PRESS ANNOUNCEMENT:
FOR IMMEDIATE RELEASE

ISR Capital to Acquire REO Magnetic's Entire Stake in Tantalum Holding (Mauritius) Ltd

Singapore, 1 July 2016 – SGX Mainboard-listed ISR Capital Limited ("ISR Capital" or the "Company") announced today that it has entered into an agreement with REO Magnetic Pte. Ltd. (REO Magnetic), a private limited company incorporated in Singapore, to acquire its remaining 40.1 percent stake in Tantalum Holding (Mauritius) Ltd.

This follows a June 10 2016 announcement where ISR Capital had agreed to acquire 19.9 percent of shareholding in Tantalum Holding. Tantalum Holding owns 100 percent of Tantalum Rare Earth Malagasy S.A.R.L., which has a permit to explore and develop a concession hosting critical rare earth oxides (the "Project") in the Ampasindava Peninsula in the Republic of Madagascar.

Following this sales and purchase agreement, ISR Capital will hold 60 percent of Tantalum Holding, which had comprised REO Magnetic's entire stake. The remaining 40 percent is held by Tantalus Rare Earths AG (TRE-AG), a company incorporated in Germany with shares quoted on the OTC Market (Primarmarkt) of the Dusseldorf Stock Exchange.

"In proceeding with this agreement, we have taken into consideration the Technical Report issued by SGS Canada Inc. Given the critical and strategic value of rare earth oxides in the global market, we firmly believe this is a key acquisition for ISR Capital that will generate strong returns for our shareholders," said Ms. Quah Su Yin, Executive Director of ISR Capital.

ISR Capital also announced that it is seeking a project management agreement with Tantalum Holding, under which it will provide services to Tantalum Rare Earth Malagasy to enable Tantalum Holding to better conduct research and development of the Project.

In line with this, ISR Capital is in discussion with various experts in the mining industry to engage their assistance in the Company's project management endeavours, said Ms. Quah.

The Purchase Consideration is agreed at S$26,733,333 for the remaining 40.1 percent stake in Tantalum Holding and will be wholly satisfied by the allotment and issue by ISR Capital to REO Magnetic of new ordinary shares (the "Consideration Shares") in the share capital of the Company at an issue price per Consideration Share of S$0.10. ISR Capital shall be seeking shareholders' approval of this acquisition.

ISR Capital has also appointed Empire Capital Partners as corporate advisors for its acquisition of the Project. Empire Capital Partners will also lead and manage a fund raising exercise for up to S$30 million, with the funds expected to be utilised for the Project's use in a planned pilot production of rare earth oxides and for further development.

About ISR Capital Limited

Established in June 2000, ISR Capital Limited is in the business of proprietary investment and investment advisory, focusing in the natural resource space, as well as selectively participating in non-resource projects which show compelling growth prospects, by way of either direct or indirect investments.

ISR Capital Limited has grown from strength to strength, forging strategic partnerships in Singapore, Asia and the Australasian region. Through strategic alliances with the best, ISR leverages on its strong business network and expertise to achieve collaborative growth.