19 January 2026

Ferro-Alloy Resources Limited

("Ferro-Alloy", the "Group" or the "Company")

Carbon Black Substitute Memorandum of Understanding

Ferro-Alloy Resources Limited (AIX:FAR), the vanadium producer and developer of the large Balasausqandiq vanadium deposit in Southern Kazakhstan, is pleased to announce that it has entered into a non-binding, non-exclusive, memorandum of understanding ("MOU") for the supply of up to 360,000 tonnes of carbon black substitute ("CBS") per year, to Qingdao Master Tyre Co., Ltd ("Master Tyre").

The MOU will be for the supply of the new CBS product ("New CBS") which will be produced from high-carbon / low vanadium waste rock (as announced on 27 June 2025).

Testing and development of the New CBS product is considered to be a priority project for Master Tyre over the next three years, as part of its 2036 strategy.

Commenting, Nick Bridgen, CEO of Ferro-Alloy Resources, said:

"Master Tyre's innovative approach to tyre manufacturing and R&D capability will maximise the environmental and cost benefits of using our latest CBS product and will develop significant technical knowledge in optimising its use in rubber manufacturing.

This New CBS product was not included in our recently announced feasibility study, which only envisaged our original CBS product made from the tailings of the vanadium production process. The net cash flows from this New CBS product are additional to the already strong financial characteristics of the Balasausqandiq project."

MOU summary

- The Company has entered into a non-binding, non-exclusive, MOU for the supply of New CBS to Master Tyre.
- Master Tyre plans to use the New CBS for its own production and for sale to other tyre and rubber manufacturers in the People's Republic of China ("China").
- Key terms of the MOU as follows:
    - Supply of up to 360,000 tonnes of New CBS per year
    - Pricing to be agreed in future commercial negotiations
    - Close technical cooperation between the Company and Master Tyre in the optimisation of product specification for the substitution of New CBS into rubber production
    - Development of the relevant agreements and legal documents necessary to achieve a binding sale and purchase contract
    - Termination upon the earlier of the conclusion of a binding sale and purchase contract between the parties or three years

About Master Tyre

- Master Tyre (www.mastertyre.net) is a leading Chinese tyre manufacturer established in 2016 focused on the production of car and truck tyres that are sold throughout China and over 150 overseas regions.
- Master Tyre is also a distributor of carbon black across major tyre manufacturers in China and as a result the New CBS is being tested by its own carbon black customers as well as the Qingdao University of Science and Technology.
- As part of these test programmes the New CBS, in addition to carbon black substitution, is being tested as a substitute for silicon dioxide (another key component of tyre rubber manufacturing) given the background silica content of the New CBS product.
- At the end of 2025 Master Tyre formulated its 2036 strategy and has included the Company's New CBS product as a priority project for development over the next three years.

Background to the CBS opportunity

Large quantities of carbon black are used worldwide as a reinforcing filler for making rubber. This material is usually made from the incomplete combustion of hydrocarbons in a process which is expensive and highly polluting, involving emissions of between two and three tonnes of CO_2 for each tonne of product.

The ore at Balasausqandiq contains high levels of carbon in a form similar to manufactured carbon black. As part of the feasibility study announced on 13 October 2025, the Company successfully tested the production of a substitute for carbon black made from the concentrated tailings of the vanadium production plant. Specialist rubber consultants confirmed the good technical performance of this material in making rubber, particularly passenger car tyre side walls, and a marketing report was produced with pricing recommendations. The feasibility study envisages production of around 247,000 tonnes of this CBS.

As announced on 27 June 2025, the Company has developed another type of CBS to be made from the high carbon / low vanadium waste rock which is to be mined in order to access the high vanadium ore and was previously planned to be stored in long term tailing storage facilities. This material will not be treated for vanadium production as the grade of vanadium is too low. There is a possibility that the CBS planned as part of the feasibility study could, instead, be produced in greater quantities as New CBS, although the benefits of doing this will depend on relative pricing.

Both types of CBS can be produced by the Company with a small fraction of the emissions usually produced from the manufacture of carbon black by conventional means.

ENDS

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

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Notes to Editors

About Ferro-Alloy Resources Limited:

The Company's operations are all located at the Balasausqandiq deposit in Kyzylordinskoye Oblast in the South of Kazakhstan.

Balasausqandiq is a very large deposit, with vanadium as the principal product together with the carbon black substitute ("CBS") and several by-products. Owing to the nature of the ore, the capital and operating costs are very much lower than for other vanadium projects.

The most recent mineral resource estimate for ore-body one (of seven) provided an Indicated Mineral Resource of 32.9 million tonnes at a mean grade of 0.62% vanadium pentoxide ("V_2O_5") equating to 203,364 contained tonnes of V_2O_5. In the system of reserve estimation used in Kazakhstan the reserves are estimated to be over 70 million tonnes in ore-bodies 1 to 5, but this does not include the full depth of ore-bodies 2 to 5, or the remaining ore-bodies which remain substantially unexplored.

The grade of carbon in the deposit is over 8%. The carbon flows through to the tailings from where it is concentrated, in a simple low-cost operation, into a 40% carbon product, the CBS, that can be used in place of carbon black as a reinforcing filler in the making of rubber.

The Project will be developed in two phases, Phase 1 and Phase 2, with Phase 1 treating 1.65 million tonnes per year.

There is an existing concentrate processing operation at the site of the Balasausqandiq deposit. The production facilities were originally created from a 15,000 tonnes per year pilot plant, which was then expanded and adapted to recover vanadium, molybdenum and nickel from purchased concentrates. Alongside this operation, there is a well-equipped laboratory and highly skilled technical team, who have already developed the technology that is being built into the feasibility study and is further developing and optimising processes needed for future vanadium and carbon operations. The plant will operate only when profitable concentrates are available and, when not operating as a production facility, will operate on an expanded basis as an R&D centre.