

**PRESS ANNOUNCEMENT:  
FOR IMMEDIATE RELEASE**

**ISR Capital Announces MOU with the Intent of Acquiring Rare Earth Element Assets in Madagascar**

**Singapore, 20 May 2016** – SGX Mainboard-listed ISR Capital Limited (the “Company”) announced today that it has signed a memorandum of understanding (MOU) with REO Magnetic Pte. Ltd. (REO Magnetic), a private limited company incorporated in Singapore which has a shareholding interest in rare earth element (REE)<sup>1</sup> assets in Madagascar.

REO Magnetic has a stake in a Madagascan Company (Operating Company) which holds a current permit to explore, develop and operate a concession in the province of Antsiranana (Concession) in the Republic of Madagascar, an island nation off the coast of Southeast Africa in the Indian Ocean. The Concession has been assessed by SGS Canada Inc. to have significant mineralisation of rare earth elements.

Under the MOU, ISR Capital has a 45-day Exclusivity Period to undertake preliminary legal, commercial and technical due diligence on the Concession, REO Magnetic, and any other relevant entities prior to the Company entering into a formal agreement.

“We see this MOU as providing ISR Capital with an excellent opportunity to acquire a critical asset that will be in great demand worldwide in diverse high-tech applications. We understand that the global rare earth metals market is anticipated to reach US\$8.19 billion by the end of 2018, growing at a 13 percent CAGR<sup>2</sup>. Subject to due diligence, we believe that an acquisition of this nature would be of tremendous strategic and long-term value to the Company and its shareholders,” said Ms. Quah Su Yin, Executive Director of ISR Capital.

As agreed in the MOU, the Company will use the Exclusivity Period to determine if it should enter into a formal agreement with REO Magnetic and the form of investment it would make.

The Concession covers an area of approximately 300 km in the Antsiranana area. According to a technical report prepared and issued by SGS Canada Inc, dated 30 October 2014, the base case mineral resource with tonnage comprising measured and indicated is 197,684,190 metric tonnes, with a total inferred resource of 429,999,525 metric tonnes. An updated report will be commissioned by REO Magnetic to bring the technical report up to date for analysis and study by the Company.

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<sup>1</sup> REE, sometimes referred as rare earth metals, have a wide and diverse use in high-technology products and applications, such as computer hard drives, wind turbines, electric cars, camera lenses, television and mobile devices screens and aircraft engines, to name a few.

<sup>2</sup> According to the “Rare Earth Metals Market (Lanthanum, Cerium, Neodymium, Europium, Yttrium, Scandium, Terbium & Other Key Elements) -- Global Industry Analysis, Applications (Magnets, Catalysts, Metallurgy, Phosphors, Ceramics & Others), Size, Share, Growth, Trends and Forecast, 2012 – 2018”. Transparency Market Research Report, 2015.

## **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.