

ISR CAPITAL LIMITED

(Company Registration No. 200104762G)
(Incorporated in the Republic of Singapore)

PRESS ANNOUNCEMENT: FOR IMMEDIATE RELEASE

ISR Capital Announces Acquisition of 19.9 Percent Stake in Tantalum Holding (Mauritius) Ltd.

Singapore, 10 June 2016 – SGX Mainboard-listed ISR Capital Limited (the “Company”) announced today that it has on 9 June 2016 entered into a sale and purchase agreement with REO Magnetic Pte. Ltd. (REO Magnetic), a private limited company incorporated in Singapore, to acquire its shareholding in Tantalum Holding (Mauritius) Ltd. (Tantalum Holding), a company registered under the laws of the Republic of Mauritius, amounting to 19.9 percent of Tantalum Holding’s issued and paid up share capital.

Tantalum Holding owns 100 percent of Tantalum Rare Earth Malagasy S.A.R.L., a company incorporated under the laws of Madagascar, which holds a permit to explore and develop a concession hosting critical rare earth elements (the “Project”) in the Ampasindava Peninsula in the Republic of Madagascar.

The Project has been assessed and analyzed to host Dysprosium, Europium, Neodymium, Terbium, and Yttrium – rare earth elements (REE) that are termed “critical” because of their scarcity.¹

“This agreement represents a unique opportunity to acquire a stake-holding in an asset that will be in high demand and whose end products are essential for a wide spectrum of existing and emerging applications, especially in clean-energy technologies such as electric cars. It is an opportunity that we believe will be sustainable in the future, provide a regular stream of revenue to the Company, and return value to our shareholders,” said Ms. Quah Su Yin, Executive Director of ISR Capital.

REO Magnetic currently has a 60 percent stake in Tantalum Holding. The remaining 40 percent is held by Tantalus Rare Earths AG (TRE-AG), a company incorporated in Germany and whose shares are quoted on the OTC Market (Primarmarkt) of the Dusseldorf Stock Exchange. Upon completion of the acquisition, ISR Capital will hold 19.9 percent, REO Magnetic will hold 40.1 percent and TRE-AG will continue to hold the remaining 40 percent of Tantalum Holding.

The Purchase Consideration is agreed at S\$13,266,667 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, which in aggregate is equal to the Purchase Consideration.

The Purchase Consideration was arrived at on a willing buyer, willing seller basis, taking into account the resource statement contained in the Technical Report issued by SGS Canada Inc., dated 20 October 2014, subject to an adjustment to be made if an independent valuation report commissioned by the Company reports a variance of more than negative 5 percent.

REO Magnetic has agreed to a 12-month moratorium on the sale or transfer any of the Consideration Shares from the date of their issue.

The agreement is subject to satisfaction by the Company of legal due diligence and qualified person's updated Technical Report and an independent valuation report.

About ISR Capital

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.

¹ According to the 2011 Critical Materials Report from the U.S. Department of Energy. These five REE were found to be critical in terms of supply risk in the short term and into the medium term.