REENOVA INVESTMENT HOLDING LIMITED

(Incorporated in the Republic of Singapore | Company Reg. No.: 200104762G)

Website: **www.reenovagroup.com**

SGX Stock Code: **5EC**

RESPONSE TO SGX-ST QUERIES

The Board of Directors (the "**Board**") of Reenova Investment Holding Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to provide the following additional information in response to the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in their email dated 11 April 2022.

Query by SGX-ST:

1. We refer to the Company's responses to SGX queries announced on 8 April 2022 with regards to the financial statements for the financial year ended 31 December 2021. We note that the aggregate amount accrued and payable to One Target as at 31 December 2021 is S$3,072,000. In the Company's responses to SGX queries announced on 9 January 2020, we note that One Target performs the role of a project manager for the rare earth project in Madagascar, which includes providing the necessary technical and managerial services.

   a) When did the Company employ One Target to act as its project manager?

   b) Apart from the S$3,072,000 payable as at 31 December 2021, has the Group incurred any other fees that is payable/has been paid to them?

   c) Provide a breakdown of the services provided by them that accounts for the total fees payable/paid to them.

   d) What had they done in respect of the technical and managerial services in FY2021, noting that the rare project had no progress and the license had not been renewed to-date.

Company's Response:

1(a) Reenova Holding (Mauritius) Limited had engaged One Target to act as its project manager with effect from 1 March 2018 until 31 December 2021. The service agreement with One Target has since ended on 31 December 2021 and was not renewed.

1(b) Apart from the S$3,072,000 payable as at 31 December 2021, the Group did not incur any other fees that is payable/has been paid to them.

1(c) Services provided by One Target between 1 March 2018 until 31 December 2021 were as follows:

(i) General management of the mine located in the project area of 608 squares (approximately 238km^2) in the eastern part of the Ampasindava Peninsula, in the Province of Antsiranana in northwestern Madagascar, approximately 500km north of Antananarivo (the "**Rare Earth Project**");

(ii) Liaising and following up with the local authorities such as Madagascar Mining Cadastral Office (*Bureau du Cadastre Minier de Madagascar*) ("**BCMM**") and Ministry of Mines and Strategic Resources of Madagascar on the renewal of the exploration licence PR 6698 in November 2018.;

(iii) Managing the environmental impact assessment to meet local regulations for the purposes of the application for full mining licence;

(iv) Managing the application for full mining licence that was submitted in September 2020, including liaising with the BCMM and Ministry of Mines and Strategic Resources of Madagascar;
(v) Managing public meetings with the locals in Ambanja to secure their support for the mining project;
(vi) Maintaining regular follow-ups with BCMM and the Ministry of Mines and Strategic Resources of Madagascar on RREM's applications made on 15 September 2021 and 18 September 2020, respectively, for (i) an extension of additional two years period of validity for its exploration licence PR 6698 for prospecting and research in the Rare Earth Project that had expired on 5 November 2021, and (ii) the full mining licence (*Permis de Exploitation*) to the Rare Earth Project.

1(d) The work initially planned by One Target for FY2021 were as follows:
(i) Managing and arranging/organising pilot production, including liaising with the relevant government departments to obtain approvals for travel by the pilot production team to Madagascar
(ii) Managing public meetings with the locals in Ambanja to secure their continuing support for the mining project
(iii) Managing pre-feasibility study for pilot production
(iv) Working with Ramboll Environ on environmental impact assessment at an international level
(v) Following up with BCMM and Mining Ministry in obtaining approval for the full mining licence

However, the unprecedented challenges brought about by the coronavirus pandemic since March 2020 had significantly limited business activities and international travel throughout most of FY2021. Consequently, the Group was not able to commence pilot production at the mine site that had been planned for FY2021 and most of the work planned by One Target could not be done in FY2021 as well.

Notwithstanding that the Rare Earth Project had no progress and the license had not been renewed to-date, the Group was contractually bound to One Target until 31 December 2021, which was the date when the service agreement expired.

On behalf of the Board
Reenova Investment Holding Limited

Chen Tong
Executive Chairman

13 April 2022