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

RE: CLARIFICATION ON ANNOUNCEMENT TITLED "ENTRY INTO OF A MEMORANDUM OF UNDERSTANDING"

The Board of Directors of ISR Capital Limited (the "**Company**") refers to the announcement dated 20 May 2016 ("**Announcement**") on the execution of a memorandum of understanding ("**MOU**") with Reo Magnetic Pte. Ltd ("**Reo Magnetic**").

In the Announcement, it was stated that:
"The Company sees this as a good opportunity to pursue as it understands the global rare earth metals market is anticipated to reach US$8.19 billion by the end of 2018, growing at 13.0% CAGR according to the "Rare Earth Metals Market (Lanthanum, Cerium, Neodymium, Europium, Yttrium, Scandium, Terbium & Other Key Elements) - Global Industry Analysis, Applications (Magnets, Catalysts, Metallurgy, Phosphors, Ceramics & Others), Size, Share, Growth, Trends and Forecast, 2012 – 2018". Transparency Market Research Report, 2015" (underlined for emphasis).

The Company wishes to bring shareholders' attention to the above and clarify that the statement above referred to the size of the anticipated global rare earth metals market in 2018, and does not refer to the anticipated revenue from the concession that the Company is currently conducting due diligence on.

By order of the Board of Directors
ISR Capital Limited

Quah Su-Yin
Chief Executive Officer and Executive Director
26 May 2016