ISR CAPITAL LIMITED

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

The Board of Directors (the "**Board**") of ISR Capital Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement on 4 December 2017 (the "**Announcement**") in relation to its inclusion on the Watch-list (the "**Watch-list**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Company was placed on the Watch-list under the Minimum Trading Price ("**MTP**") Entry Criterion with effect from 5 December 2017, pursuant to Listing Rule 1311(2) of the Listing Manual of the SGX-ST (the "**Listing Manual**").

Pursuant to Rule 1313(2) of the Listing Manual of SGX-ST, the Board wishes to provide an update in respect of the three months ended 31 March 2019 as follows:

(1) The Board will continue to monitor the financial position and growth prospects of the Group, and consider various options to comply with the MTP Exit Criteria pursuant to Rule 1314(2) of the Listing Manual that will best serve the interests of the Company's shareholders.

(2) Please refer to the unaudited financial statements of the Group for the three months ended 31 March 2019 ("**1Q2019**") announced on 15 May 2019 for a detailed update on the Group's financial position.

As at 31 March 2019, the Group had a net asset value of approximately S$14.36 million.

The Group's next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 14 August 2019.

Update on Future Direction and Other Material Developments

In view of the growth potential in the demand for rare earth elements, the Group remains committed to bringing the greenfield rare earth mine, which it had legally completed the acquisition of its 60% stake in Tantalum Holding (Mauritius) Ltd ("THM") on 3 January 2019, to commercialisation. It is evident that the 238km^2 concession area in north-western Madagascar, Africa hosted rare earth oxides, and the Group believes that bringing it to commercial production will generate earnings for the Group and maximise value for its shareholders in the long term.

Since the acquisition, the Group has been working on the preparatory planning for construction of the infrastructure at the mine site, for the purposes of carrying out the feasibility and engineering studies,

including pilot production and on-site geological topography, as well as environmental impact assessments. This is an essential stage for the Group to convert its current exploration licence into a full mining licence before commercialisation can take place.

The Group is mindful of the challenging macro factors and continues to prudently manage its investments and operations.

The Company will make further announcements to update shareholders as and when appropriate.

By Order of the Board
ISR CAPITAL LIMITED

Chen Tong
Executive Chairman

16 May 2019