

REWARD MINERALS LIMITED



*Developer of the
largest high-grade brine
SOP Deposit in Australia*

***Corporate Presentation
5 November 2020***



ASX | RWD
www.rewardminerals.com



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- ▶ **Corporate Snapshot**
- ▶ **Lake Disappointment Project Overview**
- ▶ **Potash Market Basics**
- ▶ **Lake Disappointment Details**
- ▶ **Recent Achievements**
- ▶ **Current/Upcoming Activities**

REWARD CORPORATE SNAPSHOT



Capital Structure 21 Oct 2020

ASX:RWD

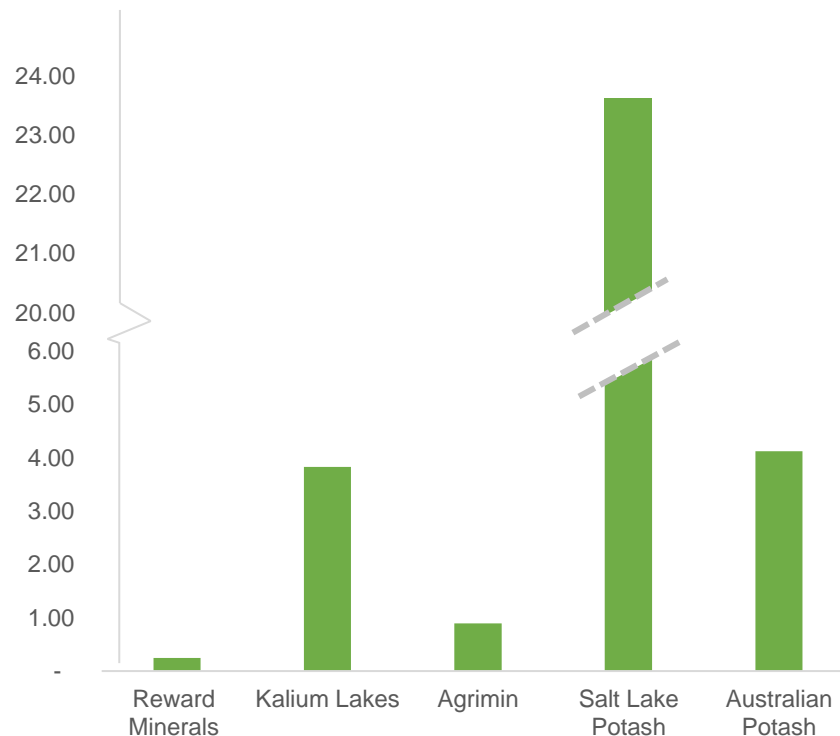
Ordinary Shares on Issue	190m
Rights and Options on Issue	31.1m
Share Price	\$0.15
Undiluted Market Capitalisation	\$28.5m
Short Term Debt	~\$1.3m
Cash & Equivalents	~\$5.3m
Undiluted Enterprise Value	\$24.5m

Major Shareholders

Name	Shares (m)	%
Michael Ruane	69.5	36.5
Horizon Minerals	7.1	3.8
Top 20 Shareholders	Under Review	



EV to Drainable SOP Resource Tonne

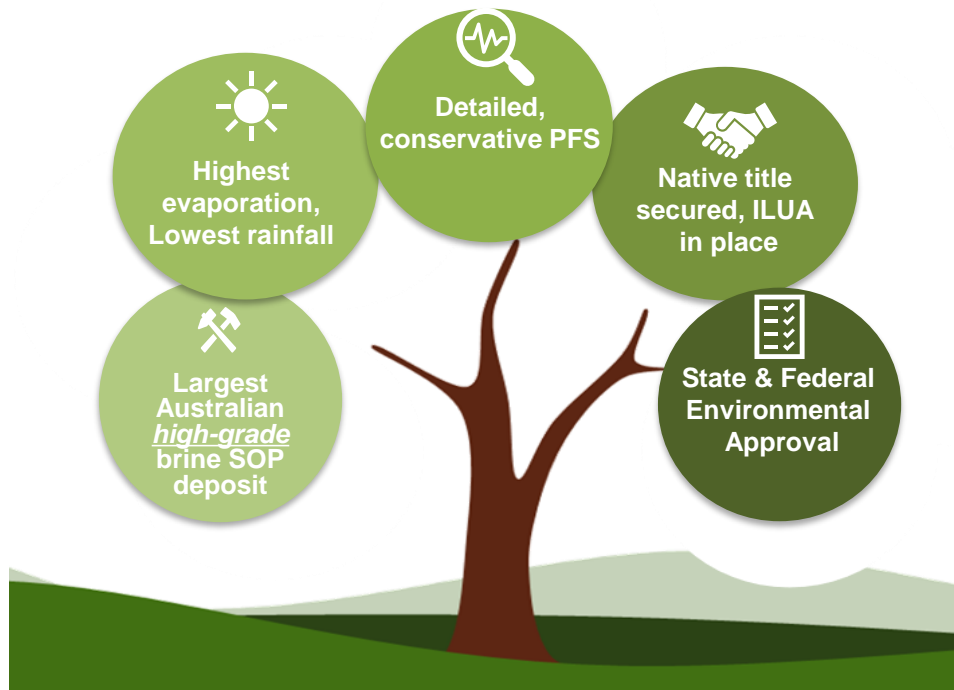


Sources: Integer, Bloomberg, Yahoo Finance, Greenmarkets, BMO Research, Company Research

PROJECT OVERVIEW

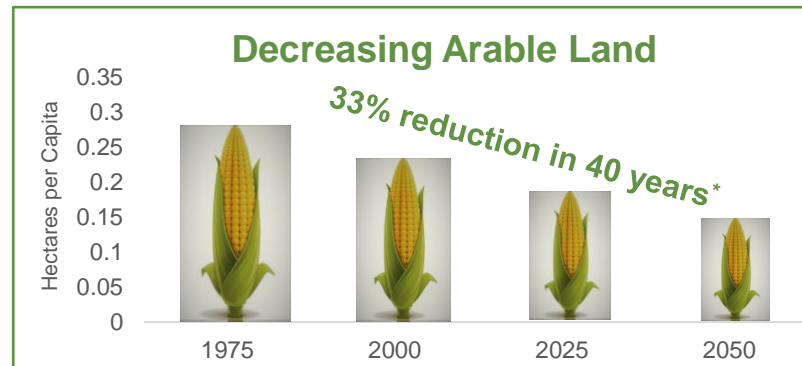
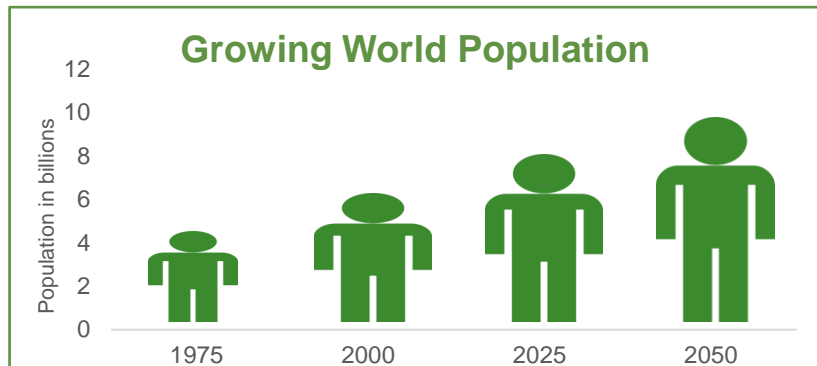


Reward is developing the Lake Disappointment SOP Project



- Only SOP Project with State & Federal Environmental Approval for full production for PFS Life of Mine & beyond
- Organically certifiable product
- Undervalued relative to peers

FEEDING THE WORLD IS A CHALLENGE



- ▶ Increasing population, decreasing arable land per capita
- ▶ World's middle class growing at almost double the rate
- ▶ Changing demographics means changing diet and....
- ▶ Soil salinity increasing in many parts of the world
- ▶ Growing need for improved water efficiency



SULPHATE OF POTASH IS PART OF THE SOLUTION

“SOP” – K_2SO_4

- ▶ The premium source of potassium fertiliser
- ▶ Applied to high value, speciality crops
- ▶ Some crops are chloride intolerant
- ▶ SOP is a low-chloride source of potassium
- ▶ K, one of the 3 essential plant macronutrients



TYPES OF POTASH (POTASSIUM FERTILISER)

The two major sources of potassium fertiliser are MOP and SOP

MOP (typically 60% K_2O)

- ▶ Muriate of Potash (KCl): ~68Mtpa
- ▶ Current Pricing: US\$200-300/t
- ▶ Applied to low value, chloride tolerant crops
- ▶ Can cause increasing soil salinity
- ▶ Six companies: over 80% market share

SOP (typically 52% K_2O)

- ▶ Sulphate of Potash (K_2SO_4): ~7Mtpa
- ▶ Current Pricing: US\$400-600/t
- ▶ High value, chloride sensitive/intolerant crops
- ▶ Sulphur is also an important nutrient
- ▶ China dominant, remaining supply is diverse

Sources of SOP Production

Primary (~30% & increasing)

- ▶ Brine, evaporation ponds
- ▶ Generally, lowest cost
- ▶ Environmentally friendly – can be organic

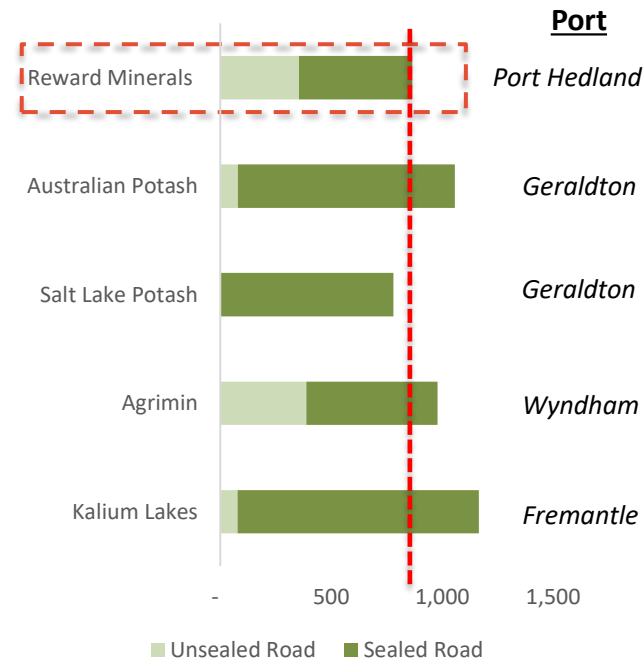
Secondary (~70% & in decline)

- ▶ Mannheim (~50%) or Reacted salts
- ▶ High cost
- ▶ HCl by-product, sustainability an issue

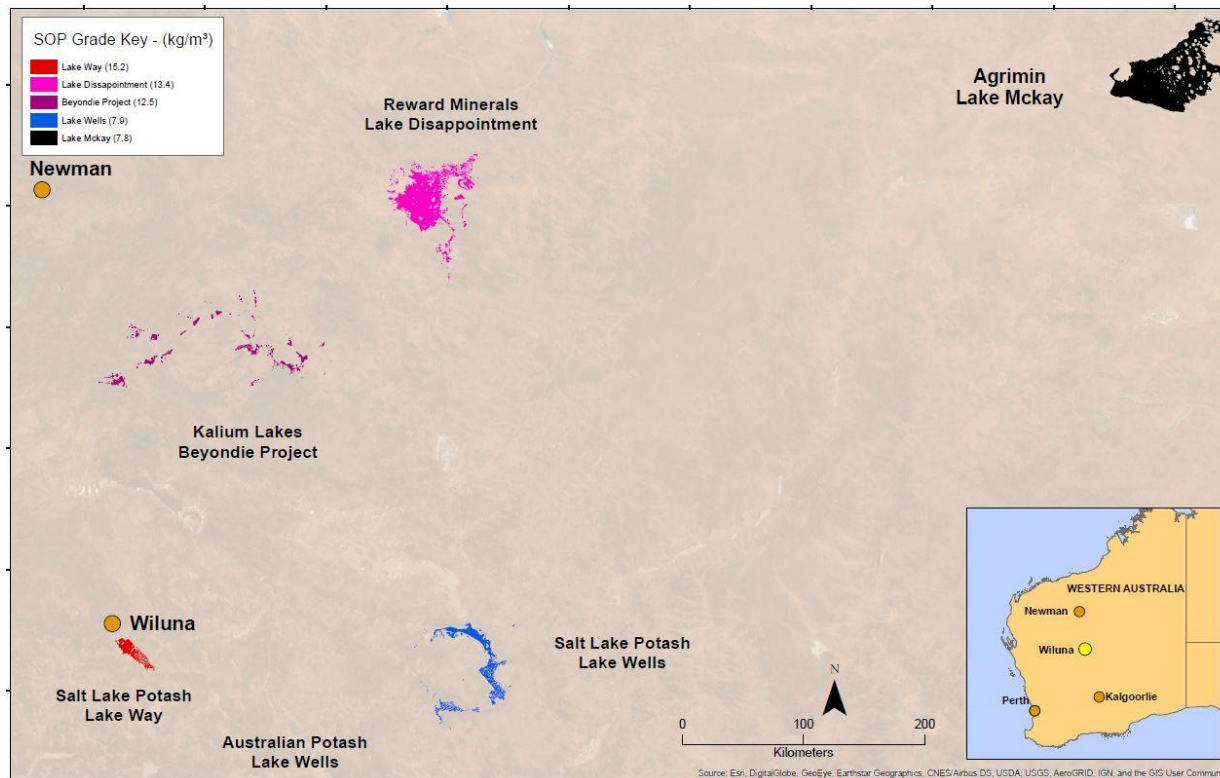
PROJECT LOCATION



Relative Trucking Distance
(Mine to Port)



RELATIVE SIZE & GRADE

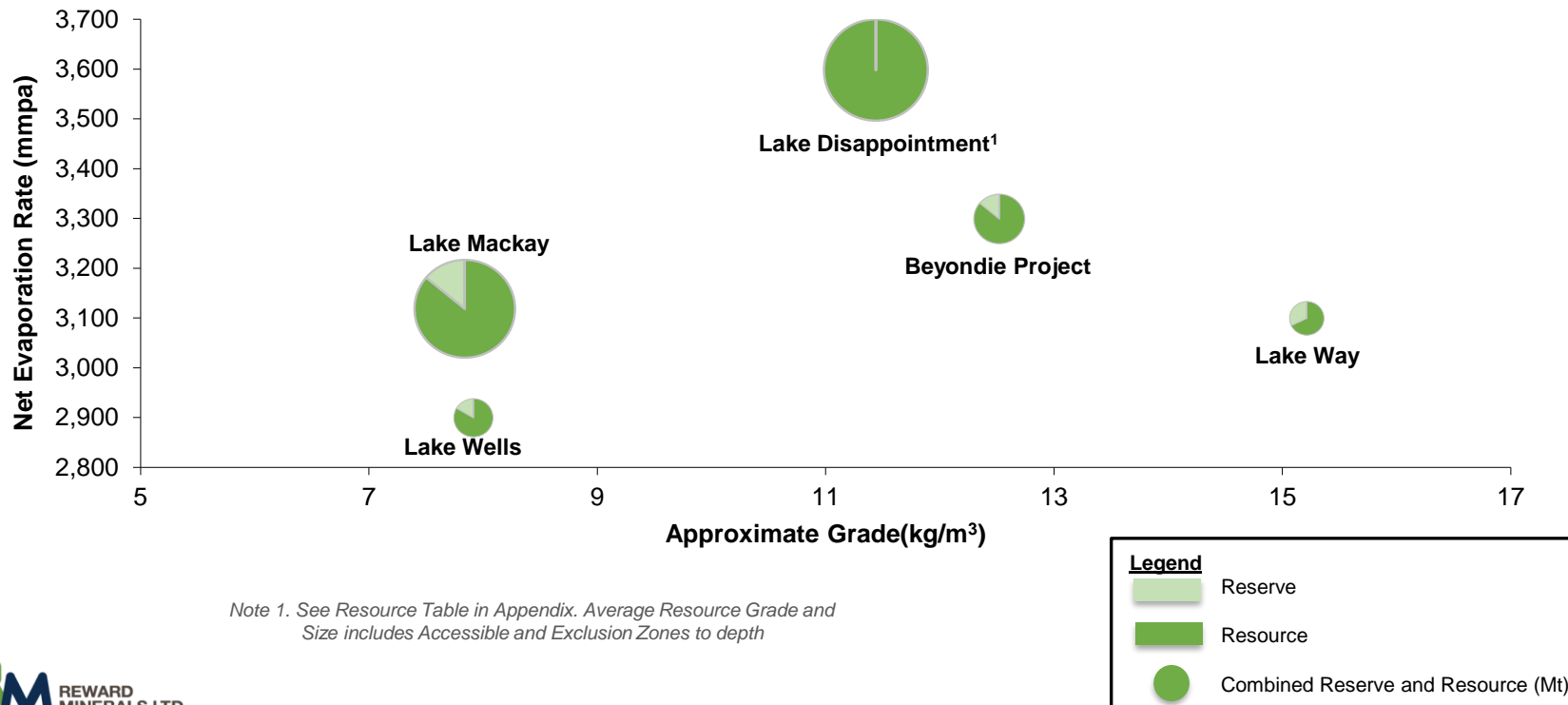


- Brine grade is important but so is resource geometry, which influences flow
- Brine flows from large, shallow horizontal lake beds is reasonably predictable
- Brine flows pumped from deep, long, narrow and meandering palaeochannels can be less predictable

GLOBALLY SIGNIFICANT TIER 1 RESOURCE



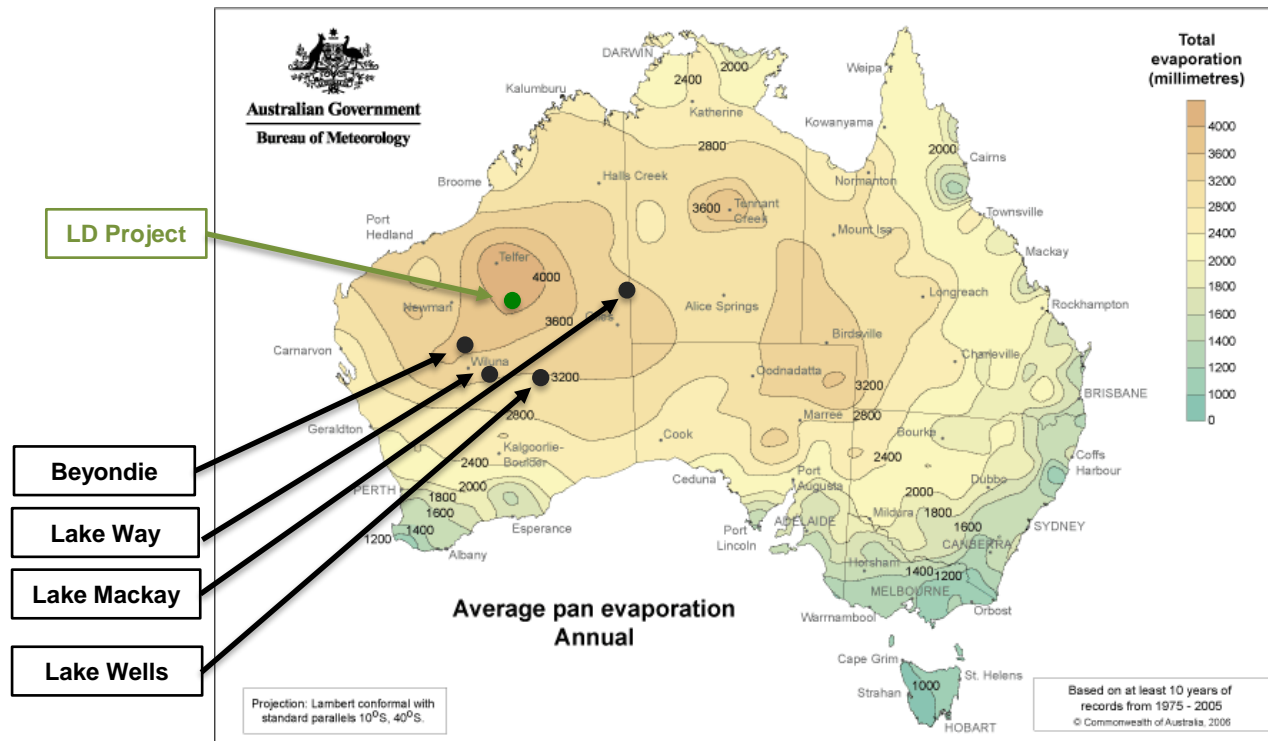
153 Mt Indicated & Inferred Drainable SOP Resource¹ – Australia's largest



LD HAS THE HIGHEST EVAPORATION RATE



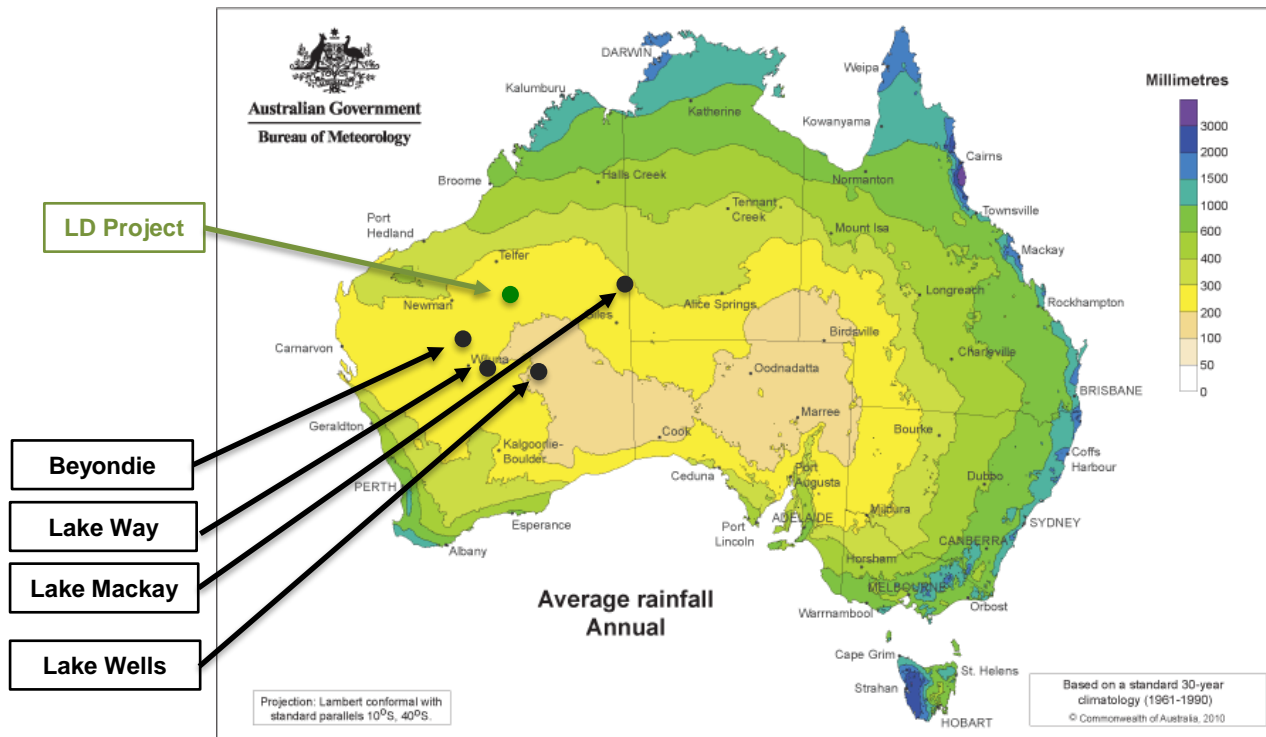
No better location for a brine evaporation operation in Australia



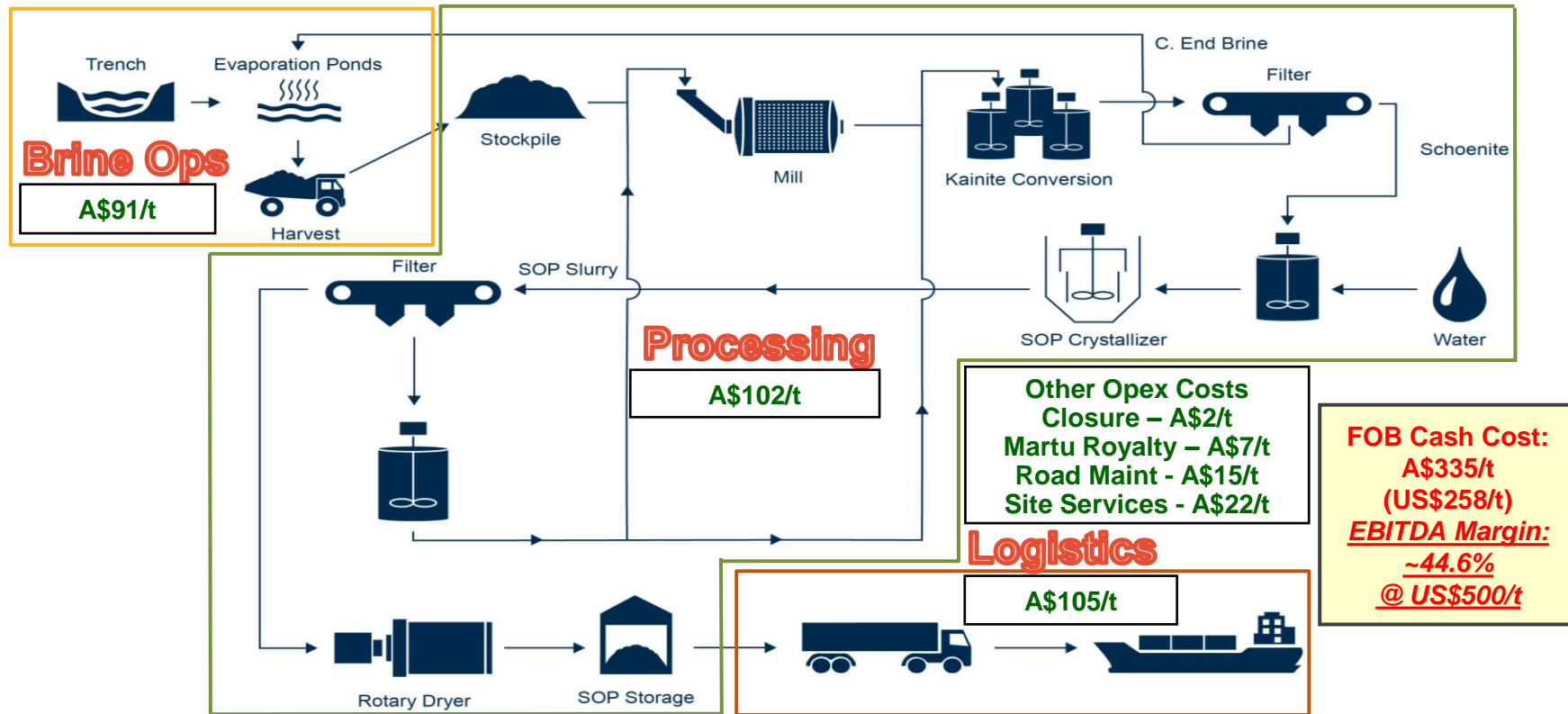
LD HAS LOW (SUMMER) RAINFALL



No better location for a brine evaporation operation in Australia



PROJECT “FLOW SHEET”



PROJECT METRICS – COSTS & PRODUCTION



Capital cost

- A\$345 M, includes indirects and owners costs (+/-20%)
- A\$451 M, includes contingency & pre-production costs
- Lower Quartile Capital Intensity @ A\$1,108/t

Production

- At least 400,000 tpa
- ~9 Mt SOP produced over ~25 years
- Less than 10% of the resource, assuming no re-charge

Operating cost

- Cash cost – A\$335/tonne (FOB Port Hedland)
- AISC – A\$376/tonne (FOB Port Hedland)
- AISC (excl. NOR*) – A\$344/tonne (FOB Port Hedland)

* Net of Royalties include \$7/t Native Title Royalty and assumed \$25/t WA State Royalty

INDUSTRY ECONOMIC ASSUMPTIONS



Company	Project	Project Phase	Discount Rate	Effective AUD SOP Price	State Royalty
Australian Potash	Lake Wells	FEED	8% Post-Tax Nominal	A\$916	A\$0.73/t SOP
Kalium Lakes	Beyondie	Under Development	8% Pre-tax Nominal (?)	A\$830	A\$0.73/t SOP
Salt Lake Potash	Lake Way	Under Development	8% Post-tax Real	A\$809	A\$20.23/t SOP
Agrimin	Lake Mackay	DFS	8% Post-tax Real	A\$769	A\$0.73/t SOP
Reward	Lake Disappointment	PFS	8% Post-tax Real	A\$667	\$25/t SOP

Reward adopted the most conservative assumptions...

PROJECT METRICS – ECONOMICS



Project Returns

- Pre-tax: Real NPV₈ – \$518 M, IRR – 19%
- Post-tax: Real NPV₈ – \$293 M, IRR – 15%
- Assumptions: Price: US\$500/t, FX: AUD/USD: 0.75

Sustainable Margins

- Average EBITDA Margin – 45%
- Average Annual EBITDA – ~\$118 M (Real)
- LOM EBITDA – \$2,678 M (Real)

Economic Benefits

- 200 long-term jobs created - excluding trucking
- LOM Martu Royalties: ~\$63 M
- LOM State Royalties: ~\$225 M
- Corporate Tax Payments: ~676 M

~\$964 M

2020 ACHIEVEMENTS – CONSISTENT PROGRESS

- ▶ **Entitlement Issue completed, \$3.9 M raised (16 October)**
 - ▶ Take-up of 68% from existing shareholders
 - ▶ \$1.8 M shortfall being placed (3 months available to finalise)
- ▶ **Bechtel commenced LD Project Review (14 October)**
 - ▶ Evaluate leading edge renewable energy solutions
 - ▶ Assess various processing and flow sheet options
 - ▶ Review development schedule
 - ▶ Consider alternative logistics solutions
- ▶ **Commonwealth Approval under the EPBC Act (1 October)**
 - ▶ Full Project Approval for 40-year mine life
 - ▶ 4-year assessment – impact studies commenced in 2012
 - ▶ LD is the only SOP Project with Commonwealth Approval for **full production** and for 40 years
- ▶ **WA Ministerial Environmental Approval (3 June)**
 - ▶ The first major environmental milestone
 - ▶ Culmination of a 4-year assessment and 7-year evaluation/study process
 - ▶ First (& to date only) WA SOP Project to achieve approval via “Public Review”



CURRENT/UPCOMING ACTIVITIES*



► **Project Activities:**

- Bechtel Review Study (Q1 '21)
- Conduct pump-flow test program (Q1/Q2 '21)
- Resource conversion/upgrade (Q2 '21)
- Final metallurgical trials (Q1/Q2 '21)
- Expanded pond construction trials (Q1/Q2 '21)
- Final Feasibility Study (Q2-Q4 '21?)



► **Corporate Activities:**

- Search for potential offtake and/or strategic project development partners (underway)





Reward is well positioned, its LD Brine SOP Project:

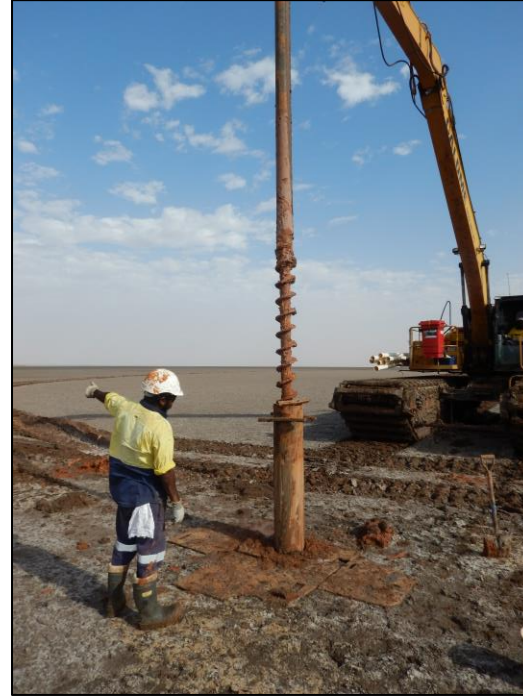
- ▶ Has Environmental Approvals and Native Title in place
 - ▶ WA State and Commonwealth Approvals (2020)
 - ▶ Mining Agreement with the Martu (2012)
- ▶ Is technically robust, backed by a
 - ▶ Conservative PFS conducted to exacting standards (2018), and
 - ▶ Underpinned by Australia's largest high-grade SOP deposit
- ▶ Has compelling returns, with
 - ▶ Scope to improve economics on multiple fronts
- ▶ Is positioned to become
 - ▶ One of the world's largest, longest-life brine SOP producers
 - ▶ In the best operating environment & a leading mining jurisdiction



Anything but disappointing.....



APPENDICES



GLOBALLY SIGNIFICANT TIER 1 RESOURCE



153 Mt Indicated & Inferred Drainable SOP Resource – Australia's largest

	Hydrostratigraphic Unit	Unit Symbol	Nominal Dimensions (m)			Volume (m³ x 10 ⁶)	Area (m² x 10 ⁶)	Assigned Specific Yield Effective Porosity (%)	SOP Brine Grade (kg/m³)	Drainable SOP (Mt)
			Top	Base	Thick.					
Accessible Zone (Indicated)	Upper lake bed sequence	Qhs & Qhl	0.5	2	1.5	1,123.5	749.0	15	13.4	2.26
	Lower lake bed sequence	Qpl	2	6	4	2,996.0	749.0	13	13.4	5.22
	Subtotal								13.4	7.48
Exclusion Zone (Indicated)	Upper lake bed sequence	Qhs & Qhl	0.5	2	1.5	738.0	492.0	15	13.4	1.48
	Lower lake bed sequence	Qpl	2	6	4	1,968.0	492.0	13	13.4	3.43
	Subtotal								13.4	4.91
Total - Shallow Resource (Indicated)									13.4	12.39
Accessible Zone (Inferred)	Weathered basement	PUw	6	80	74	55,426.0	749.0	12	11.2	74.49
	Weathered basement (sandy sections)	PUw	80	90	10	6,987.0	698.7	22	11.2	17.20
	Subtotal								11.2	91.69
Exclusion Zone (Inferred)	Weathered basement	PUw	6	80	74	36,408.0	492.0	12	11.2	48.93
	Subtotal								11.2	48.93
Total - Deep Resource (Inferred)									11.2	140.62
Total Resource (Indicated & Inferred)									11.35	153.01

Notes:

1. Total area of the lake: 1,241km²
2. Total area of the accessible zone: 749km²
3. Total area of the exclusion zone: 492km²
4. Figures have been rounded to 2 significant numbers
5. Resource compliant with JORC, CIMM and draft AMEC guidelines

PFS RESULTS – CAPITAL COSTS



Initial and Sustaining Capital Costs (LOM Real)	AUD M
Production - Trenches and Ponds	57.6
Process Plant	73.2
Infrastructure	108.8
Site Support Temporary Services	2.9
Construction Costs	59.2
Subtotal	301.7
Indirect Costs (EPC, Consultants, Commissioning)	20.0
Owners Costs	23.4
Subtotal	43.4
Total Capital Costs before Contingency	345.1
Contingency	59.9
Total Initial Capital Cost	405.0
Working Capital (Pre-Production Operating Expenses)	45.6
Total Development Capital Cost	450.6

SOURCE INFORMATION FOR INDUSTRY ECONOMIC ASSUMPTIONS



The table showing industry economic assumptions has
been sourced from the following company reports:

1. Australian Potash Ltd: AUSTRALIAN POTASH LTD ANNOUNCES DEFINITIVE FEASIBILITY STUDY OUTSTANDING OUTCOMES OVER 30 YEAR MINE LIFE, 28 August 2019.
2. Kalium Lakes Limited. Bankable Feasibility Study Completed with Exceptional Financial Outcomes, 18 September 2018.
3. Salt Lake Potash Limited. OUTSTANDING BANKABLE FEASIBILITY RESULTS FOR LAKE WAY, 11 October 2019.
4. Agrimin Limited: TARGETING THE WORLD'S LOWEST COST SOP PRODUCTION, 21 July 2020.
5. Reward Minerals Ltd.: PFS Confirms LD Project as a Globally Significant SOP Project, 1 May 2018 and LD SOP Project PFS Enhancements, 13 July 2018.

COMPLIANCE STATEMENTS



Competent person statements:

The information in this report that relates to the existing Lake Disappointment Project Mineral Resource Estimate and hydrogeology is extracted from the report titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" which was published in an ASX announcement dated 7 February 2017 and is available to view on www.rewardminerals.com. The information in the original report was based on information compiled by Mr Robert Kinnell, a hydrogeologist and Competent Person who is a Member of The Australian Institute of Mining and Metallurgy and a Fellow of the Geological Society of London. Mr Kinnell was employed by Strategic Water Management and was a consultant to Reward Minerals. He 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'. Mr Kinnell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the 2017 mineral resource announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.

The information in this presentation that relates to Brine and Sediment Assays and Analyses is based on information compiled by Mr Geoff Browne, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne is a consultant to Reward Minerals Ltd. Mr Browne 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'. Mr Browne consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Notes:

1. Refer to ASX announcement dated 7 February 2017 titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" for full details of the Mineral Resource. The Company confirms that it is not aware of any new information or data that materially affects the information included in the 2017 announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented in the original ASX announcement have not been materially modified.
2. Refer to the assumptions, sensitivities, risk factors and cautionary statements contained in ASX Announcement dated 1 May 2018, titled "PFS Confirms LD Project as a Globally Significant SOP Project" for details disclosed respectively in Table 2 (pages 4-6), Table 3 (pages 7-8) and on pages 12 and 13 of that announcement, as well the details included in the PFS Executive Summary appended thereto, which may adversely impact upon the information and forecasts in this announcement.
3. Refer to ASX announcement dated 13 July 2018 titled "LD SOP Project PFS Enhancements" for full details of the improvement in product logistics costs for the LD Project and the associated improvement in the Project's economics.
4. The Company confirms that all material assumptions and technical parameters underpinning the Lake Disappointment Project PFS and its enhancements continue to apply and have not materially changed nor been materially modified.
5. Additional information in relation to trench pumping trials, including volumes abstracted, flow rates and grades have been reported in the Company's quarterly reports published subsequent to the PFS Announcements.