ISR CAPITAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200104762G)

ENTRY INTO MEMORANDUM OF UNDERSTANDING WITH CHINA NONFERROUS METAL INDUSTRY'S FOREIGN ENGINEERING AND CONSTRUCTION CO., LTD.

---

1. INTRODUCTION

The Board of Directors (the "**Board**") of ISR Capital Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that, the Company has on 24 June 2019 entered into a non-binding memorandum of understanding ("**MOU**") with China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (中国有色金属建设股份有限公司) ("**NFC**", and with the Company collectively, the "**Parties**").

2. INFORMATION REGARDING THE MOU

NFC is a Chinese state-controlled listed company specialising in the fields of nonferrous metal industries and projects worldwide.

Pursuant to the MOU, it is intended for NFC and the Company to exchange information, to enter into good faith discussions, and to set out preliminary principles on the potential developments of the Madagascar Tantalus Rare Earths Project (the "**Project**") owned by the Group.

Parties intend to direct their discussions and negotiations to matters including, but not limited to, (i) the purchase by NFC of up to 3,000 metric tons of the Project's products (subject always to the products meeting the quality requirements for the People's Republic of China market, as determined by an independent surveyor to be jointly engaged by both Parties) within the first three (3) years of successful commissioning of the production facilities to be built for the Project, (ii) the provision of engineering procurement and construction services by NFC, and (iii) future investment by NFC into the Project.

The MOU sets out the framework upon which the parties intend to carry out further discussions. The definitive terms of which shall be set out in the definitive agreement(s) to be entered into between the parties (the "**Definitive Agreement(s)**"). MOU shall expire on the date falling two (2) years from the commencement of the MOU, unless the Parties agree otherwise in writing.

3. RATIONALE FOR ENTRY INTO THE MOU

The Group requires assistance with the development of the Project. The entry into the MOU is complementary to the Group's business, and is indicative of the Group's commitment to realise the potential of the Project. This MOU encourages Parties to negotiate the Definitive Agreement(s) and allows the Group to tap on NFC's expertise to develop the Project.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU or NFC, save for their respective shareholdings in the Company (if any).

5. FURTHER ANNOUNCEMENT(S)

The Company will make such further announcement(s) to keep shareholders informed, as and when there are material updates or developments in connection with the MOU, such as the entry into the Definitive Agreement(s) (if any).

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in trading the shares of the Company as there is no certainty or assurance as at the date of this announcement that any Definitive Agreement(s) will be entered into or that any collaborations will be undertaken at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

On Behalf of the Board
ISR Capital Limited

Chen Tong
Executive Chairman

24 June 2019