

Vision Blue Resources strategic investment in Ferro-Alloy Resources Limited

Highlights

- Investment of up to US\$11.5m in London Stock Exchange listed Ferro-Alloy Resources Limited ("FAR"), developer of the Balasausqandiq Vanadium Project ("Balausa Project"), which has the potential to become the lowest cost producer of vanadium globally
 - VBR's investment forms the majority of a total US\$12.6m funding package
- The funding will:
 - Complete the expansion of the existing, cashflow generating, processing facilities
 - Complete the Bankable Feasibility Study on the Company's large scale, low cost Balausa Project
- Sir Mick Davis to be appointed Chairman of FAR's Board
- Establishment of strategic relationship provides Vision Blue Resources with the following future rights, conditional on certain investment milestones:
 - Investment rights tied to construction milestones at the Balausa Project
 - Right to make further Board Non-Executive Director appointments
 - Certain offtake rights to purchase up to 25% of all vanadium bearing materials produced annually by FAR at the market price
 - An agreement and joint initiative to recruit additional members to the management team of FAR to ensure that the necessary skills and leadership are in place to take the Balausa Project into production

London 15, March 2021

Vision Blue Resources ("VBR" or "the Company") announces that it has led an investment of up to US\$12.6m in FAR, a vanadium mining and processing company listed on the Main Market of the London Stock Exchange with operations based in Southern Kazakhstan. FAR is developing the very large Balasausqandiq Vanadium project ("Balausa Project") which benefits from access to excellent existing power and logistics infrastructure and has the potential to become the lowest cost producer of vanadium globally.

VBR will make an initial investment of up to US\$3.1m (the "Initial Investment") alongside a limited number of co-investors (the "Co-Investors") including Tony Trahar, former CEO of Anglo American plc and a former Director of Highveld Steel and Vanadium – which was at one point in time the largest producer of vanadium in the world. This Initial Investment will be made in two stages. Following the Initial Investment VBR has the right to make a further investment (the "Further Investment") of up to US\$9.5m, resulting in a total investment by VBR of US\$11.5m.

Sir Mick Davis said: "This is Vision Blue's second investment following launch last month and clearly illustrates how we are rapidly building momentum.

"The Ferro Alloy Resources investment case is compelling, has an attractive risk profile and many qualities that are difficult to find in other mining investment opportunities. We believe that the Balausa Project has the potential to become the lowest cost producer of vanadium globally and to deliver highly attractive returns to its shareholders. This long-life asset

benefits from access to excellent existing power and logistics infrastructure and has clear potential to achieve net-negative cash production costs – a unique quality in this industry.

“The strong investment case for vanadium is clear not only from a steel demand perspective, but even more when considering the huge potential for vanadium redox batteries to play an integral role in the establishment of reliable ‘base-load’ renewable energy, capable of reducing the world’s reliance on fossil fuels. The Balausa Project is especially attractive in this respect given its production cost profile and the team’s conservative long term price assumptions.

“I would like to thank Chris Thomas for Chairing the Board over the last two years and look forward to working with him and the rest of the Board and management team following my appointment.

“There are multiple near-term catalysts for the Company and I expect to see significant progress in the coming months.”

Details of the investment

Pursuant to a subscription agreement (the “Subscription Agreement”) entered into between the FAR, VBR, and the Co-Investors, the Initial Investment of US\$3.1m will be made through the purchase of 11,971,463 new ordinary shares (“Shares”) in FAR at a price of 9 pence per Share (the “Issue Price”) and the issuance of US\$1.6 million of convertible loan notes (“CLN”), following the completion of certain legal formalities together with a formal legal confirmation. A further 12,769,558 Shares would be issued to VBR at the Issue Price when the notes are converted.

FAR has also granted VBR the right to make the Further Investment of up to US\$9.5m at the Issue Price through the extension of the CLN or issuance of Shares by FAR. Up to US\$7.0m, within three months of completing the upfront investment and the receipt of certain consents in Kazakhstan, and up to US\$2.5m within three months of the completion of the Company’s updated Feasibility Study.

The Initial Investment will allow FAR and VBR to ensure that the Company has sufficient capital to progress critical near term workstreams including further expansion and improvements to the Company’s existing operations as well as fully funding the completion of the Balausa Project feasibility study.

In addition to the Initial Investment and Further Investment, VBR will retain the right to invest up to a further US\$30m in FAR based on pre-agreed valuations for the Company. These rights will only be triggered in the event that FAR launches a process to raise capital for the construction of the Balausa Project and where the Initial Investment and the Further Investment have been exercised.

Sir Mick Davis will be appointed Chairman of the FAR Board on the completion of Initial Investment. VBR also has the right, under certain conditions, to nominate one additional

Non-Executive Director to the Board of FAR, or two NEDs in the event that FAR has more than six Board members in total.

Vision Blue Resources and FAR have also agreed to conduct an evaluation process to identify and seek to recruit additional members of the management team to ensure that FAR has the necessary skills to take the Balausa Project into production following completion of the Feasibility Study.

About the Balausa Project

The Balausa Project is unlike most other primary vanadium deposits as it is amenable to a processing method that is much lower in both capital and operating costs.

The deposit has not been fully explored but FAR believes that the Balausa Project could support an operation of up to 10 Mtpa of ore, producing about 55,000 tonnes of vanadium pentoxide per year.

FAR has already completed the first steps of a development plan for its existing operation which is expected to result in annualised production capacity increasing gradually to around 1,500 tonnes of saleable vanadium product. 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 AMV into vanadium pentoxide.

FAR's strategy is to develop its existing profitable operations and the Balausa Project in parallel. Although they are located on the same site and use some of the same infrastructure, they are separate operations.

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About Vision Blue Resources

VBR was founded in December 2020 by Sir Mick Davis to identify and capture opportunities in battery and technology minerals linked to EV & Grid Storage growth.

Vision Blue will target companies in established mining jurisdictions, with well advanced assets (mostly post feasibility study) that are scalable, have low logistics and processing risks and can be brought into production rapidly. VBR aims to work with existing management teams to provide critical growth capital, technical support, experience in securing future finance, and delivery of ultimate exit strategy. Where possible, VBR will utilise a phased development approach based upon a self-financed expansion to achieve large scale revenue and cash flows.

Sir Mick Davis

Sir Mick Davis holds a number of directorships at private companies and is a highly successful mining executive accredited with building Xstrata plc into one of the largest mining companies in the world prior to its acquisition by Glencore plc. Before listing Xstrata on the LSE as CEO he was CFO of Billiton plc and Chairman of Billiton Coal which he joined from the position of Eskom CFO.

During his career in mining he has raised over US\$40bn from global capital markets and successfully completed over US\$120bn of corporate transactions, including the creation of the Ingwe Coal Corporation in South Africa; the listing of Billiton on the LSE; the merger of BHP and Billiton; as well as numerous transactions at Xstrata culminating in the sale to Glencore plc.

Sir Mick Davis is a Chartered Accountant by profession, and holds an honours degree in Commerce from Rhodes University, South Africa and an Honorary Doctorate from Bar Ilan University, Israel.