix.kz, via the AIX RAS and on the Issuer's website at www.ferro-alloy.com at a date being not more than 30 (thirty) days and not less than 14 (fourteen) days preceding the date scheduled for the meeting. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the terms of the Bonds that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of the Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval from the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.</p> <p>A meeting of the Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present in person, by proxy or in absentia, representing not less than 50% of the principal debt on the Bonds then outstanding, shall constitute a quorum. If a quorum is not</p>

	<p>present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Issuer to the Bondholders present at that meeting. The Issuer shall within 2 (two) days from the date of the original meeting publish by way of a Market Notice the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than 7 (seven) days, and not later than 15 (fifteen) days, following the original meeting. At an adjourned meeting the number of the Bondholders present, in person or by proxy, shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.</p> <p>Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors of the Issuer or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time for the Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote at the meeting shall not be taken into account for the purpose of such vote.</p> <p>The voting process shall be managed by the Issuer's representative.</p> <p>The proposal on amendments to the Exempt Offer Document and/ or any of the Terms & Conditions must be approved only by an Extraordinary Resolution.</p>
Estimated general expenses associated with the listing	All fees due shall be paid in accordance with the AIX Fee Schedule.
Use of net proceeds	The exact purpose of the net proceeds of the Bonds will be defined in the Terms and Conditions for each Tranche.
Registrar	Astana International Exchange Registrar Limited ("AIX Registrar").
Depository	Astana International Exchange Central Securities Depository Limited ("AIX CSD").
Risk factors related to the Bonds	<p>(i) Delisting of the Bonds from the Official List may result in gains and accrued coupon interest arising from the Bonds which may be liable to taxation in the Republic of Kazakhstan</p> <p>In accordance with the Code of the Republic of Kazakhstan «On taxes and other obligatory payments to the budget (Tax Code)» dated December 25, 2017 No. 120-VI ZRK, interest on debt securities that are on the date of accrual of such interest on the official list of a stock exchange operating in the territory of the Republic of Kazakhstan are not subject to taxation at the source of payment. No assurance can be given that the Bonds will remain admitted to the Official List of the AIX as at each coupon payment date or during the term of the Bonds, or that there will be no material change in tax and securities laws in Kazakhstan.</p> <p>Coupon payments on the Bonds may be exempt from withholding and income taxes due to the favourable treatment available for securities admitted to the Official List of the AIX under the constitutional laws of the AIFC in effect as at the date of this Exempt Offer Document. Any potential investor must, if needed, obtain professional advice with respect to the possible tax treatment of the Bonds before making an investment in the Bonds.</p> <p>(ii) The market price of the Bonds may be volatile</p> <p>The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts, as well as other factors.</p> <p>The only significant factor assumed by the Issuer that could cause sharp fluctuations in the price of the Bonds is a decrease in the Issuer's solvency. Such a decrease may be caused by a downward trend of prices of the Group's products (vanadium, molybdenum and nickel), low</p>

	<p>availability of vanadium bearing concentrates and low the efficiency of recovery of products from those concentrates.</p> <p>To reduce this risk the Group is constantly reviewing the market opportunities for supplies of vanadium bearing concentrates and has sufficient long-term supply contracts in place for ongoing production.</p>
<p>Applicable Law and Jurisdiction</p>	<p>The Bonds will be issued and in accordance with the laws of the AIFC.</p> <p>The Bonds and any non-contractual obligations arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with, the laws of the AIFC. The Issuer has agreed herein the conditions in favour of the Bondholders of the Bonds that any claim, dispute or discrepancy of any nature arising out of, or in connection with, the Bonds (including claims, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with, the Bonds) shall be brought to, and finally resolved by, the Court of the AIFC in accordance with the rules thereof.</p>

Signature: _____
 By: Nicholas Bridgen
 Title: Chief Executive Officer
 Date: July 25, 2023



Annex 1. Definitions

“Accredited Investor”	As defined in 1.1.2(6)(a) of AIFC MAR Rules
“Admission”	The admission of the Issuer’s Bonds to the Official List and to trading on the AIX
“AIFC”	Astana International Financial Centre
“AIFC Rules”	The rules and regulations of AIFC as amended from time-to-time
“AIX”	Astana International Exchange Limited
“AIX CSD”	Astana International Exchange Central Securities Depository Limited
“AIX Fee Schedule”	AIX fees and charges
“AIFC MAR Rules”	The Astana International Financial Centre Market Rules (AIFC Rules No. FR0003 of 2017, with amendments as of 29 June 2022, which commenced on 29 June 2022)
“AIX Markets”	AIX derivatives market and/or AIX securities market.
“AIX Market Notice”	A communication issued by the AIX and labeled “Notice” and delivered by fax or by email to the address notified by relevant AIX Trading Member to AIX, or as posted on the AIX website.
“AIX RAS”	AIX Regulatory Announcement Services
“AIX Registrar”	Astana International Exchange Registrar Limited
“AIX Trading Member”	Any legal entity who has a valid and active trading Membership Agreement with the AIX and is engaged in trading on the AIX Markets. The list of AIX Trading Members are posted on the AIX website under “AIX Membership – Trading Members”
“Articles”	The Issuer’s Articles of Incorporation adopted on 12 April 2017
“Bonds”	The bonds issued under the Exempt Offer Programme in accordance with the existing laws of the AIFC and denominated in KZT or USD
“Bondholder”/ “Bondholders”	A holder/ holders of the Bonds
“Business Day”	Means a day (other than a Saturday or a Sunday) on which banks, the AIX and foreign exchange markets are open for business in the relevant place of presentation and settle operations/ payments Information on holidays and non-business days are posted on the AIX website under “News - AIX Market Notice” If any date for payment in respect of any Bond is not a Business Day, the Bondholder shall not be entitled to payment until the following Business Day nor to any interest or other sum in respect of such postponed payment
“Coupon Rate”	The fixed interest rate per annum, as defined in the Terms and Conditions in respect of each Tranche
“Event of Default”	A partial or complete failure to fulfil the Issuer’s obligations with respect to the Bonds as described in the Exempt Offer Document
“Existing Operation”	An existing vanadium concentrate processing operation of the Group
“Extraordinary Resolution”	A decision of a general meeting of the Bondholders, subject to the following conditions: (1) Bondholders voting for this decision owned at least 85 percent of the Bonds of the total number of the placed Bonds (excluding Bonds repurchased by the Issuer), (2) if there are persons (two or more) among the Bondholders who own 10 or more percent of the Bonds (excluding Bonds repurchased by the Issuer), more than $\frac{3}{4}$ of such Bondholders should vote for the decision
“Terms and Conditions”	Terms and Conditions of each Tranche
“Group”	A group of companies wholly owned by the Issuer which carries on a mining and mineral processing business with operations located at the Balasausqandiq

	vanadium/polymetallic mineral deposit in the Kyzylordinskaya Oblast in Southern Kazakhstan
“Issuer”	Ferro-Alloy Resources Limited, a company registered as a non-cellular company limited by shares and incorporated under the laws of Guernsey with registration number 63449
“KZT”	Kazakhstan Tenge
“Maturity Date”	A maturity date as defined in the Terms and Conditions in respect of each Tranche
“Membership Agreement”	The agreement described as such and entered into between an AIX Trading Member and the AIX, as the same may be amended and/or supplemented from time-to-time
“Official List”	The Official List of Securities maintained by the AIX
“Person”	Any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of state or other legal entity, whether or not having separate legal personality
“Exempt Offer Programme”	US\$ 20,000,000 10-year exempt offer bond programme established by the Issuer pursuant to which the Issuer may from time-to-time issue bonds denominated in KZT or USD in accordance with the existing laws of the AIFC
“Project”	The high grade Balasausqandiq vanadium project located in the Kyzylordinskaya Oblast in Southern Kazakhstan
“Record Date”	The last day of the period for which interest and/or principal debt of the Bonds are paid
“Tranche”	Each series of Bonds issued under the Exempt Offer Programme
“USD”	United States Dollars

Annex 2: Form of Terms and Conditions

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 [●] [●] YEAR COUPON BONDS DUE [●] (ISIN: [●])

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 21, 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.

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 Terms and Conditions unless they are expressly defined herein.

Tranche number	[●]
Type and name	Unsecured coupon bonds
ISIN	[●]
Specified currency	[●]
Face value	[●]
Number of Bonds	[●]
Total nominal amount of Bonds	[●]
Issue date	[●]
Last date of circulation period	[●]
Maturity date	[●]
Coupon rate	[●]
Frequency of interest payments and/or dates of payment interest on Bonds	[●]
Calculation of interest payments	[●]
Coupon Basis	[●]
Interest accrual commencement date	[●]
Interest accrual last date	[●]
The offer period opening and	[●]

closing dates	
Allotment date	[•]
Use of proceeds	[•]
Issue price	[•]

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	[•]	[•]	[•]	[•]
...	[•]	[•]	[•]	[•]
N	[•]	[•]	[•]	[•]

Each coupon 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 (if appropriate)

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	[•]	[•]	[•]
...	[•]	[•]	[•]
N	[•]	[•]	[•]

Signature: _____

By: [•]

Title: [•]

Date: [•]