

SGX-Listed ISR Capital Limited Completes S\$3M Acquisition of Rare Earth Mine in Madagascar

SINGAPORE, 31 December 2018 – Singapore Exchange (“SGX”) Mainboard-Listed **ISR Capital Limited** (“**ISR Capital**” or the “**Company**”) announced today it will be completing on 31 December 2018 the S\$3.0 million acquisition of a 60%-stake in a rare earth mining concession in Madagascar, Africa, marking the beginning of a new growth chapter for the Company.

The proposed acquisition of the 60%-stake in Tantalum Holding (Mauritius) Ltd (“**THM**”) (the “**Proposed Acquisition**”) – which holds an exploration licence for the concession via its wholly owned subsidiary, Tantalum Rare Earth Malagasy S.A.R.L.U. (“**TREM**”) – will be completed by the transfer of 7,775,236 shares in THM to ISR Global Pte. Ltd, a wholly owned subsidiary of the Company, on or around 31 December 2018.

As agreed by the Company and REO Magnetic Pte. Ltd., 747,257,307 new ordinary shares in ISR Capital Limited will be allotted and issued at a price of \$0.004 per share on or around 2 January 2019 as consideration for the Proposed Acquisition. The total number of issued and paid-up shares in the capital of the Company will increase from 3,160,082,669 shares to 3,907,339,976 shares.

ISR Capital added that it had waived certain conditions precedent for the completion of the Proposed Acquisition relating to the project’s cash flow budget and liquidity plan, which will instead be prepared at a later date in the interests of relevance and reliability. The new cash flow budget and liquidity plan will incorporate data from the Company’s upcoming environmental impact assessment and feasibility study, both of which will be carried out within the next three years.

Commenting on the acquisition, Mr. Chen Tong, Executive Chairman of ISR Capital, said: “This acquisition will open up exciting opportunities for ISR in the rare earth sector, which will be a new engine of growth for our Company. Going forward, we will seek to maximise shareholders’ value from our rare earth business while carefully managing costs, which will be achieved by drawing on the track record, networks and industry expertise of our senior management.”

Located in Madagascar’s Ampasindava peninsula, the 238-square kilometre concession is one of the only known ionic clay mines with rare earth potential outside the People’s Republic of China, the current world leader in industrial rare earth production. An independent valuation report issued in September 2018 by Behre Dolbear Australia Pty Limited listed the concession’s most likely preferred value as US\$44.5 million (approximately S\$61.4 million).

Rare earth materials possess unique magnetic, luminescent and electrochemical properties and are critical for the production of high-quality permanent magnets found in everything from electric cars and smartphones to wind turbines and satellite communication systems.

Shareholders of ISR had approved the acquisition at an Extraordinary General Meeting on 30 October 2018.

End of Release

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About ISR Capital

Established in June 2001, 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.