

ISR

ISR Capital Limited

(Company Registration Number: 200104762G)

(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (1) THE PROPOSED ACQUISITION OF 60% SHAREHOLDING INTEREST HELD BY REO MAGNETIC PTE. LTD. IN TANTALUM HOLDING (MAURITIUS) LTD FOR A CONSIDERATION OF S\$2,989,029 (THE "PROPOSED ACQUISITION") TO BE SATISFIED THROUGH THE ISSUANCE OF SHARES REPRESENTING 29% OF THE TOTAL ISSUED SHARE CAPITAL OF THE COMPANY AS AT ALA LPD (AS DEFINED HEREIN);
- (2) THE PROPOSED ALLOTMENT AND ISSUANCE OF 747,257,307 NEW ORDINARY SHARES AT AN ISSUE PRICE EACH OF S\$0.004 AS PAYMENT FOR THE PROPOSED ACQUISITION;
- (3) THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO REO MAGNETIC PTE. LTD. PURSUANT TO THE PROPOSED ALLOTMENT AND ISSUANCE OF CONSIDERATION SHARES (AS DEFINED HEREIN); AND
- (4) THE PROPOSED EXPANSION OF THE BUSINESS SCOPE OF THE GROUP TO INCLUDE (I) THE OWNERSHIP, OPERATION, MANAGEMENT AND PRODUCTION OF A RARE EARTH OXIDES MINE IN MADAGASCAR; (II) THE SALE AND DISTRIBUTION OF THE RARE EARTH OXIDES; AND (III) PROVISION OF TECHNICAL SUPPORT AND SERVICES RELATING TO RARE EARTH OXIDES MINING.

DESPATCH OF CIRCULAR AND CORRIGENDUM TO CIRCULAR

1. Introduction

The Company refers to its announcement dated 16 September 2018 (the "**Announcement**") in relation to the Application for Listing and Quotation of 747,257,307 new ordinary shares (the "**Consideration Shares**") in the capital of the Company to be issued at S\$0.004 per Consideration Share in connection with the Proposed Acquisition of 60% of equity interest in Tantalum Holding (Mauritius) Ltd. (the "**Proposed Acquisition**") and the receipt of in-principle approval from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company and/or its subsidiaries.

All capitalised terms used in this announcement shall, unless otherwise defined or provided for herein, shall bear the same meaning as ascribed to them in the Announcement.

2. Despatch of Circular

The Company wishes to announce that it has today despatched to shareholders of the Company a circular dated 15 October 2018 (the "**Circular**") containing information relating to, *inter alia*, (a) Proposed Acquisition; (b) Proposed Allotment and Issuance of the Consideration Shares of 747,257,307 new ordinary shares at an issue price each of S\$0.004 as payment for the Proposed Acquisition; (c) Proposed Transfer of Controlling Interest pursuant to the Proposed Allotment and Issuance of the Consideration Shares; (d) Proposed Diversification of the Business Scope of the Group to include (i) the ownership, operation, management and production of a rare earth oxides mine in Madagascar; (ii) the sale and distribution of the rare earth oxides; and (iii) provision of technical support and services relating to rare earth oxides mining; and (e) notice convening the extraordinary general meeting of the Company to be held on 30 October 2018 at 10.00 am at TKP Conference Center, 137 Cecil Street, #04-01 (Shibuya), Singapore 069537 (the "**EGM**").

Shareholders who do not receive the Circular within seven days from the date of this announcement should contact the Company's Share Registrar at the following address: 80 Robinson Road #02-00 Singapore 068898. Copies of the Circular and the notice of EGM are available on the website of the Singapore Exchange Securities Trading Limited at <http://www.sgx.com>

3. Corrigendum to Circular

Capitalised terms used in this paragraph shall, unless otherwise defined herein, have the same meanings ascribed to them in the Circular. This corrigendum is an addendum to and should be read in conjunction with the Circular.

The Company wishes to inform that there are typographical errors on certain paragraphs on the following pages of the Circular and these paragraphs should read as follows:

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- (1) THE PROPOSED ACQUISITION OF 60% SHAREHOLDING INTEREST HELD BY REO MAGNETIC PTE. LTD. IN TANTALUM HOLDING (MAURITIUS) LTD FOR A CONSIDERATION OF S\$2,989,029 (THE "PROPOSED ACQUISITION") TO BE SATISFIED THROUGH THE ISSUANCE OF SHARES REPRESENTING 29% OF THE TOTAL ISSUED SHARE CAPITAL OF THE COMPANY AS AT ALA LPD (AS DEFINED BELOW);

- (2) THE PROPOSED ISSUE AND ALLOTMENT OF 747,257,307 NEW ORDINARY SHARES AT AN ISSUE PRICE EACH OF S\$0.004 IN PAYMENT OF THE CONSIDERATION;
- (3) THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO REO MAGNETIC PTE. LTD. ARISING FROM THE SHARE ISSUE; AND
- (4) THE PROPOSED DIVERSIFICATION OF THE BUSINESS SCOPE OF THE GROUP TO INCLUDE (I) THE OWNERSHIP, OPERATION, MANAGEMENT AND PRODUCTION OF A RARE EARTH OXIDES MINE IN MADAGASCAR; (II) THE SALE AND DISTRIBUTION OF THE RARE EARTH OXIDES; AND (III) PROVISION OF TECHNICAL SUPPORT AND SERVICES RELATING TO RARE EARTH OXIDES MINING.

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9. THE PROPOSED DIVERSIFICATION OF THE BUSINESS SCOPE OF THE GROUP TO INCLUDE THE OWNERSHIP, OPERATION, MANAGEMENT AND PRODUCTION OF RARE EARTH OXIDES MINE IN MADAGASCAR

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ORDINARY RESOLUTION 2: THE PROPOSED ISSUE AND ALLOTMENT OF 747,257,307 NEW ORDINARY SHARES AT AN ISSUE PRICE EACH OF S\$0.004 IN PAYMENT OF THE CONSIDERATION

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ORDINARY RESOLUTION 3: THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO REO MAGNETIC PTE. LTD. ARISING FROM THE SHARE ISSUE

ORDINARY RESOLUTION 4: THE PROPOSED DIVERSIFICATION OF THE BUSINESS SCOPE OF THE GROUP TO INCLUDE (I) THE OWNERSHIP, OPERATION, MANAGEMENT AND PRODUCTION OF A RARE EARTH OXIDES MINE IN MADAGASCAR; (II) THE SALE AND DISTRIBUTION OF THE RARE EARTH OXIDES; AND (III) PROVISION OF TECHNICAL SUPPORT AND SERVICES RELATING TO RARE EARTH OXIDES MINING.

That:

- (a) Subject to and contingent upon the passing of Ordinary Resolution 1, 2 and 3 above, approval be and is hereby given to the Directors to direct and cause the Company and its Subsidiaries (the “**Group**”) to enter into the business of and undertake the following business activities:
 - (i) the ownership, operation, management and production of a rare earth oxides mine in Madagascar;
 - (ii) the sale and distribution of the rare earth oxides; and
 - (iii) provision of technical support and services relating to the rare earth oxides mining.

Proxy Form

NO.	ORDINARY RESOLUTIONS	FOR*	AGAINST*
1.	To approve the Proposed Acquisition		
2.	To approve the Proposed Issue and Allotment of Consideration Shares		
3.	To approve the Proposed Transfer of Controlling Interest		
4.	To approve the Proposed Diversification of the Business Scope of the Group		

Save as disclosed above, all other information contained in the Circular remains unchanged.

By Order of the Board
ISR Capital Limited

Chen Tong
Executive Chairman and Director

15 October 2018