

## QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020

### Highlights

29 January 2021

ASX CODE: RWD

#### DIRECTORS

Colin McCavana  
*Chairman*

Michael Ruane  
*Executive Director*

Rod Della Vedova  
*Non-Executive Director*

#### MANAGEMENT

Greg Cochran  
*Chief Executive Officer*

Bianca Taveira  
*Company Secretary*

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- **Funding:**
  - **\$3.878 million raised before costs in the 1 for 4 non-renounceable pro-rata rights issue that closed during the quarter**
  - **An additional \$560,000 was subsequently raised via the shortfall facility which closed 16 January 2021**
  - **\$472,272 received in rebate funds from the Australian Government Research and Development Incentive Program**
- **Bechtel appointed to conduct LD SOP Project PFS Review:**
  - **Renewable energy, alternative processing and logistics solutions and development schedule to be considered**
  - **Study on track for completion early in 2021**
- **Encouraging Officer Basin Exploration Results:**
  - **Second drilling campaign completed**
  - **Potash rich brine encountered in new drill holes**

### Corporate

\$4.911 million in total was raised during the quarter from the 1 for 4 non-renounceable pro-rata rights issue, the partial placement of the resulting shortfall and Research and Development rebate funds.

Expenditure by Reward during the December 2020 quarter was \$1.228 Million. Cash on hand at the end of the period was approximately \$4.652 Million. The short-term loan facility, established on an arm's length, commercial basis from Dr M. Ruane, Reward's Executive Director, remains in place but with fund raising completed is due for repayment this quarter.

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 Bechtel PFS Review on track

Reward completed a detailed, positive PFS for the LD SOP Project just over two years ago (see ASX releases dated 1 May and 13 July 2018). During the ensuing period, apart from obtaining State and Commonwealth environmental approvals, the Company has also investigated other technical developments to enhance the Project's economics.

Bechtel, one of the world's leading engineering, construction and project management companies, was engaged to review the PFS and assess new options for the Project. Leading edge renewable energy solutions, alternative processing flow sheet and logistics options and the development schedule will be reviewed and assessed. Good progress is being made and is on track to be completed in the current quarter.

## Officer Basin Exploration Program Continues

### Second drilling campaign completed

As recently reported (see ASX release dated 27 January 2021 titled “Potash Rich Brine Encountered in Three Officer Basin Drill Holes”), Reward completed three new drill holes during the period under review in its Officer Basin Exploration Program.

As in the first hole drilled in July 2020, potash rich groundwater was encountered at relatively shallow depths in this second program. Brine was intersected at depths between 18 – 87m below surface and samples were accordingly collected during the pumping of the completed drill holes to enable assays to be conducted. A summary of the assay results is presented in Table 1 below and the location of the four holes drilled to date are shown in Figure 1.

Holes OB01 and OB02 were stratigraphic drill holes targeting water soluble evaporites. OB01 was abandoned at a final depth of 419.45m due to technical difficulties. OB02 reached a final depth of 705.6m without encountering said targets. However, both holes encountered positive brine flow which gave sufficient encouragement to proceed with additional shallow holes (OB03 and OB04) south west of OB01 along seismic line N83-01 (as shown in Figure 1).

Both new holes encountered significant groundwater inflow and test bores were constructed using slotted PVC casing and gravel packing so that the aquifers could be pumped and sampled. Pumping from a depth of 35m in both holes delivered potash rich brines with compositions very similar to that intersected in OB01, as can be seen in Table 1 below.

Currently the source of the potash in the subsurface groundwater is unclear although there are indications that the total dissolved salts in the groundwater may increase with depth. As there is insufficient data to confirm this trend further pump tests are required to assess aquifer depth extent, long term yields and brine chemistry variation.

**Table 1. Assay results from Officer Basin Assays Compared to Lake Disappointment Brine**

Brine Source	Ionic Composition <sup>i</sup>								Key Ratios	
	K	SO <sub>4</sub>	K <sub>2</sub> SO <sub>4</sub> <sup>iii</sup>	Ca	Mg	Na	Cl	NaCl <sup>iv</sup>	SO <sub>4</sub> :K <sup>v</sup>	NaCl:K <sub>2</sub> SO <sub>4</sub> <sup>vi</sup>
OB01	3.85	27.42	8.59	0.69	3.23	45.14	64.26	114.7	7.1	13.3
OB03	3.80	25.50	8.47	0.75	3.28	40.65	63.15	103.3	6.7	12.2
OB04	3.85	25.65	8.59	0.75	3.27	40.93	62.78	104.0	6.7	12.1
Lake Disappointment <sup>ii</sup>	6.02	26.75	13.43	0.25	5.63	101.60	159.24	258.3	4.4	19.2

Footnotes:

- i. All units are kg/m<sup>3</sup>. Values are averages of individual analyses (see Appendix 1). K, K<sub>2</sub>SO<sub>4</sub> and NaCl are calculated values – see note iii and iv respectively. Differences may occur due to rounding.
- ii. LD Brine average from PFS Metallurgical Mass Balance data, ASX release dated 1 May 2018 (see Appendix 1).
- iii. “Equivalent SOP” calculated from potassium values (K<sub>2</sub>SO<sub>4</sub> = K x 2.23).
- iv. “Equivalent Salt” calculated from sodium values (NaCl = Na x 2.54).
- v. It should be noted that the OB brines have a considerably higher Sulphate (SO<sub>4</sub>) content per unit of K compared to typical LD brine i.e. SO<sub>4</sub>:K ratio of 6.7 – 7.1 vs 4.4 respectively. This factor is important in the recovery of SOP from the host brine upon evaporation.
- vi. This parameter indicates that the quantity of salt (NaCl) generated per tonne of SOP produced should be significantly lower for an OB brines compared to typical LD brine i.e. 12.1 - 13.3 vs 19.2 tonnes NaCl per tonne of SOP respectively.

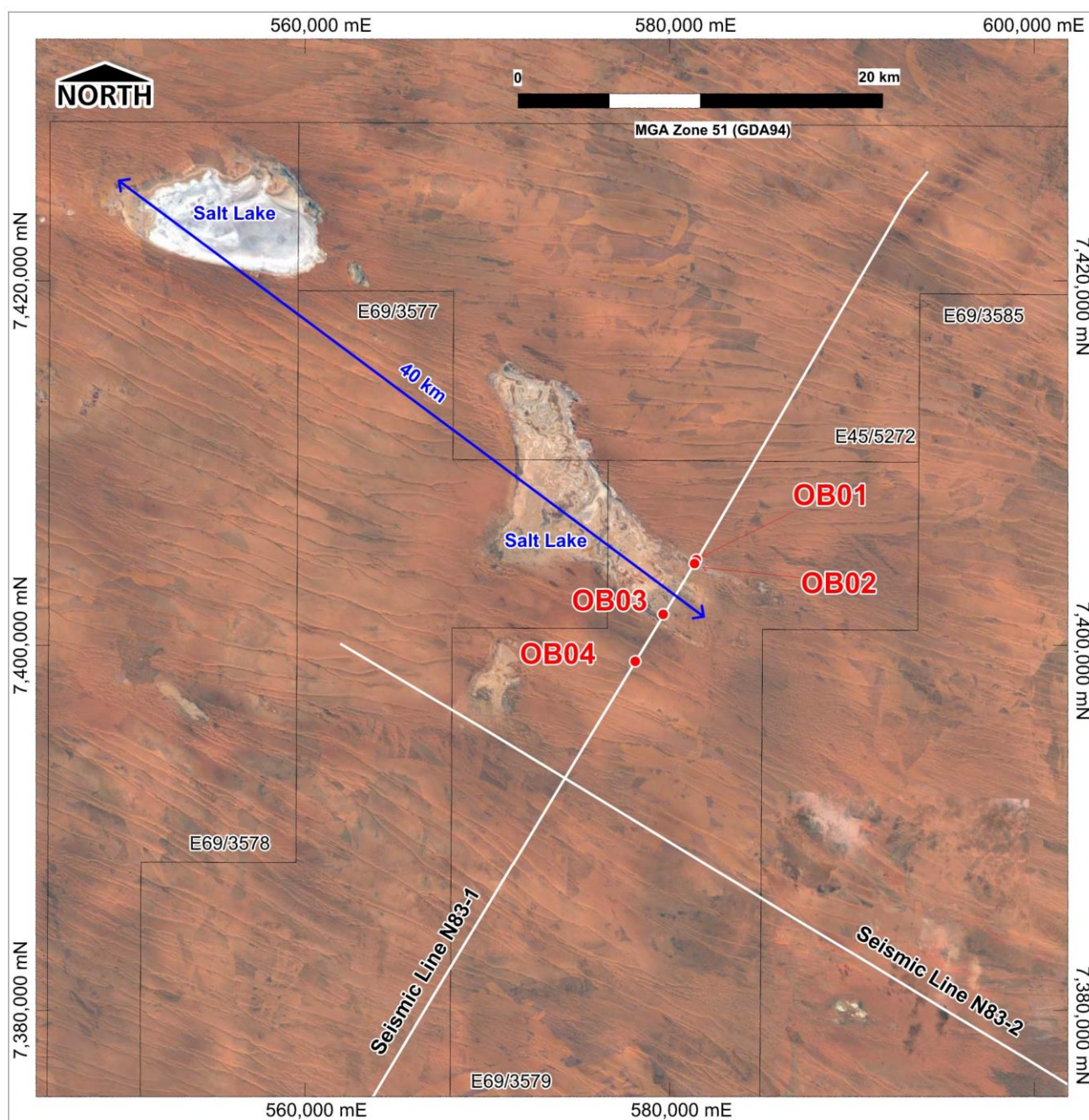


Figure 1 – Officer Basin Drill hole location plan

From interpretation of the available data, it appears that an extensive brine aquifer may exist in the region currently being targeted. Two salt lakes, highlighted in Figure 1, are over 40 km apart and there is a 20m fall in elevation from east to west. Higher potassium and sulphate grades than those encountered by Reward in its Officer Basin exploration program to date have apparently been sampled in the western (unnamed) dry lakebed, providing further encouragement.

In the upcoming field season Reward plans to conduct step-out drilling down to depths of 120 metres and test pumping to establish the aerial extent and depth of the brine field. Geophysical methods may also be employed to assist with the definition of the geometry and the size potential of this brine aquifer.



## McKay Range Farm-in and Joint Venture Agreement (McKay Range FJVA):

During the quarter, FMG Resources Pty Ltd (Fortescue) focused primarily on a review of historical data, historic drilling, and minor geological mapping activities. An Airborne EM survey was also conducted and initial processing was underway at the end of the quarter. It is anticipated that the Annual Technical presentation will take place early in 2021 once Fortescue's geologists have completed their review of the results of the survey.

Fortescue also notified Holocene (Reward's 100%-owned subsidiary that holds the JV tenements) during the quarter that its expenditure had satisfied the Minimum Obligation (\$400,000) of the McKay Range FJVA.

### ***Authorised for release by the Board of Reward Minerals Ltd***

*For further information please contact:*

**Greg Cochran**  
**Chief Executive Officer**

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### **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.

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. Key environmental approvals are in place and 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.

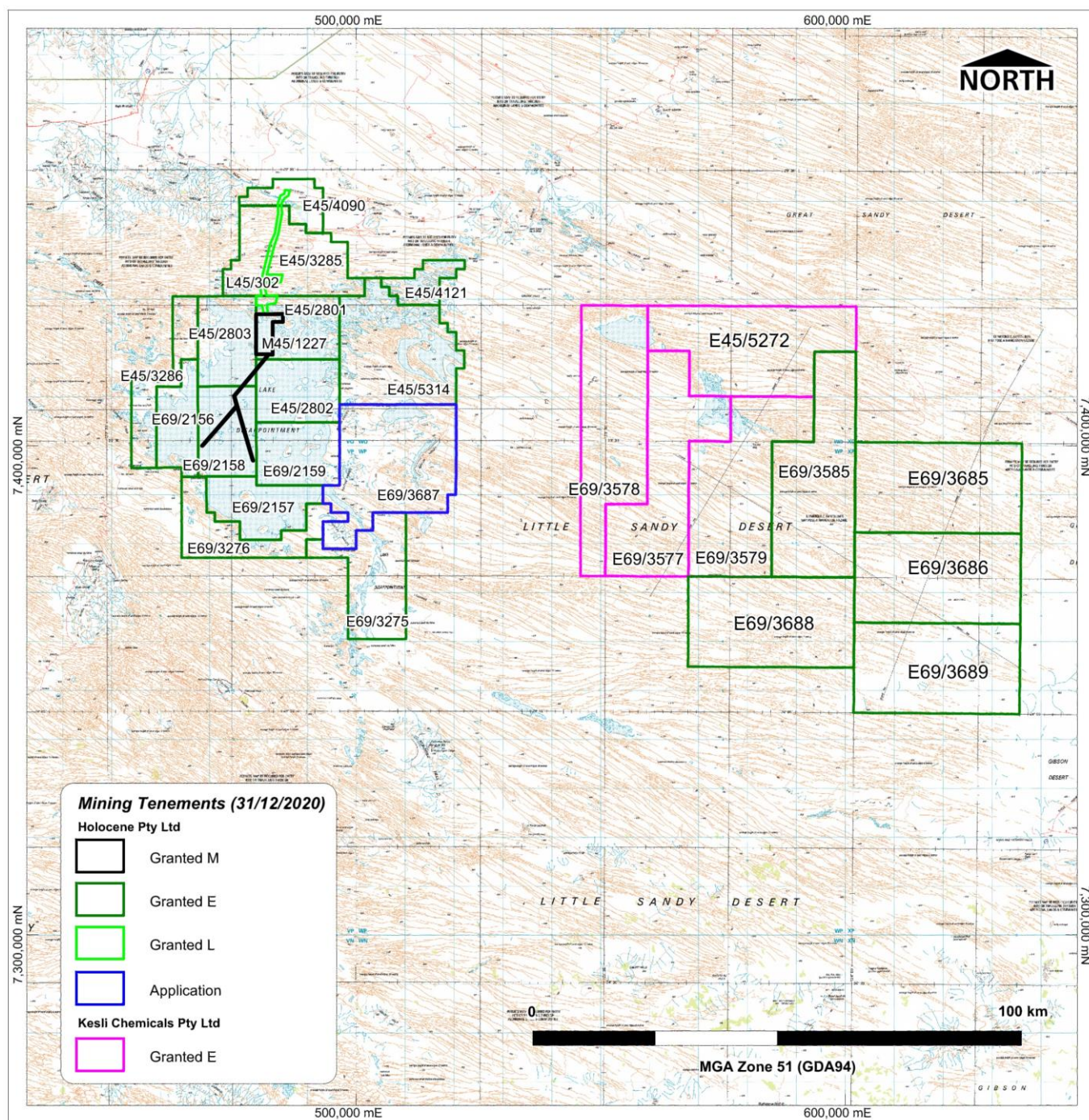


Figure 2 – Lake Disappointment and Officer Basin Tenements

## Tenement Holdings as at 31 December 2020 (See Figure 2)

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
<b>Lake Disappointment, Western Australia</b>				
E45/2801	Granted	100%	-	-
E45/2802	Granted	100%	-	-
E45/2803	Granted	100%	-	-
E45/3285 <sup>1</sup>	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090 <sup>1</sup>	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%		
<b>Midway Well, Western Australia</b>				
E45/5272 <sup>2</sup>	Granted	-	-	-
E69/3577 <sup>2</sup>	Granted	-	-	-
E69/3578 <sup>2</sup>	Granted	-	-	-
E69/3579 <sup>2</sup>	Granted	-	-	-
E69/3585	Granted	100%	-	-
E69/3586	Surrendered	-	-	100%
E69/3587	Surrendered	-	-	100%
E69/3588	Surrendered	-	-	100%
E69/3589	Surrendered	-	-	100%
E69/3685	Granted	100%	-	-
E69/3686	Granted	100%	-	-
E69/3688	Granted	100%	-	-
E69/3689	Granted	100%	-	-
<b>Balfour, Western Australia</b>				
L46/128	Pending	100%	-	-
<b>Dora, Western Australia</b>				
E45/4321	Pending	100%	-	-
E45/4488	Pending	100%	-	-

### Notes:

1. Farm-in and Joint Venture Agreement with Fortescue Metals Group Ltd to earn an 80% joint venture interest ("JV interest") in the Tenements by spending \$2 million over four years, with a minimum expenditure obligation of \$400,000. Once the \$2 million expenditure threshold has been met, a Joint Venture will be established after which both parties will either contribute to expenditure in accordance with their respective JV interests or dilute. If a party's JV interest falls below 5%, that party's JV interest will be converted to a 1% net smelter return royalty to be paid over the first five years of commercial production.
2. Tenements owned by Kesli Chemicals Pty Ltd.



## 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")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	150	150
1.2	Payments for		
	(a) exploration & evaluation	(989)	(1,962)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(82)	(294)
	(e) administration and corporate costs	(109)	(573)
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	485	590
1.8	Other – net GST (paid) / refunded	16	31
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(529)</b>	<b>(2,055)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(9)	(11)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(9)</b>	<b>(11)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,310	4,310
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	(39)	(39)
3.5	Proceeds from borrowings	-	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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,271</b>	<b>5,071</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	919	1,647
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(529)	(2,055)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(11)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,271	5,071



## 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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>4,652</b>	<b>4,652</b>

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	4,652	919
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,652</b>	<b>919</b>

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.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<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>		
7.1	Loan facilities	1,300	1,300
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	1,300	1,300
7.5	<b>Unused financing facilities available at quarter end</b>		0
7.6	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.		
	In September 2019, Dr M Ruane, Reward's Executive Director, agreed to loan the Company \$1 million. During the September 2020 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.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(529)
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)	(529)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,652
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,652
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8
	<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	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	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?	
	Answer: N/A	
	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: N/A	

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

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: N/A

*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: 29 January 2021

## 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.