

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2020

Highlights

- **Commonwealth environmental approval for the LD SOP Project**
 - **Approval granted under Part 9 of the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act)**
- **Officer Basin Exploration Project:**
 - **Drilling of second hole underway**
- **Funding:**
 - **Announcement of a 1 for 4 non-renounceable pro-rata rights issue at 14 cents per share to raise approximately \$5,690,862 before costs**
 - **Quantum of rebate funds from the Australian Government Research and Development Incentive Program finalised**

Corporate

Expenditure by Reward during the September 2020 quarter was \$0.657 Million. Cash on hand at the end of the period was approximately \$0.919 Million. A short-term loan facility is in place, established on an arm's length, commercial basis, from Dr M. Ruane, Reward's Executive Director, which was partially accessed during the quarter in the continued execution of the Officer Basin exploration strategy. In accordance with ASX Listing Rule 5.3.5, \$17,000 was paid to related parties or their associates during the quarter, comprising of Non-executive Director fees.

LD SOP Project Environmental Permitting

Commonwealth Environmental Approval

At the end of the quarter the Australian Government's Department of Agriculture, Water and the Environment granted environmental approval for the Lake Disappointment Potash Project ("LD" or the "Project") under Part 9 of the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act).

The Commonwealth's approval, which has effect until 31 August 2060, is another crucial step forward in the development of one of the world's largest high-grade brine SOP deposits and came after the Project was granted WA State environmental approval during the previous quarter (see ASX release 4 June 2020).

This milestone was another first, as LD became the only Australian SOP Project with State and Commonwealth Environmental approvals in place for full production for the life-of-mine and beyond. (It was also the first SOP Project approved after being assessed by public review under WA's *Environmental Protection Act 1986*.) The environmental assessment processes required over four years of engagement with regulators and weeks of public consultation, whilst comprehensive environmental impact studies commenced as early as 2012.

30 OCTOBER 2020

ASX CODE: RWD

DIRECTORS

Colin McCavana
Chairman

Michael Ruane
Executive Director

Rod Della Vedova
Non-Executive Director

MANAGEMENT

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Officer Basin Exploration

Exploration drilling continued during the quarter

The first exploration drill hole (Core Hole OB1– See location shown on Figure 1) drilled at Midway Well, was terminated early at 421 metres downhole following technical difficulties caused by the presence of extensive beds of running sands. The hole finished in dolomitic sandstone assumed to be Browne Formation but without intersecting (water soluble) evaporites or Potash mineralisation.

As previously reported, Reward was encouraged by the fact that the hole encountered a high-inflow of potash-rich groundwater at a shallow vertical depth of 87.1 metres.

A summary of the assay result is provided in Table 1 along with comparative analysis of typical Lake Disappointment brine, accompanied by an explanation of the assay's significance in the footnotes section located below the table. The Potassium (K) content of the brine was 3.71kg/m³ (i.e. equivalent of a SOP content of approximately 8.27kg/m³) and importantly had a favourable Potash to Sodium Chloride ratio, considerably higher than that found at Lake Disappointment brine.

Further holes are planned to evaluate the extent of this brine aquifer and its potential as a new SOP resource.

A follow-up hole (OB2) commenced in the final week of the reporting period, located approximately 300m southwest of OB1 on Seismic Line N83-001 and close to Shot Point 1200 (See Figure 2). At the time of reporting, hole OB2 was still in progress and had reached a depth of 600m. Downhole core is in transit to Perth for evaluation and chemical analysis and results will be provided in due course.

Table 1. Assay results from OB1 and Comparative Analysis with LD Brine

Brine Source ⁱ	K	SO ₄	K ₂ SO ₄	Ca	Mg	Na	Cl	NaCl
Lake Disappointment ⁱⁱ	6.02 ⁱⁱⁱ	26.75	13.42	0.25	5.63	101.60	159.24	258.3
OB1 Brine – 87.1m	3.71 ⁱⁱⁱ	24.63	8.27	0.67	3.10	43.21	62.04	109.9
LD Ratios	$\frac{SO_4}{K} = 4.4^v$		$\frac{K}{Na} = 0.06$		$\frac{NaCl}{K_2SO_4} = 19.3^{iv}$			
OB1 Ratios	$\frac{SO_4}{K} = 6.6^v$		$\frac{K}{Na} = 0.09$		$\frac{NaCl}{K_2SO_4} = 13.3^{iv}$			

Footnotes:

- All units are kg/m³ unless otherwise specified.
- LD Brine average from PFS Metallurgical Mass Balance data, release dated 1 May 2018.
- 6.02 kg/m³ K = 13.42 kg/m³ SOP; 3.71 kg/m³ K = 8.27 kg/m³ SOP.
- This parameter indicates that the quantity of salt (NaCl) generated per tonne of SOP produced should be significantly lower for an OB1 brine compared to typical LD brine – 13.3 vs 19.3 tonnes NaCl per tonne of SOP respectively.
- It should be noted that the OB1 brine has a considerably higher Sulphate (SO₄) content per unit of K compared to typical LD brine – ratio 6.6 vs 4.4. This factor is important in the recovery of SOP from the host brine upon evaporation.

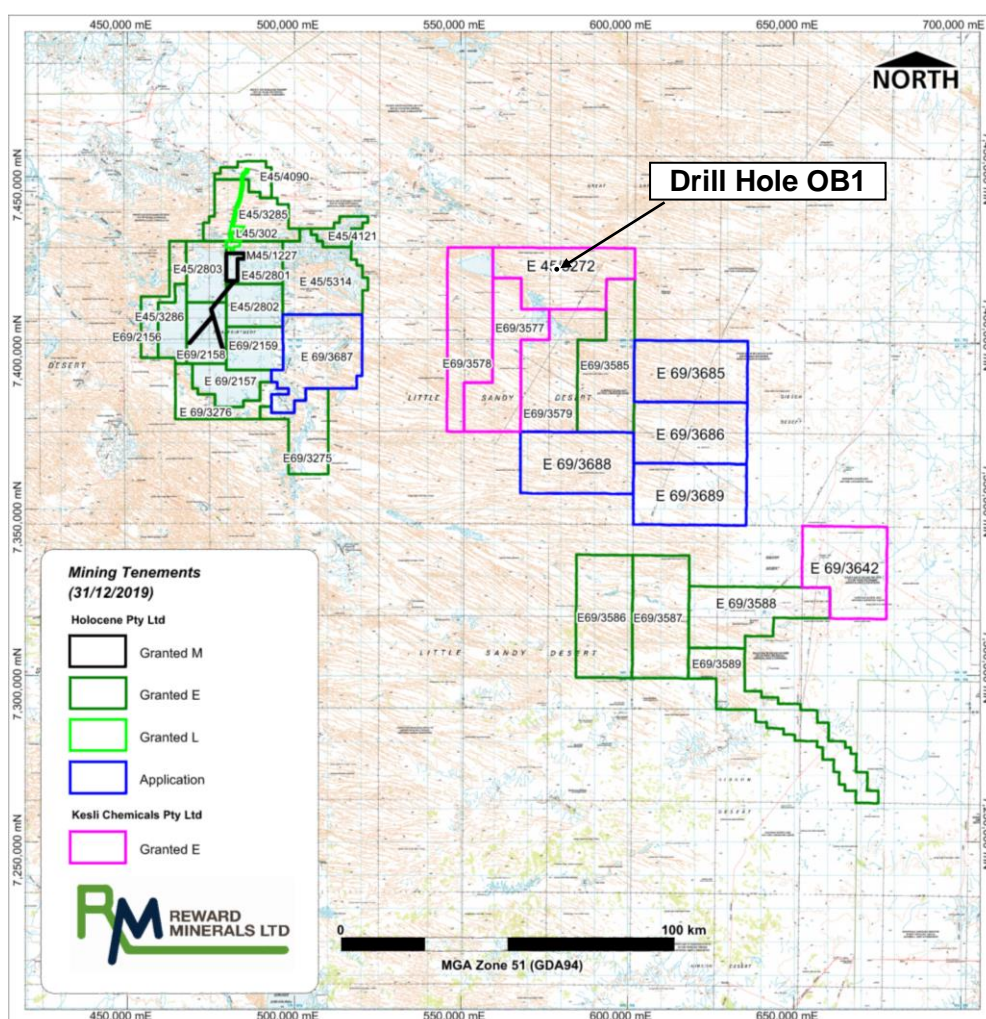


Figure 1 – Officer Basin Tenements (Kesli and Reward) Lake Disappointment Tenements (Reward)

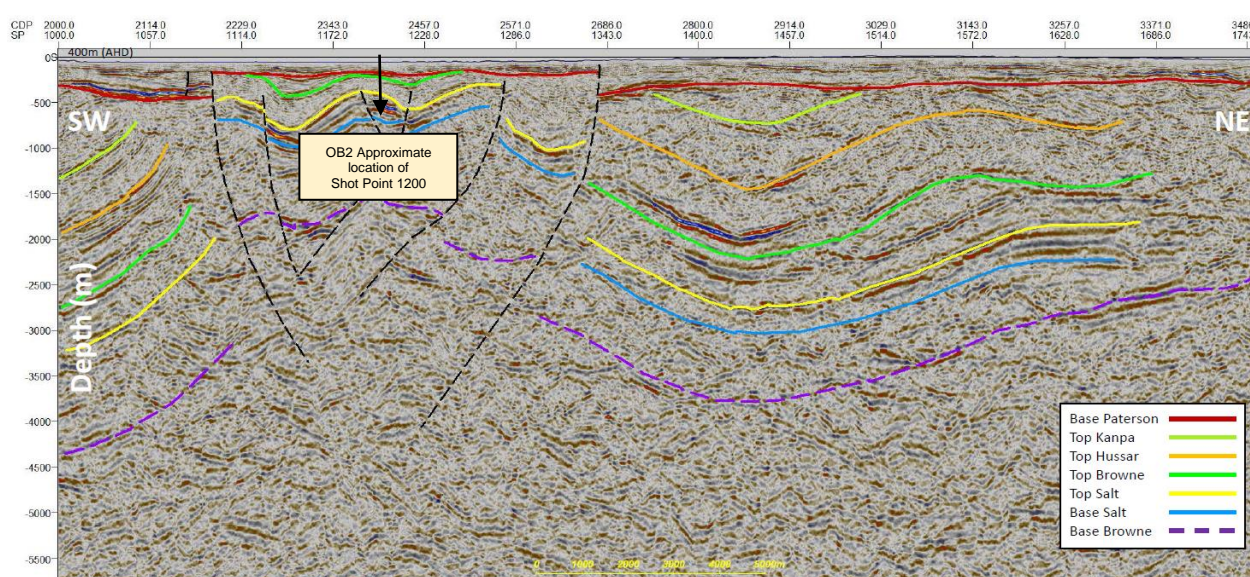


Figure 2 – Seismic Interpretation, Reprocessed Line N83-01

Funding

Rights Issue Announced

During the quarter a non-renounceable pro-rata rights issue to Eligible Shareholders was announced. It consisted of approximately 40,649,014 New Shares, on the basis of 1 New Share for every 4 Shares held at an issue price of 14 cents per New Share, to raise up to approximately \$5,690,862 before costs. In addition, approximately 20,324,507 New Options would be issued on the basis of 1 free attaching New Option for every 2 New Shares issued, with each New Option having an exercise price of 20 cents and an expiry date of 30 September 2023.

The offer closed after the end of the reporting period, as scheduled on 16 October 2020, raising a total of \$3.88 million, a take-up of just over 68%, resulting in a \$1.8M shortfall which will be placed at the discretion of Reward's Directors, in consultation with Lead Manager BW Equities, within 3 months of the closing date.

Australian Government Research and Development Incentive Program

The quantum of rebate funds from the Australian Government Research and Development Incentive Program was finalised during the quarter, being \$472,276. It is anticipated that the funds will be received during the month of October.

Authorised for release by the Board of Reward Minerals Ltd

For further information please contact:

Greg Cochran
Chief Executive Officer

About Reward

Reward is an ASX-listed advanced-stage sulphate of potash exploration and development company. Reward's flagship is its 100%-owned Lake Disappointment SOP Project, located east of Newman in north-western Western Australia. The Project hosts Australia's largest high-grade brine SOP deposit in a region with the highest evaporation rate and is the only Australian SOP Project with State and Commonwealth Environmental approvals in place for full production for the life-of-mine and beyond.

Reward completed a detailed, conservative Pre-Feasibility Study which was updated with improved logistics in July 2018. An Indigenous Land Use Agreement is in place with the Martu people, traditional owners of the land upon which Lake Disappointment is situated. With key State and Commonwealth environmental approvals now in place development can commence on completion of final feasibility studies, secondary regulatory approvals and achievement of funding.

Forward-Looking Statements

This document may contain certain "forward-looking statements". When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Reward believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

For a more detailed discussion of such risks and uncertainties, see Reward's other ASX Releases, Presentations and Annual Reports. Readers should not place undue reliance on forward-looking statements. Reward does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this ASX Release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Exploration Results – Competent Persons Statement

The information in this report that relates to Exploration Results, Brine Assays and Analyses is based on information compiled by Dr Michael Ruane, a Competent Person who is a Member of The Royal Australian Chemical Institute. Dr Ruane is an Executive Director of Reward Minerals. Dr Ruane has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Ruane consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Tenement Holdings as at 30 September 2020

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
Lake Disappointment, Western Australia				
E45/2801	Granted	100%	-	-
E45/2802	Granted	100%	-	-
E45/2803	Granted	100%	-	-
E45/3285	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090	Granted	100%	-	-
E45/4121	Granted	100%	-	-
E69/2156	Granted	100%	-	-
E69/2157	Granted	100%	-	-
E69/2158	Granted	100%	-	-
E69/2159	Granted	100%	-	-
E69/3275	Granted	100%	-	-
E69/3276	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
E45/5314	Granted	100%	-	-
E69/3687	Pending	100%		
Officer Basin, Western Australia				
E69/3585	Granted	100%	-	-
E69/3586	Granted	100%	-	-
E69/3587	Granted	100%	-	-
E69/3588	Granted	100%	-	-
E69/3589	Granted	100%	-	-
E69/3685	Granted	100%	100%	-
E69/3686	Granted	100%	100%	-
E69/3688	Granted	100%	100%	-
E69/3689	Granted	100%	100%	-
Balfour, Western Australia				
L46/128	Pending	100%	-	-
Dora, Western Australia				
E45/4321	Pending	100%	-	-
E45/4488	Pending	100%	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

REWARD MINERALS LTD

ABN

50 009 173 602

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(386)	(973)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(71)	(212)
	(e) administration and corporate costs	(242)	(464)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	55	105
1.8	Other – net GST (paid) / refunded	(13)	15
1.9	Net cash from / (used in) operating activities	(657)	(1,526)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(2)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	300	800
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	300	800

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,278	1,647
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(657)	(1,526)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	300	800

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	919	919

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	919	1,278
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	919	1,278

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	17
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	1,300	1,300
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,300	1,300
7.5	Unused financing facilities available at quarter end		0
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>In September 2019, Dr M Ruane, Reward's Executive Director, agreed to loan the Company \$1 million. During the quarter, Dr M Ruane agreed to further loan the Company \$300,000. The loan is unsecured, on reasonable arm's length terms and attracts interest at 7.5% per annum payable quarterly in arrears. The total facility of \$1.3 million is fully drawn down.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(657)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(657)
8.4	Cash and cash equivalents at quarter end (item 4.6)	919
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	919
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: Yes, it is expected that Reward will continue to have the current level of net operating activities, adequately funded by an Australian Government R&D refund of \$472,276 received in October 2020, in addition to the rights offer discussed under item 8.8.2.</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, the Company lodged a Prospectus on 16 September 2020 to raise up to approximately \$5.69 million before costs via a non-renounceable rights issue. The offer closed on 16 October 2020 and the Company announced that it had successfully raised \$3.88 million under the terms of the Prospectus. The shortfall will be placed, at the discretion of Reward's Directors and in consultation with Lead Manager BW Equities, within 3 months of the closing date.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, due to the funding solutions explained under items 8.8.1 and 8.8.2, the Company expects to be able to continue its operations and to meet its business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.