

ISR CAPITAL LIMITED
(Company Registration No. 200104762G)
(Incorporated in the Republic of Singapore)
(the "**Company**")

ENTRY INTO FACILITY AGREEMENT WITH TANTALUM HOLDING (MAURITIUS) LTD

1 INTRODUCTION

- 1.1 The board of directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") refers to the announcements released by the Company on 10 June 2016 and 1 July 2016 in relation to the proposed acquisition ("**Proposed Acquisition**") by the Company of a 60% shareholding in Tantalus (Mauritius) Holding Ltd ("**TRM**") from REO Magnetic Pte. Ltd. ("**REO Magnetic**"). TRM wholly owns Tantalum Rare Earth Malagasy S.A.R.L. ("**Operating Company**"), which is entitled to the rights under an exploration permit granted by the Malagasy government to explore a concession area which is reported to host rare earth oxides (the "**Project**").
- 1.2 The Board wishes to announce that the Company's wholly owned subsidiary, ISR Global Pte. Ltd. ("**ISR Global**") has entered into a facility agreement dated 26 September 2016 (the "**Facility Agreement**") with TRM, pursuant to which the Company shall grant a short term secured bridging loan facility of up to S\$6,000,000 (the "**Loan**") to TRM, on the terms and conditions stipulated therein, to assist TRM towards its working capital requirements for the Project.

2 SALIENT TERMS OF THE FACILITY AGREEMENT

The salient terms of the Facility Agreement are set out below:

Lender	ISR Global Pte. Ltd. (the " Lender ")
Borrower	TRM (the " Borrower ")
Purpose	The Borrower shall use the entire proceeds of the Loan for its working capital and/or for the purpose of developing the Project.
Facility Amount	S\$6,000,000, to be advanced in two (2) tranches as follows: <ol style="list-style-type: none">Up to S\$3,000,000 at the first drawdown; andS\$3,000,000 or such other amount, not exceeding S\$6,000,000.
Conditions Precedent	The obligations of the Lender under the Facility Agreement are subject to, <i>inter alia</i> , the following: <ol style="list-style-type: none">a detailed budget relating to the Project being furnished to the Lender, giving particulars of

	<p>each expenditure exceeding a sum of S\$50,000, such details to be satisfactory to the Lender at its discretion;</p> <ol style="list-style-type: none"> 2. the appointment of a director nominated by the Lender in its sole discretion, to the board of directors of the Borrower; 3. the Lender having received from its subscribers, under its fund raising exercise announced publicly on 4 September 2016 on the SGXNet, advance payments of not less than S\$3,000,000, and in relation to the Second Drawdown, the Lender having received all of the proceeds from its subscribers equal to S\$12,000,000 (including the S\$3,000,000); 4. all security documents required under the Facility Agreement being delivered; 5. there being no breach of any representation, warranty or undertaking given by the Borrower or a security party under the Facility Agreement or any security document.
Interest Rate	The rate of interest payable on the Loan shall be twelve per cent. (12%) per annum, calculated on the basis of the number of actual days elapsed based on a 360 day year (the " Interest ").
Maturity Date	The date falling [12] months from the date after the date first drawdown (the " Maturity Date ").
Repayment of Loan	The Borrower shall repay the Loan in full on the Maturity Date together with the Interest.
Mandatory Prepayment	<p>Within three (3) days of the receipt by the Borrower of the Proceeds, the Borrower shall make prepayment equal to the sum of the Proceeds.</p> <p>For the purpose herein:</p> <p>"Proceeds" shall mean proceeds received from:</p> <ol style="list-style-type: none"> (i) any capital raising exercises such as private placements, rights issue or other issuance of security undertaken by the Borrower; and/ or (ii) consideration received by Borrower for any

	<p>disposals of any asset,</p> <p>in each case after deducting:</p> <p>(i) fees and transaction costs properly incurred in connection with the such Proceeds; and</p> <p>(ii) tax paid, withheld or reasonably estimated by the Borrower to be payable (as certified by the Borrower to the Lender) as a result of or in connection with such Proceeds.</p>
Security	<p>Pursuant to the Facility Agreement, as continuing security for the Loan, the Borrower will procure REO Magnetic to provide a share pledge in favour of the Company in respect of all of its 60% shareholding interest in the Borrower.</p> <p>In addition, the Borrower undertakes and covenants to provide such additional security over any assets acquired or investment made from the proceeds of the Loan. In this connection, the Borrower shall execute such security documents in form and substance acceptable to the Lender as it shall direct.</p>
Event of Default	<p>Upon the occurrence of any event of default set out in the Facility Agreement, the Lender will give to the Borrower written notice of the occurrence of such event of default and the Loan and all accrued Interest shall immediately become due and payable.</p>

3 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Facility Agreement, other than through their respective shareholdings in the Company.

4 RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Facility Agreement and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board
ISR CAPITAL LIMITED

Quah Su-Yin
Chief Executive Officer and Executive Director

26 September 2016