

PRESS RELEASE

SGX-Listed ISR Capital Completes S\$6M Share Placement to Singapore PE Firm and High Net Worth Individuals to Kick-Start Rare Earth Mining Project in Madagascar

SINGAPORE, 20 October 2016 – SGX Mainboard-listed **ISR Capital Ltd** (“ISR Capital” or the “Company”) said today it has raised S\$6 million from a share placement to a Singapore-based private equity firm and three high net worth individuals. The proceeds will be used to apply for relevant permits and conduct sampling at a rare earth project in Madagascar.

ISR Capital is awaiting regulatory and shareholder approvals to acquire a 60% stake in Tantalum Holding (Mauritius) Ltd (“THM”). THM owns 100% of Tantalum Rare Earth Malagasy S.A.R.L. (“TREM”) – a company holding exploration rights to a concession in the Ampasindava Peninsula in Madagascar. The site has been independently valued by Geologica Pty Ltd in July 2016 to hold rare earth oxides worth approximately US\$1.08 billion.

Of the net proceeds of about S\$5.8 million raised by ISR Capital from the first tranche of this placement, THM will use approximately S\$4.6 million to apply for a pilot production permit and begin bulk sampling work. ISR Capital intends to raise another S\$6 million via the second tranche of this placement after TREM secures the pilot production permit.

Following the placement of both tranches of shares, ISR Capital will have issued 141,176,470 new ordinary shares at S\$0.085 apiece to the four parties. The placement price represents a discount of 5.8% to its closing weighted average price of S\$0.0903 on 2 September 2016, when ISR Capital signed the placement agreement with the four investors, who have voluntarily offered to place their shares under moratorium for six months from the issuance of the Subscription shares.

The four investors are:

1. Mr Chen Tong, an entrepreneur from the People’s Republic of China who has been involved in the development of mineral resources assets and businesses in Australia, Canada, South Africa and Southeast Asia over the past 10 years.
2. Mr Lee Thiam Seng, the Executive Chairman and CEO of SGX-listed ecoWise Holdings Limited, a resource recovery, renewable energy and integrated environment solutions provider.

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3. Mdm Ong Siew Choo, an accredited investor of independent financial means.
4. Financial Frontiers Pte Ltd, a Singapore-based boutique private equity firm headed by Mr Ng Eng Tiong. Financial Frontiers has been investing in companies with high growth potential from diverse industries, including mineral resources.

Following the placement of the first tranche, ISR Capital's share base has increased from 1,494 million to 1,564 million ordinary shares, and will rise to 1,635 million ordinary shares once the second tranche of this placement is completed. Mr Chen and Financial Frontiers will then each have a 2.88% stake in ISR Capital. Mr Lee and Mdm Ong, who have pre-existing holdings in the Company, will end up with respective stakes of 1.90% and 1.55%.

"Rare earth oxides are in constant demand as they are critical for the production of permanent magnets found in all modern electronics gear. The successful placement of the first tranche of new shares underscores the confidence that these four strategic investors have in the mining project in Madagascar," said David Rigoll, ISR Capital's Executive Director.

"The commencement of mining activities in Madagascar will mark the start of a new chapter for ISR Capital, following the disposal of our fund management business last year. We believe the project has great promise and will help enhance value for all shareholders," he added.

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Media & Investor Relations Contact

ir@isrcap.com

About ISR Capital

Established in June 2000, ISR Capital Limited is in the business of proprietary investments and providing investment advisory services, focusing on the natural resource space, as well as selectively participating in non-resource projects which show compelling growth prospects, by way of either direct or indirect investments. ISR Capital Limited has grown from strength to strength, forging strategic partnerships in Singapore, Asia and the Australasian region. Through strategic alliances with the best, ISR leverages on its strong business network and expertise to achieve collaborative growth.