REENOVA INVESTMENT HOLDING LIMITED

(*formerly known as ISR Capital Limited*)
(Incorporated in the Republic of Singapore | Company Reg. No.: 200104762G)
SGX Stock Code: **5EC**

RESPONSE TO SGX 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 8 April 2020 in relation to the Company's announcements dated 15 October 2018 and 7 June 2019 (the "**Announcements**").

Query by SGX-ST:

1. We refer to the circular announced by the Company on 15 October 2018 regarding the Madagascar project.

    a. We noted in paragraph 4.2 that Tantalum Rare Earth Malagasy S.A.R.L.U. made an application to renew the "Exploration Licence" for a further three (3) years after expiry in January 2017 (i.e. until January 2020). Please disclose whether this renewal was successful and whether any further extension was made as it is now beyond January 2020.

    b. We noted in paragraph 4.5 that "prior to the expiry of the last term of the Exploration Licence, it will be necessary to make an application for a "Permis de Exploitation" or mining licence. This will require completion of a feasibility study within the next three (3) years in order to define the parameters of the planned project, and to ensure that an environmental and social impact assessment study can be completed to support the application for the "Permis de Exploitation"" We noted the Company's disclosure that the feasibility study is still ongoing. Please confirm if the Company currently still on track to meet this target? When must the Company complete its feasibility study. If not, please provide specific details and timelines.

    c. We noted in paragraph 4.8 that "the Exploration Licence will need to be converted into a PE mining licence before commercial production can commence". Please disclose when is the PE mining licence expected to be obtained and whether this is still possible noting that the Exploration License has lapsed since January 2017.

Company's Response:

1.a. As disclosed in the Company's announcement on 15 November 2018[1], please note that the Exploration Licence has been renewed on 6 November 2018 for a three (3) year term from 6 November 2018 to 5 November 2021.

1.b. As announced in the Company's Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual on 29 February 2020, the Group has been exploring funding arrangements to begin its plans for the next phase of work, after its acquisition of the 238km^2 concession area in north-western Madagascar, Africa that hosts rare earth oxides (the "**Rare Earth Project**"). As a result of the ongoing Coronavirus Disease ("**COVID-19**") pandemic, the Group expects a delay in deploying a team to Madagascar, which was originally planned to be in February 2020, to commence work on the Rare Earth Project, which includes trial leaching, pilot production, feasibility studies, engineering studies, and environmental impact assessments.

Please note that Madagascar is currently in a state of emergency and the lockdown measures imposed by the Madagascar government have been extended until 20 April 2020[2], which means that all flights to Madagascar are currently suspended until 20 April 2020. The pilot production, feasibility studies, engineering studies, and environmental impact assessments should ideally be completed by the third quarter of 2021 in order for Reenova Rare Earth (Malagasy) S.A.R.L.U. (formerly known as Tantalum Rare Earth (Malagasy) S.A.R.L.U.) ("**RREM**") to submit its application for *Permis de Exploitation* before 5 November 2021. The Company is currently monitoring the situation and will make further announcements to update shareholders on material developments regarding the Rare Earth Project as and when appropriate.

1.c. As disclosed in the Company's announcement on 15 November 2018[1], please note that the Exploration Licence has been renewed on 6 November 2018 for a three (3) year term from 6 November 2018 to 5 November 2021. As such, RREM has until 5 November 2021 to complete and submit its application for *Permis de Exploitation*. Due to the COVID-19 pandemic, it is currently not practical to estimate when RREM will be able to obtain the *Permis de Exploitation*.

Query by SGX-ST:

2. We refer to the announcement by the Company on 9 June 2019 regarding the Enforcement of Pledges. We note that the Company holds 75% of Tantalum Holding (Mauritius) Ltd ("**THM**").

   a. Does Tantalus Rare Earths AG ("**TRE AG**") still hold the remaining 25% of THM? If not, please disclose who holds the remaining 25% and the ultimate beneficial shareholders of the entities holding the balance.

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1 Please refer to https://links.sgx.com/FileOpen/ISRCL%20-%20Announcement%20on%20Exploration%20Licence%20-%2015%20Nov%202018.ashx?App=Announcement&FileID=534298 for further details.

2 Please refer to https://www.garda.com/crisis24/news-alerts/329996/madagascar-nationwide-state-of-emergency-extended-lockdown-measures-in-fianarantsoa-april-5-update-5 for further details.

b. The Company was previously unable to provide information on the status of the insolvency proceedings of TRE AG and the appointment of the liquidator of TRE AG. Is the Company aware of any new information regarding the status of TRE AG?

c. In respect of the $679,000 loan extended to TRE AG by the management of the Company, please disclose who are the (1) ultimate beneficial shareholders, (2) directors, and (3) key management personnel of TRE AG.

Company's Response:

2.a. Please note that the Company's announcement on the "Enforcement of Pledges" was made on 7 June 2019[3] and not 9 June 2019. Based on the current members' register of Reenova Holding (Mauritius) Limited (formerly known as Tantalum Holding (Mauritius) Ltd) ("**RHM**"), Tantalus Rare Earths AG ("**TRE AG**") is still the registered holder of the remaining 25% stake of RHM.

2.b. As far as the Company is aware, TRE AG has yet to officially appoint a liquidator. The Company is also not aware of any further information on the status of the insolvency proceedings of TRE AG.

2.c. We understand the query relates to the relevant personnel of TRE AG, at the time when the S$679,000 loan was extended:

(1) As disclosed in paragraph 4.16 of the Circular dated 15 October 2018[4], TRE AG is a company incorporated in Germany whose shares were previously listed on the Dusseldorf Stock Exchange ("**DSE**") and was delisted from the DSE with effect from 31 May 2017. The Company understands that TRE AG has several hundred shareholders when it was listed on the DSE until 31 May 2017.

(2) The directors on the Management Board of TRE AG then were Mr Markus Kivimäki (who resigned as Chief Executive Officer with effect from 15 May 2018) and Mr Kalle Lehtonen (who resigned as Chief Financial Officer in December 2018), while the directors on the Supervisory Board of TRE AG then were: Mr Ulrich Krauskopf, Ms Anna-Kreeta Hiltunen-Rantamaa and Mr Kai Knotsch.

(3) The key management personnel of TRE AG then were Mr Markus Kivimäki (who resigned as Chief Executive Officer with effect from 15 May 2018) and Mr Kalle Lehtonen (who resigned as Chief Financial Officer in December 2018).

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3 Please refer to https://links.sgx.com/FileOpen/ISRCL%20-%20Enforcement%20of%20Share%20Pledges%20-%207%20June%202019.ashx?App=Announcement&FileID=562914 for further details.

4 Please refer to https://links.sgx.com/FileOpen/ISRCL%20-%20Circular%20dated%2015%20October%202018.ashx?App=Announcement&FileID=529529 for further details

On behalf of the Board
Reenova Investment Holding Limited

Chen Tong
Executive Chairman

13 April 2020