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Australia		

Australian & International Exploration & Evaluation of Mineral Properties

INDEPENDENT TECHNICAL VALUATION

OF THE

RARE EARTH CONCESSION

MADAGASCAR

PREPARED FOR

ISR CAPITAL LIMITED, SINGAPORE

Author: Allen J Maynard BAppSc(Geol), MAIG, MAusIMM
Company; Al Maynard & Associates Pty Ltd, AUSTRALIA
Date: 30th September, 2016

EXECUTIVE SUMMARY

This Independent Technical Valuation Report ("ITV") of the Rare Earth Concession deposit situated in Madagascar owned by Tantalum Rare Earth Malagasy S.A.R.L. ("TREM") has been prepared by Al Maynard & Associates ("AM&A") at the request of ISR Capital Limited, Singapore ("ISR"). The project encompasses a total area of 300 km^2 located in the eastern part of the Ampasindava Peninsula, Antsiranana Province on the northwest coast of Madagascar.

This report provides an independent technical valuation of the one Exploration Licence ("EL") as at 30th September, 2016. This AM&A report has been prepared in accordance with the guidelines of the Valuation of Mineral Assets and Mineral Securities for Independent Expert's Reports (the "Valmin Code" - 2015) as adopted by the Australian Institute of Geoscientists ("AIG") and the Australasian Institute of Mining and Metallurgy ("AusIMM").

This valuation appraises the project using Comparable Transactions and a form of the Empirical Method to derive a range of values.

Given the relevance of the assumptions and factors underlying the development and conceptual prospectivity for resources of the project, AM&A has concluded that it is reasonable to rely on this data for the purposes of this report and the derivation of a current valuation is accordingly based on that information. AM&A has relied on the technical data supplied by TREM and accepted that data in reaching our conclusions, unless AM&A expressly states otherwise.

The summary of the valuation conclusions is presented in Table 8.

This Report concludes that the cash value of 100% of the REE Project in Madagascar at 30th September, 2016, is ascribed at US$1.11 Billion from within the range of US$1.0 Billion to $1.22 Billion.

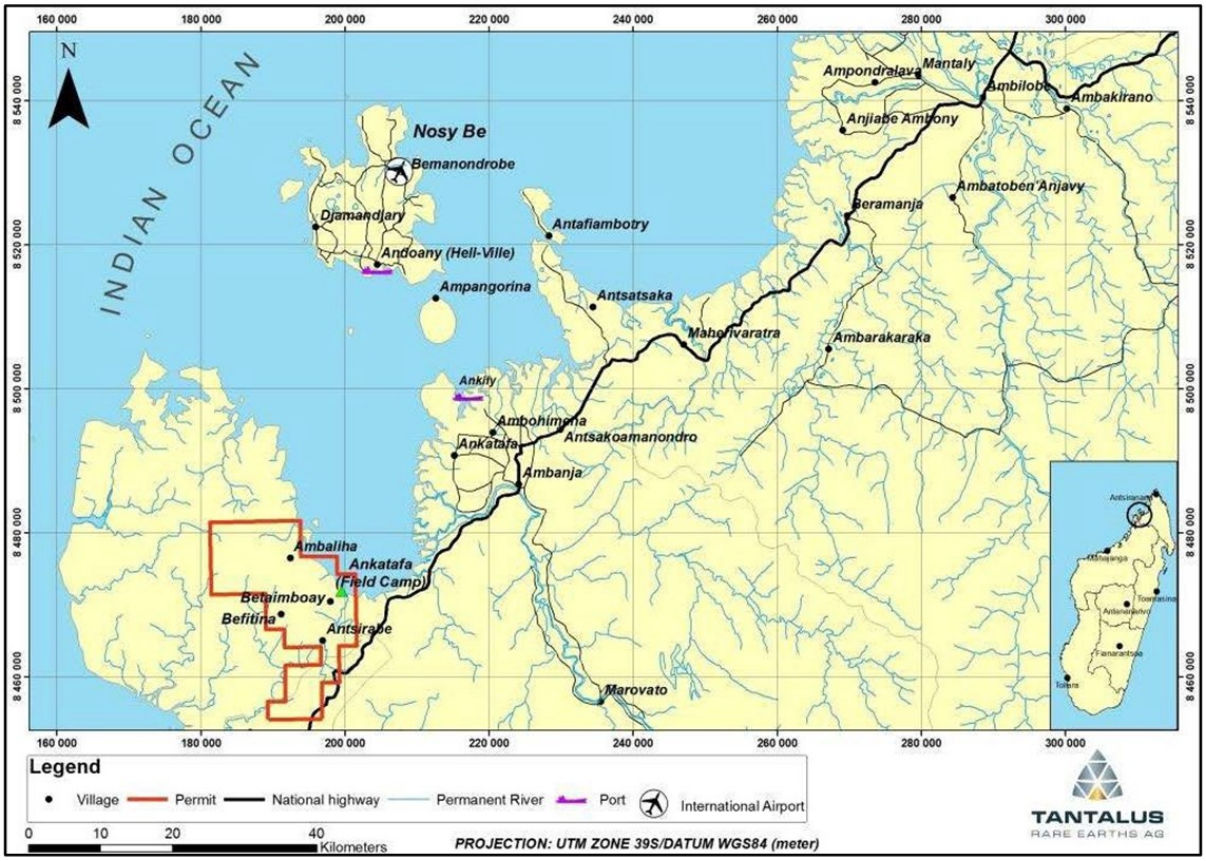


Figure 1: TREM mining tenement location.

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30th September, 2016

THE DIRECTORS
ISR Capital Limited
No 20, Martin Road,
#10-01, Seng Kee Building
Singapore 239070

Dear Sirs,

VALUATION OF THE TREM RARE EARTH PROJECT IN MADAGASCAR

1.0 Introduction

This Independent Technical Valuation Report ("ITV") of the Tantalum Rare Earth Malagasy S.A.R.L. ("TREM") project in Madagascar has been prepared by Al Maynard & Associates ("AM&A") at the request of ISR Capital Limited, Singapore ("ISR").

TREM is a company which is wholly owned by Tantalum Holding (Mauritius) Ltd ("THM"), with its principal business in mineral exploration. ISR has entered into an agreement to acquire a portion of the project. TREM owns tenements that cover 300 km^2 situated in the eastern part of the Ampasindava Peninsula, Antsiranana Province on the northwest coast of Madagascar.

This report provides an independent technical valuation of the TREM project as at 30th September, 2016. The report has been prepared in accordance with the guidelines of the Valuation of Mineral Assets and Mineral Securities for Independent Expert's Reports (the "Valmin Code") (2005) as adopted by the Australian Institute of Geoscientists ("AIG") and the Australasian Institute of Mining and Metallurgy ("AusIMM") and specifically:-

- ASIC Regulatory Guideline 42 - Independence of Experts' Reports ("RG 42");
- ASIC Regulatory Guideline Note 43 - Valuation Reports and Profit Forecasts ("RG 43");
- ASIC Regulatory Guideline 111 – Content of expert's Reports ("RG 111")
- ASIC Regulatory Guideline 112 – Independence of Experts ("RG 112"); and
- AusIMM's Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("the Valmin Code").

1.1 Scope and Limitations

This Report is valid as of 30th September, 2016 which is the date of the latest review of the data and technical information and there have been no material changes to this data or valuation since that date. The valuation can be expected to change over time having regard to political, economic, market and legal factors. The valuation can also vary due to the success or otherwise of any mineral exploration that is conducted either on the mineral assets concerned or by other explorers on prospects in the near

environs. The valuation could also possibly be affected by the consideration of other exploration data from adjacent licences with production history affecting the mineral assets which have not been made available to the writer.

In order to form an opinion as to the value of any mineral asset, it is necessary to make assumptions as to certain future events, which might include economic and political factors and the likelihood of exploration success. The author have taken all reasonable care in formulating these assumptions to ensure that they are appropriate to the case. These assumptions are based on the writer's technical training and 40 years' experience in the exploration and mining industry. Whilst the opinions expressed represent the writer's professional opinion at the time of this Report, these opinions are not however, forecasts as it is never possible to predict accurately the many variable factors that need to be considered in forming an opinion as to the value of any mineral asset.

The information presented in this Report is based on technical reports provided by ISR supplemented by our own inquiries as to the reasonableness of the supplied data. At the request of AM&A, copies of relevant technical reports and agreements were readily made available. There is also information available in the public domain and relevant references are listed in Section 7.0 –References. No site visit was undertaken since the writer was provided with sufficient technical information to enable and informed opinion to be derived.

ISR will be invoiced and expected to pay a fee, estimated at $5,000 for the preparation of this Report. This fee comprises a normal, commercial daily rate plus expenses. Payment is not contingent on the results of this report. Except for these fees, neither the writer nor any family members nor Associates have any interest, nor the rights to any interest in ISR nor any interest in the mineral assets reported upon. ISR has facilitated for all technical data known to it to be made available to the writer.

The valuation presented in this Report is restricted to a statement of the fair value of the mineral asset package. The Valmin Code defines fair value as "The estimated amount of money, or the cash equivalent of some other consideration, for which, in the opinion of the Expert reached in accordance with the provisions of the Valmin Code, the mineral asset or security shall change hands on the Valuation date between a willing buyer and a willing seller in an arms' length transaction, wherein each party had acted knowledgeably, prudently and without compulsion".

It should be noted that in all cases, the fair valuation of the mineral assets presented is analogous with the concept of "valuation in use" commonly applied to other commercial valuations. This concept holds that the assets have a particular value only in the context of the usual business of the company as a going concern. This value will invariably be significantly higher than the disposal value, where there is not a willing seller. Disposal values for mineral assets may be a small fraction of going concern values.

In accordance with the Valmin Code, we have prepared the "Range of Values" as shown in Table 8, section 6.3. Regarding the Project it is considered that sufficient geotechnical data has been provided from the reports covering the previous exploration of the relevant area to enable an understanding of the geology. This provides adequate information to enable an informed opinion as to the current value of the mineral assets.

1.2 Statement of Competence

This Report has been prepared by Allen J. Maynard. Maynard is the Principal of AM&A (Not a Sole Trader), a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") (No 104986) and a Member of the Australian Institute of Geoscientists ("AIG" #2062). He has had over 35 years of continuous experience in mineral exploration and evaluation and more than 30 years' experience in mineral asset valuation. The writer holds the appropriate qualifications, experience and independence to qualify as an independent "Expert" and "Competent Person" under the definitions of the Valmin Code.

2.0 Valuation of the Mineral Assets – Methods and Guides

With due regard to the guidelines for assessment and valuation of mineral assets and mineral securities as adopted by the AusIMM Mineral Valuation Committee on 17th February, 1995 – the Valmin Code (updated 1999 & 2005). AM&A has derived the estimates listed below using the Yardstick method for the current technical value of the mineral assets as applied to the JORC Code (2004) compliant resources estimates declared for the tenement.

The ASIC publications "Regulatory Guides 111 & 112" have also been referred to and duly considered in relation to the valuation procedure. The subjective nature of the valuation task is kept as objective as possible by the application of the guideline criteria of a "fair value". This is a value that an informed, willing, but not anxious, arms' length purchaser will pay for a mineral (or other similar) asset in a transaction devoid of "forced sale" circumstances.

2.1 General Valuation Methods

The Valmin Code identifies various methods of valuing mineral assets, including:-

- Discounted cash flow,
- Joint Venture and farm-in terms for arms' length transactions,
- Precedents from similar comparable asset sales/valuations,
- Multiples of exploration expenditure,
- Ratings systems related to perceived prospectivity,
- Real estate value and rule of thumb or yardstick approach.

2.2 Discounted Cash Flow/Net Present Value

This method provides an indication of the value of a mineral asset with identified reserves. It utilises an economic model based upon known resources, capital and operating costs, commodity prices and a discount for risk estimated to be inherent in the project.

Net present value ('NPV') is determined from discounted cash flow ('DCF') analysis where reasonable mining and processing parameters can be applied to an identified ore reserve. It is a process that allows perceived capital costs, operating costs, royalties, taxes and project financing requirements to be analysed in conjunction with a discount rate to reflect the perceived technical and financial risks and the depleting value of the mineral asset over time. The NPV method relies on reasonable estimates of capital requirements, mining and processing costs.

2.3 Joint Venture Terms

The terms of a proposed joint venture agreement may be used to provide a market value based upon the amount an incoming partner is prepared to spend to earn an interest in part or the entire mineral asset. This pre-supposes some form of subjectivity on the part of the incoming party when grass roots mineral assets are involved.

2.4 Similar or Comparable Transactions

When commercial transactions concerning mineral assets in similar circumstances have recently occurred, the market value precedent may be applied in part or in full to the mineral asset under consideration.

2.5 Multiple of Exploration Expenditure

The multiple of exploration expenditure method ('MEE') is used whereby a subjective factor (also called the prospectivity enhancement multiplier or 'PEM') is based on previous expenditure on a mineral asset with or without future committed exploration expenditure and is used to establish a base value from which the effectiveness of exploration can be assessed. Where exploration has produced documented positive results a MEE multiplier can be selected that take into account the valuer's judgment of the prospectivity of the mineral asset and the value of the database. PEMs can typically range between 'zero' to 3.0 and occasionally up to 5.0 where very favourable exploration results have been achieved, applied to previous exploration expenditure to derive a dollar value. Typical PEM Factors are shown in Table 1.

Table 1: Typical PEM Factors

PEM Range	Criteria
0.1 – 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5 – 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 – 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity

1.3 – 1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical)
1.5 – 2.0	Scout Drilling has identified interesting intersections of mineralisation
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest.
2.5 – 3.0	A resource has been defined at Inferred Resource Status, no feasibility study has been completed
3.0 – 4.0	Indicated Resources have been identified that are likely to form the basis of a prefeasibility study
4.0 – 5.0	Indicated and Measured Resources

2.6 Ratings System of Prospectivity (Kilburn)

The most readily accepted method of this type is the modified Kilburn Geological Engineering/Geoscience Method and is a rating method based on the basic acquisition cost ('BAC') of the mineral asset that applies incremental, fractional or integer ratings to a BAC cost with respect to various prospectivity factors to derive a value. Under the Kilburn method the valuer is required to systematically assess four key technical factors which enhance, downgrade or have no impact on the value of the mineral asset. The factors are then applied serially to the BAC of each mineral asset in order to derive a value for the mineral asset. The factors used are; off-property attributes on-property attributes, anomalies and geology. A fifth factor that may be applied is the current state of the market.

2.7 Empirical Methods (Yardstick – Real Estate)

The market value determinations may be made according to the independent expert's knowledge of the particular mineral asset. This can include a discount applied to values arrived at by considering conceptual target models for the area. The market value may also be rated in terms of a dollar value per unit area or dollar value per unit of resource in the ground. This includes the range of values that can be estimated for an exploration mineral asset based on current market prices for equivalent assets, existing or previous joint venture and sale agreements, the geological potential of the mineral assets, regarding possible potential resources, and the probability of present value being derived from individual recognised areas of mineralisation.

This method is termed a "Yardstick" or a "Real Estate" approach. Both methods are inherently subjective according to technical considerations and the informed opinion of the valuer.

2.8 General Comments

The aims of the various methods are to provide an independent opinion of a "fair value" for the mineral asset under consideration and to provide as much detail as possible of the manner in which the value is reached. It is necessarily subjective according to the degree of risk perceived by the mineral asset valuer in addition to all other commercial considerations. Efforts to construct a transparent valuation using sophisticated financial models are still hindered by the nature of the original assumptions where no known resource exists and are not applicable to mineral assets without an identified resource or reserve.

The values derived for this Report have been concluded after taking into account the general geological environment for the mineral assets under consideration with respect to the exploration potential the tenement.

2.9 Environmental implications

Information to date is that there are no identified existing material environmental liabilities on the mineral assets. Accordingly, no adjustment was made during this Report for environmental implications.

2.10 Indigenous Title Claims

No Indigenous Title claims are known to the writer.

2.11 Commodities-Metal prices

Where appropriate, current metal prices are used sourced from the usual metal market publications or commodity price reviews (e.g." Kitco.com" or "Alibaba").

2.12 Resource/Reserve Summary

There are JORC Code (2012) compliant resource estimates declared for the Project.

2.13 Previous Valuations

One previous valuation of the tenement package is known to the author. See Table 7.

2.14 Encumbrances/Royalty

The Projects may be subject to government royalties as stipulated where currently applicable. No royalty payments are considered in this valuation as no mining is yet occurring.

3.0 Background Information

3.1 Introduction

The area hosts an under-saturated (alkaline) igneous volcanic complex with a unique abundance of Rare Earth Elements (REE) including Tantalum, Niobium, Zirconium, Haffnium, Tin and Uranium in hard rock. The secondary ionic clays have a more evolved suite of elements which are characterised by:

Yttrium (Y), Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy) Holmium (Ho), Ytterbium (Yb), Lutetium (Lu).

3.2 Specific Valuation Methods

There are various methods acceptable for the valuation of a mineral prospect ranging from the most favoured DCF analysis of identified Proved & Probable Reserves to the

more subjective rule-of-thumb assessment when no Reserves have yet been calculated but Resources may exist.

These are discussed above in Section 2.0.

For the REC project the MEE Method has been applied to the available historic expenditures to determine a value range as at 30th September, 2016 and a preferred or most likely value ascribed within that range.

4.0 REE Project, Madagascar

4.1 Location and Access

The project concession is located in the eastern part of the Ampasindava Peninsula, Antsiranana Province on the northwest coast of Madagascar, approximately 500 km north of Madagascar's capital city Antananarivo. The nearest major town and administrative centre of the region is called Ambanja and is located some 40 km to the northeast of the project area.

The majority of the project area is relatively rugged with elevations ranging from sea-level to 713 m with the highest elevations found in the northwest of the project area.

The rugged terrain can make access to certain parts of the project area problematic, particularly in the rainy season. The most characteristic physiographical feature in the project area is a 6 km wide, circular caldera which corresponds to the southeast part of the Ambohimirahavavy igneous complex.

The nearest international airport to the project area is Fascene, located on the island of Nosy Be. Airlines that currently operate include Air Madagascar, Air Austral and Air Italy with destinations including Antananarivo, La Reunion, Johannesburg, Milan and Rome.

Access from Nosy Be to the project area is by boat. The travel time from Madirokely in the southwest of Nosy Be to the project area is approximately 50 minutes, corresponding to a distance of approximately 40 kilometres.

Road access to the project area requires the use of a 4×4 vehicle along a purpose-built track that connects to the main Route Nationale 6 (N6) highway approximately 30 km southwest of Ambanja. The main highway intersects the project area in two locations.

Vehicular access around the project area is limited to a few dirt tracks. These are passable using 4×4 vehicles only and restricted to dry conditions. Most access around the project area is on foot.

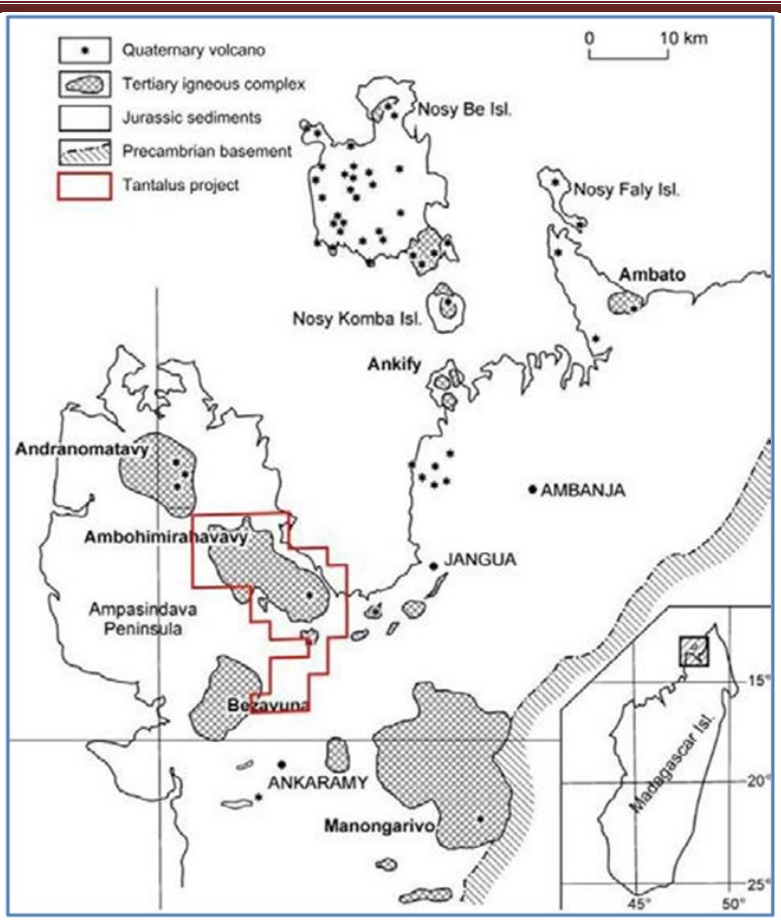


Figure 2: Project Location.

4.2 Tenure

The project comprises one EL (permit PR 6698) made up of 768 contiguous 625 m by 625 m unit blocks that encompass a total area of 300 km^2. The permit is currently granted as a “Permis de Recherche” (research permit), or PR, which grants the exclusive right for prospecting and research. The permit is valid until 2017 and can be renewed once more, for a period of three years.

The permit was originally held by Calibra Resources and Engineers Madagascar SARL and was subsequently acquired by Zebu Metals Limited in January 2008. TREM assumed 100% ownership of the permit in October 2009.

Tantalum Rare Earth Malagasy S.A.R.L. (“TREM”) holds 100% of the mining rights of the project. TREM is a 100% owned subsidiary of Tantalum Holding (Mauritius) Ltd, which in turn is 40% owned by Tantalus Rare Earths AG (“TRE AG”) and 60% owned by REO Magnetic Pte Ltd, a Singapore incorporated company. There are no known royalties on the project.

4.3 Native/Indigenous Title

In order to engage in exploration activities various approvals from the indigenous administration were granted. In addition, discussions and reviews with the local residents were held by TREM representatives. Test pits and exploration work was carried out using local labour and with the full permission of the inhabitants of villages

in the area. AM&A concludes that Native Title issues should not provide an impediment to exploration or mining on the concession.

4.4 Environmental Considerations

TREM possesses all the required environmental permits to conduct exploration activities on the licence and employ a full time environmental scientist to ensure that the physical impact of the activities is kept to a minimum. The project area itself has had environmental restriction to exploration and mining lifted for all but a very small fraction to the northwest portion of the exploration licence. The preparation of an environmental impact study, and an environmental management plan, including the preparation for mine closure and the rehabilitation of the site remain as prior conditions for all mining activities. No mining activities can start (and this will eventually apply also to detailed exploration, i.e. trial mining) without prior approval by the relevant environmental authorities, as per the regulations on environmental protection and the commitments contained in the environmental impact study.

The assumptions used to establish the resource estimation cut-off grades included the use of in-situ extraction within areas that have a sufficient topographic slope. This method of extraction is by its nature less invasive than conventional mining. This extraction method is not currently in use in Madagascar, and the authors consider that it is very important to undertake a series of trials to develop the most effective methodology to limit the impact on the environment and gain the social and environmental licenses to operate in this jurisdiction.

The regulatory process for mining is under way and the company does not anticipate any potential issues. There is considered to be low environmental risk associated with the concession.

4.5 Regional Geology

In the region of interest the igneous rocks form part of what is called the Ampasindava alkali-bearing province that predominantly occupies the Ampasindava peninsula. The Ampasindava igneous rocks occur as massifs and include alkali syenite, alkali granite, gabbro, alkali trachyte, phololite, rhyolite and volcanic breccia. One of these massifs is called the Ambohimirahavavy igneous complex and occurs almost entirely within the project area.

The project area is underlain by Jurassic sediments into which the Ambohimirahavavy igneous complex has intruded.

The Jurassic Isalo Group sediments are dominated by mudstones and siltstones that are interbedded with sandstones, marls and minor limestone. They comprise an

estimated thickness of approximately 2,500 m and dip westwards between 5° and 30° (Ganzeev and Grechishchev, 2003).

Apart from localised skarn development adjacent to some of the intrusive rocks, the sediments are un- metamorphosed.

The oval-shaped Tertiary Ambohimirahavavy igneous complex is approximately 20 km in length, up to 8 km in width, elongated in a southeast-northwest orientation and encompasses an area of approximately 150 km^2. The complex consists of two arcuate intrusions comprising predominantly syenites known as the Ampasibitika intrusion in the southeast and the Tsarabariabe intrusion in the northwest. These intrusions are characterised by central depressions that are interpreted to be calderas and include volcanic rocks of predominantly trachyte composition. Several smaller intrusions (several hundreds of metres across) of alkali granite and alkali quartz syenite occur within the complex.

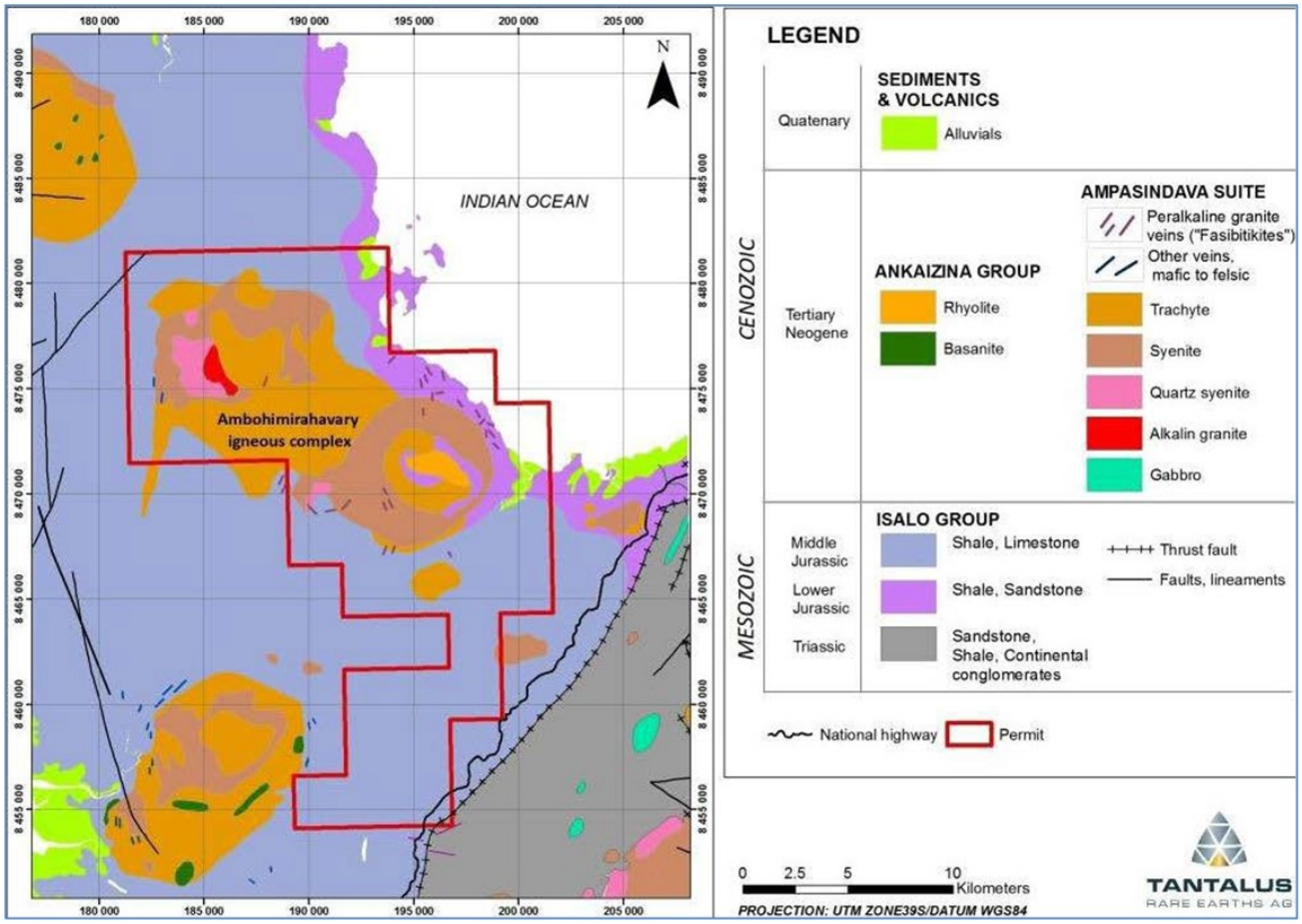


Figure 3: Project Geology.

It is considered that the geological setting of the concession is favourable for the discovery of further REE/REO resources of both secondary REO clays and primary hard-rock REE-bearing minerals.

4.6 Geological Prospectivity

The "prospectivity" of a mining tenement is a relative term by which geologists can compare areas and the likelihood of mineralisation occurring that could potentially become a resource in the future. It is not an absolute measure and it is the result of knowledge gained from various sources:

1. Local and regional geological setting (including mapped rock units, structures and continuity along strike);
2. Geophysical and Remote Sensing data such as magnetics, radiometrics and satellite images that indicate a suitable structure or environment;
3. Surface geochemical sampling results from stream sediment , soil or rock chip samples on the tenement;
4. Drill hole data from RAB, Air Core, RC or Diamond Drilling; and
5. Excavated samples from pits or workings

Areas that have good potential to yield a resource when further work is completed are known as geological or mineralisation "Targets", refer Note 1.

The prospectivity of the tenement is described below.

Table 2: Tenement Information.

Tenement	Status	Name	Relative Future Potential
PR6698	Granted	REC Project	Demonstrated potential for: • Additional hard-rock REE targets – possibly at least the same volume and tonnes as current near surface total REO NI-43-101 resource. The Ampasibitika area alone has extensive REE mineralisation in hard rock. • Additional ionic clay REO mineralisation located in areas not fully explored on the concession • Identified ionic clay inferred REO resources upgrading from the inferred resource category to the indicated or measured category for inclusion in a potential mine

Note 1: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition surface sampling assays and drill sample assays may also be

discussed in the context of information describing the presence of anomalous mineral content. The above information relating to an Exploration Target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource (s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

4.7 Resource

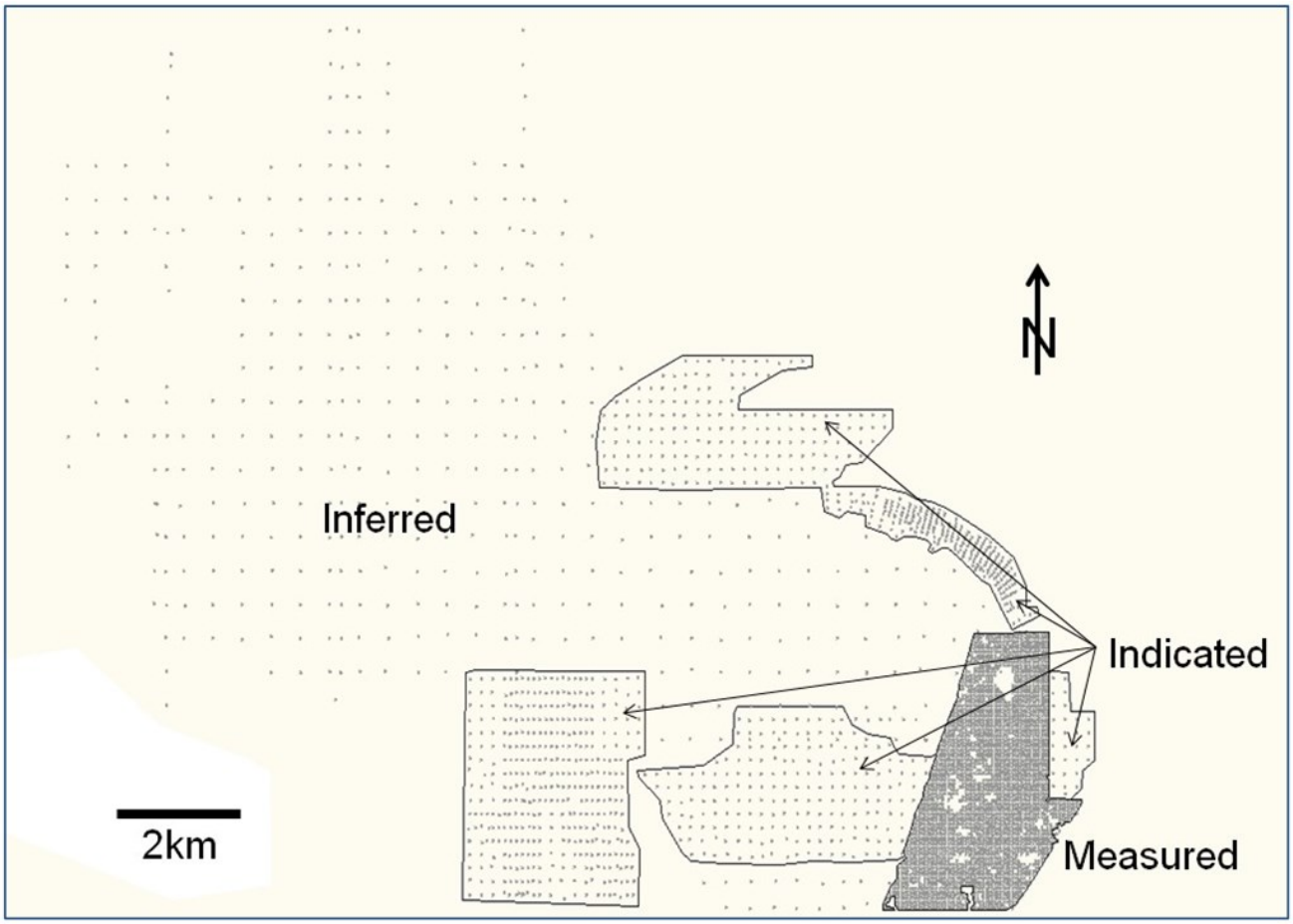


Figure 4: Distribution of resource categories according to the sampling coverage.

Table 3: Resource Base Case – COGs of 300 and 500 ppm TREO excluding Ce (TREOnoCe)

Class	Tonnes (t)	Volume (m^3)	Area (m^2)	Density (t/m^3)	Thickness (m)			TREO (ppm)	TREOnoCe (ppm)	CREO (ppm)	HREO (ppm)	LREO (ppm)	HREO / TREOnoCe ratio	Contained TREO * (t)
					Total	PED	SAP							
Measured	40,103,550	35,948,700	6,618,600	1.12	5.4	2.8	2.6	975	660	296	187	788	28%	39,092
Indicated	157,580,640	143,150,400	20,998	1.10	6.8	2.6	4.2	878	554	255	166	712	30%	138,292
Measured + Indicated	**197,684,190**	**179,099,100**	**27,617,400**	**1.10**	**6.5**	**2.7**	**3.8**	**897**	**575**	**263**	**170**	**727**	**30%**	**177,383**
Inferred	429,999,525	390,900,600	70,396,200	1.10	5.6	2.7	2.9	894	574	247	149	745	26%	384,552

- The cut-off grade is applied to TREOnoCe because it has good correlation with the material value. Ce has high grades but low recovery and market price
- The cut-off grade is 300 ppm TREOnoCe for areas sloping greater than 5 degrees
- The cut-off grade is 500 ppm TREOnoCe for flat areas

* Contained TREO is presented as in-situ.

Values do not account for recovery losses.

TREO = LREO+HREO TREOnoCe = TREO-Ce_2O_3

CREO = Nd_2O_3+Y_2O_3+Eu_2O_3+Tb_2O_3+Dy_2O_3

HREO = Y_2O_3+Eu_2O_3+Gd_2O_3+Tb_2O_3+Dy_2O_3+Ho_2O_3+Er_2O_3+Tm_2O_3+Yb_2O_3+Lu_2O_3

LREO = La_2O_3+Ce_2O_3+Pr_2O_3+Nd_2O_3+Sm_2O_3

NI-43-101 compliant Measured and Indicated TREO resources of 197.7 Million tonnes have been defined over an area occupying 27.6 square kilometres or roughly 5.1 km x 5.2 km). Average mineralised thickness is 6.5 metres at a density of 1.1 t/m^3 occurring from surface with a minimal strip ratio.

The Inferred Mineral Resource Category has not been included in this valuation due to the inherent uncertainty of mineral grade continuity. Therefore all volumes/tonnages from the base case resource only refer to Measured and Indicated classifications and are used in any calculations pertaining to value.

The estimated quantity of REE materials in the resource is listed in the table 4 below:

Table 4: Tonnage of the Individual Oxides Contained in the Project Mineral Resources

Classification	Y_2O_3 (t)	La_2O_3 (t)	Ce_2O_3 (t)	Pr_2O_3 (t)	Nd_2O_3 (t)	Sm_2O_3 (t)	Eu_2O_3 (t)	Gd_2O_3 (t)	Tb_2O_3 (t)	Dy_2O_3 (t)	Ho_2O_3 (t)	Er_2O_3 (t)	Tm_2O_3 (t)	Yb_2O_3 (t)	Lu_2O_3 (t)	TREO (t)
Measured	4,520	9,667	12,620	1,876	6,347	1,084	115	923	133	766	144	415	58	369	55	39,092
Indicated	15,953	30,677	51,031	6,110	20,659	3,661	423	2,837	440	2,630	522	1,507	222	1,409	210	138,292
Measured + Indicated	20,472	40,344	63,651	7,986	27,006	4,745	538	3,760	573	3,397	666	1,922	280	1,779	265	177,383
Inferred	38,745	95,894	137,928	17,960	59,110	9,468	1,038	7,578	1,097	6,384	1,235	3,645	521	3,431	517	384,552

- The cut-off grade is applied to TREOnoCe because it has good correlation with the material value. Ce has high grades but low recovery and market price.
- The cut-off grade is 300 ppm TREOnoCe for areas sloping greater than 5 degrees
- The cut-off grade is 500 ppm TREOnoCe for flat areas

Contained TREO is presented as in-situ.

Values do not account for recovery losses.

TREO = LREO+HREO TREOnoCe = TREO-Ce_2O_3

HREO = Y_2O_3+Eu_2O_3+Gd_2O_3+Tb_2O_3+Dy_2O_3+Ho_2O_3+Er_2O_3+Tm_2O_3+Yb_2O_3+Lu_2O_3

LREO = La_2O_3+Ce_2O_3+Pr_2O_3+Nd_2O_3+Sm_2O_3

A previous report by Geologica (Davis, 2016) states that from the above data there is sufficient economic ionic clay REO mineralisation to rate the Project as highly prospective for locating additional resources. AM&A agrees with this statement.

4.8 Risks and Limitations

Any valuation of an exploration tenement has inherent risks associated with it for example (Davis, 2009):

- Further exploration may not locate a viable REO source;
- A discovered resource may not be economic to mine;
- The exploration company may be financially incapacitated;
- Access to the area may be denied (e.g. by landholder);
- A natural disaster may occur (flooding, earthquake etc);
- Government policy may prohibit development;
- Exploration and mining costs may be incorrectly assessed; and
- Metal unit price or in-ground metal values are subject to market changes;

The appropriate risks have been considered for each valuation conducted in Section 5 of this report.

4.9 Assumptions

The following factors are normally considered when assessing the economic value of a mineral deposit (Davis, 2009):

- Economic cut-off grade for the mineral;
- In situ tonnage of mineral above cut-off grade (therefore length of mine life);
- Distribution of mineralisation within the resource (selective mining vs bulk mining);
- Mining costs (dependent on strip ratio, mining method, equipment needed);
- Treatment and mineral extraction required;
- Transport and shipping costs (a function of distance and method);
- Access to transport routes (remoteness);
- Infrastructure required to develop mine (maturity of area);
- Commodity price, exchange rate and future forecast values;
- “Marketability” and demand of the mineral on world markets;

- Negative weighting factors e.g. Native Title, Environmental or Government constraints;
- Positive weighting factors e.g. cheap local labour, high mineral recovery rate, good market price; and
- Exploration and development costs or cost multiples

An illustration of how one could value any hypothetical REO deposit is tabulated below using the following assumptions:

- A resource of at least 20 years life at is validated;
- The mine life will exceed 5 years;
- Commodity prices in US$ per kilogram is maintained for the life of the mine;
- Total mining, haulage and processing costs remain static ;
- Transport from mine to port based on haul costs by road;
- Shipping or export costs of transporting concentrate or product
- Mineral treatment uses conventional methods eg: crushing, screening, separation, leaching;

- Some capital input is required for plant and infrastructure; and
- Native Title, Environmental, Sovereign and Natural Risks are low.

The basis of the assumptions is described in more detail in Section 5 below.

5.0 Valuation of the Project

When valuing any mineral asset/project it is important to consider as many factors as possible that may either assist or impinge upon the current cash value estimates of the mineral asset under consideration. In this Report AM&A considers that the primary features to be taken into account are the Tenement Security; Available Infrastructure; Relevant Expenditure on development, Resource Estimations and the general Geological Setting.

Basically, these “Boxes are Ticked” as described above with regards to tenement security, infrastructure, previous exploration results and a favourable geological environment.

5.1 Selection of Valuation Methods

The following valuation methods, as described above in section 2, are not considered applicable for the respective reasons provided:

- The Discounted Cash Flow method cannot be used for the Project as the lack of mineral reserve estimates precludes a DCF;

- The Kilburn 'prospectivity' method - as the range of values generated is typically too wide to be realistic.
- Real estate value which is usually based on a value ascribed to varying areas of tenement holdings which may consequently become unrealistic due to the varying areas of projects.

Accordingly a combination of two methods for the project has been adapted as the basis for the estimation of the value.

5.2 Valuation – Empirical Method and Comparable Transactions

5.2.1 Empirical Method –.

This method is based on the conservative assumption that there is at least a 10% chance of locating a small REE deposit. The reasons for this assumption are:

- The prospectivity of the district for REE/REO deposits is well above average compared to surrounding areas. The discovery chances are therefore greater than 10%.
- Where favourable geology (known to host REE) is present in surface sampling (historical drilling at Ampasibitika had located REE mineralisation of interest) the chances of discovering a REE resource are well above average (greater than 40%).

- Adjacent to a known mineral deposit or resource and where surface sampling and occasional drill sampling results indicate a reasonable expectation of geological and mineralisation continuity, a factor of 80% can be applied.
- Where the ore has been drilled, mined, transported and exported to market and is part of a pit design or mining production schedule a value of 100% can be applied.

For total evaluation of the concession, being under exploration status, where defined reserves are absent, the importance of the mineral samples and anomalies can only be ranked on a relative scale.

A scale that Geologica has developed during the last 20 years relates to the assignment of a "mineable value" to an exploration property compared to a defined resource. This scale relates to a producing mine being an arbitrary 100% and the lowest relative indicator of mineralisation (sampled soil) being 2% on the exploration value scale. Similar scales have been, and still are used by geologists and adapted to specific locations or types of mineralisation.

Where recent mining has taken place from a Proven or Probable Reserve (or a Measured Resource) the chance of locating additional Reserves peripheral to the current Reserve is considered very high at 100%.

Where a defined resource exists it is considered that it represents a chance of discovering further resources adjacent to the area at 80% for a resource (Measured or Indicated status) or 90% for a Reserve (Probable or Proven).

For areas that are within a kilometre of defined resources or reserves, contain some drill intercepts and demonstrate a good chance of containing the same mineralisation, the chance of locating a resource is considered to be 40%.

Table 5: **Ranking of Mineral Occurrences in relation to proportion of mineable value.**

Magnitude of Mineral Occurrence	Proportion of Mineable value	Criteria
Producing REE/REO Mine	100%	
Mineral Reserve	90%	
Mineral Resource	80%	Indicated/Measured Resource
Mineral drill intercepts/trenches or pits	40%	Inferred Resource areas
Mineral soil/rock sample anomaly and/or geophysics structure and mapped outcrops	20%	Selected areas outside resources
Mineralised rock/soil sample anomaly	15%	
Single Rock sample anomaly	10%	
Base Metal or other significant metal	10%	
Strong geochemical/geophysical anomaly	5%	
Weak geochemical anomaly	2%	

The intrinsic value of the mineralisation within any deposit can only be accurately quantified by completing a resource estimate to international (JORC or NI-43-101) standards and re-assessing the operating economics of mining, milling and transport for each location. Because the project has Measured as well as Indicated and Inferred Resources the valuation is given weightings accordingly at 80% for Measured and Indicated status and only 40% for Inferred status. Also the near-resource exploration is considered to be “brown-fields” rather than “greenfields” and would have at least a 20% and up to 40% chance of additional resource discovery.

For the purpose of this valuation only the volumes and tonnages of the Measured and Indicated Resource have been used and the lowest common percentile value of 80% assigned.

A valuation of exploration areas must also consider the negative factors such as:

- Possibility of finding an uneconomic grade - possible on the concession;
- Possibility of finding less tonnes of ore - possible, but unlikely; and
- Environmental/Title/Access or Regulatory delays – the concession is unlikely to face these hurdles. Therefore for the evaluation analysis the concession is assigned conservative mine value ratings (as extrapolated from existing resource and exploration data) as follows:

Total Rare Earth Oxide classified as Indicated and Measured Resource: 197.7 Million tonnes of ore with only the five Critical REO elements (CREO) used (Dy, Eu, Nd, Tb, Y) at various concentrations and recoveries.

This equates to 51,986 tonnes of CREO in the TREM resource rather than the 177,000 tonnes of TREO.

Table 6: **Current CREO Values (September 16, 2016)**

CREO	$US/kg*	$US/tonne	Resource Tonnes	% recovery	T x rec x price
Dy_2O_3	225	225,000	3397	62.9	$480,760,425
Eu_2O_3	80	80,000	538	73.2	$31,505,280
Nd_2O_3	45	45,000	27006	80.6	$979,507,620
Tb_2O_3	445	445,000	573	68.9	$175,684,665
Y_2O_3	4.3	4,300	20472	59.05	$51,981,479
TOTAL					**$1,719,439,469**

*Mid-range figure for September 16 2016 (MetalPrices.com).

The value of mineralisation within the resource discussed above can be currently quantified as follows:

- The project has 51,986 tonnes of contained CREO metal at a value of US$1.72 billion. (Table 6).

- Extracting a resource of 198 million tonnes and a mining rate of 5 million tonnes per year.

- Mine life calculated from a production rate at 5 million tonnes per annum (TPA) is 40 years, or more realistically at a rate of 10 million TPA for a mine life of 20 years

- Therefore the annualised value over 20 years of the CREO content in the resource is estimated at US$86 million per year. ($1.72B/20).

5.2.2 Comparable Transactions

Table 7: Global Comparison of Rare Earth Oxide projects.

Company	Location	Deposit	REO Resource Indicated or Measured category	Attributed Post Tax NPV value	Value Date	Estimated * Current Post Tax NPV Value
Peak Resources	Tanzania	Ngualla Hard Rock	4.29 million tonnes TREO	$1.0 Billion	2014	$0.59 Billion
Frontier Rare Earths	South Africa	Zandkopsdrift Hard Rock	739,000 tonnes TREO	$3.7 Billion	2015	$2.18 Billion
Quest Minerals	Canada	Strange Lake Hard Rock	2.88 million tonnes TREO	$1.8 Billion	2013	$1.06 Billion
Tantalum Rare Earth Malagasy (TREM)	Madagascar	Ampasindava Ionic Clay	177,000* tonnes TREO	$1.05 Billion	2013	$0.62 Billion

**Note that this figure only refers to Measured & Indicated tonnes so that it compares with other projects*

Data Sources:

Peak Resources: Proactive Investors March 19 2014; Frontier: Frontier Corporate Presentation. January 2015;

Quest: Markedwired analysis - Quest Rare Minerals Ltd shows positive PFS results from Strange Lake B-Zone. October 23 2013;

TREM: Asian Metals Tantalus Rare Earths Ag Project Evaluation. January 2013

NOTE: Market Prices in the REE oxides are at a low point compared to previous years. Whether or not this will change for the positive in the near future is difficult to predict. However most price predictions on Metal Pages.com website suggest that there is an upward trend appearing over the next year.

The Estimated Current Value* column is derived from a factor calculated from the difference in the CREO metal prices between the published date and the current year. The application of such a revision is considered appropriate due to the current state of the Rare Earths market compared to when the former valuations were completed. Although this is empirical in nature rather than a complete re-estimation of each company's NPV value as of today, it is important and relevant to any comparison on a global scale.

The 2015 TRE AG Annual Report shows that the company owned no other mineral leases in Madagascar other than those included the Ampasindava lease and as such the valuation placed on it by any acquisition or dealing is a direct measure of the value of the company's interest in the assets. Geologica concluded from the above tabled comparisons that the Madagascar project is on a comparable footing with others and that, although the resource is smaller it shows a good return. ***AM&A concurs with these notes on comparisons.*** Because the resource is near surface, easily mined and thinner than some of the other deposits, as well as containing the CREO elements, it has greater value (grade) per cubic metre of ore. The upside to convert the Inferred Mineral Resource category to Measured/Indicated is favourable and, when included, should produce a better NPV value.

Therefore, using the Comparable Transactions Method a value between $0.62 Billion and $1.05 Billion (average at $0.84 Billion) is considered realistic for the project after considering the upside. NOTE: Based on 2013 prices (Table 7) as they are more comparable with current prices.

The preferred current cash value is derived from the mean of the two methods as listed below in Table 8. Workings are shown in Appendix 1.

5.3 Valuation Conclusions

The summary result for the valuation ranges is presented in Table 8. As stated above the Empirical (Discounted insitu with a range of +/- 10%) and Comparable methods are selected as the most appropriate for valuation estimate purposes. The average of these two methods is ascribed as the preferred value.

Refer to Appendix 1 for details.

Table 8: Summary Range of Current Values.

	US$B		
Method	**Low**	**High**	**Preferred**
Comparable	0.62	1.05	**0.84**
Empirical	1.24	1.52	**1.38**
Preferred	1.00	1.22	**1.11**

This Report concludes that the cash value of 100% of the REE Project in Madagascar at 30th September, 2016, is ascribed at US$1.11Billion from within the range of US$1.0Billion to $1.22Billion.

Yours faithfully,



Allen J. Maynard
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Competent Persons Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

6.0 References

Valuation

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TRE AG: Outotec, TRE AG, Rare Earth Testwork. January 2015.

TRE AG: University of Toronto. TRE AG Project, Leaching of Rare Earth Elements from Clay Materials, January 2013.

ISR Capital Limited: SGS Updated NI-43-101 Technical Report. Resources for the TREM Ionic Clay Rare Earth Deposit, Madagascar. June 2016.

7.0 Glossary of Technical Terms and Abbreviations

Anomaly	Value higher or lower than the expected or norm.
Base metal	Generally a metal inferior in value to the precious metals, e.g. copper, lead, zinc, nickel.
Complex	An assemblage of rocks or minerals intricately mixed or folded together.
Diamond drill	Rotary drilling using diamond impregnated bits, to produce a solid continuous core sample of the rock.
Dip	The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Intercept	The length of rock or mineralisation traversed by a drillhole.
JORC	Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves.
Mineralisation	In economic geology, the introduction of valuable elements into a rock body.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Outcrop	The surface expression of a rock layer (verb: to crop out).
Primary	Mineralisation which has not been affected by near surface mineralisation oxidising process.
RAB	Rotary Air Blast (as related to drilling)—A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.
RC	Reverse Circulation (as relating to drilling)—A drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Reconnaissance	A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.
Reserve	In-situ mineral occurrence which has had mining parameters applied to it, from which valuable or useful minerals may be recovered.
Resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements.
Shear (zone)	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
Stratigraphy	The succession of superimposition of rock strata. Composition, sequence and correlation of stratified rock in the earth's crust.
Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.

Abbreviations

g	gram	m^3	cubic metre
kg	kilogram	km	kilometre
km^2	square kilometre	M	million
m	metre	t	tonne

Appendix 1: Details of Valuation Estimates.

TREM Madagascar Sands Valuation Worksheet					
Jul-16 Davis					
CREO Element	$US/kg*	$US/t	Tonnes in resource	% recovery	T x rec x price
Dy_2O_3	215	215,000	3397	62.9	$459,393,295
Eu_2O_3	68	68,000	538	73.2	$26,779,488
Nd_2O_3	39.5	39,500	27006	80.6	$859,790,022
Tb_2O_3	420	420,000	573	68.9	$165,814,740
Y_2O_3	3.7	3,700	20472	59.05	$44,728,249
TOTAL			**51986**		**$1,556,505,794**

	Insitu Method 80%		Comparable Transactions			Average US$B
		US$B			Mean	
TOTAL	$1,245,204,635	1.25	0.62	1.05	0.835	1.04

Sep-16 AM&A					
Dy_2O_3	225	225,000	3397	62.9	$480,760,425
Eu_2O_3	80	80,000	538	73.2	$31,505,280
Nd_2O_3	45	45,500	27006	80.6	$979,507,620
Tb_2O_3	445	445,000	573	68.9	$175,684,665
Y_2O_3	4.3	4,300	20472	59.05	$51,981,478.57
TOTAL					**$1,719,439,469**

TOTAL	$1,375,551,575	1.38		0.84	1.11
		1.24		Low (*.9)	1.00
		1.52		High (*1.1)	1.22

Source:- Metalprices.com

Total Increase of 10% from July 2016 1.10