**REENOVA INVESTMENT HOLDING LIMITED**

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

Website: **www.reenovagroup.com**

SGX Stock Code: **5EC**

---

# ENTRY INTO PILOT MINING AGREEMENT IN RELATION TO THE PILOT PRODUCTION OF THE RARE EARTH PROJECT IN MADAGASCAR, AFRICA

---

## 1. INTRODUCTION

The Board of Directors (the "**Board**") of Reenova Investment Holding Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that, the Company's subsidiary, Reenova Holding (Mauritius) Limited ("**RHML**"), has on 18 September 2020 entered into a pilot mining agreement ("**PMA**") with YQS ARC Limited (the "**Supplier**", and with RHML collectively, the "**Parties**").

## 2. KEY TERMS OF THE PMA

### 2.1 Services

The Supplier shall provide mining and related services (the "**PMA Services**") required for the commencement and the operation of the pilot production preparations (the "**Pilot Production**") on the pilot production area, contained within the 238km$^2$ concession area that hosts rare earth oxides in north-western Madagascar, Africa (the "**Rare Earth Project**"). The Group owns a 75% stake in the Rare Earth Project through its wholly-owned subsidiary, Reenova Global Pte. Ltd.

The Pilot Production is envisaged to involve the following stages in relation to the pilot production area: preparation and design of mining operations, construction, processing, de-construction and closure.

### 2.2 Service Fee

The service fee to be paid for the PMA Services was negotiated on an arm's length basis, after taking into account the prevailing market rates for such services, as well as the quantity and quality of the rare earth oxides mined.

## 3. SUPPLIER

The Supplier is an independent and unrelated third party to the Group, the Company's directors and its controlling shareholders.

## 4. RATIONALE FOR ENTRY INTO THE PMA

The Group requires assistance with Pilot Production, so as to have the Rare Earth Project progress beyond the initial exploration phase. The entry into the PMA is complementary to the Group's business, and is indicative of the Group's commitment to realise the potential of the Rare Earth Project. This PMA also encourages Parties to negotiate further on potential areas of cooperation between the Group and the Supplier in terms of the provision of commercial mining services, and allows the Group to tap on the Supplier's expertise to develop the Rare Earth Project.

## 5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the PMA or the Supplier, save for their respective shareholdings in the Company.

## 6. FURTHER ANNOUNCEMENT(S)

The Company will make such further announcement(s) to keep shareholders informed, as and when there are material updates or developments in connection with the PMA.

## 7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in trading the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Pilot Productions will be successful or will yield favourable enough results for the Rare Earth Project to progress into the commercial mining stage at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

On Behalf of the Board
**REENOVA INVESTMENT HOLDING LIMITED**

Chen Tong
Executive Chairman

20 September 2020