

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2021

30 April 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

HEAD OFFICE

159 Stirling Highway
Nedlands WA 6009

PO Box 1104
Nedlands WA 6909

ACN 009 173 602

ABN 50 009 173 602

T: 08 9386 4699

E: admin@rewardminerals.com

W: www.rewardminerals.com

Highlights

- **Bechtel LD SOP Project PFS Review:**
 - Review completed and delivered to Reward
 - Alternative processing and logistics solutions evaluated
 - Opportunities for cost savings were identified, such as use of renewables for power (electricity) and thermal energy
 - Study concluded that from a process perspective Reward's PFS Base Case provided the best option going forward
 - Reward is reviewing the report and the likely next steps with Bechtel in advance of a detailed release
- **LD SOP Project – Major Project Status Application**
 - Reward finalised an application to the Australian Federal Government's Major Projects Facilitation Agency
 - If granted, Major Project Status will enable Reward to access Government support during the Project's funding and development phase
- **Officer Basin Exploration Program:**
 - Review of the results of the program to date and planning of the next phase continued during the quarter

Corporate

Expenditure by Reward during the March 2021 quarter was approximately \$489,000. Cash on hand at the end of the period was approximately \$4.273 Million.

Reward expected to repay the \$1.3 Million short-term loan from Dr M. Ruane, Reward's Executive Director, which was established in 2020 on an arm's length, commercial terms basis, during the quarter. (See the Appendix 5B for full disclosure of the terms of the short-term loan.) However, given that there was a \$1.253 Million shortfall in the recently completed Entitlement Issue the board consulted with Dr Ruane and he advised that he has no intention of calling up the loan unless requested to do so by the Company. The cumulative interest as at 31 March 2021 was approximately \$103,048.

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.

Bechtel Completes LD SOP Project PFS Review and Options Study

As previously announced, Bechtel, one of the world's leading engineering, construction and project management companies, was engaged to review the PFS in an options assessment for Reward's flagship LD SOP Project. Reward completed a detailed, positive PFS for the LD SOP Project in 2018 (see ASX releases dated 1 May and 13 July 2018) and subsequently investigated other technical developments to enhance the Project's economics. The appointment of Bechtel to conduct the Review and Options Study was driven by Reward's desire to have an independent engineering assessment of LD now that the Project has both State and Commonwealth environmental approvals, and prior to the commencement of the final phase of Project-related studies.

Bechtel completed its Study and delivered the final report just prior to the end of the quarter. Reward is continuing to work with Bechtel whilst conducting its internal review of the Study prior to a detailed release. In the interim it is able to provide the following details:

- In the Processing Options Analysis, Reward's "Back Mix" process was shown to be superior on a capital and operating cost basis compared to other options, such as flotation or hot or cold leach processes. Bechtel also noted that, with environmental approvals in place, the existing "Back Mix" design would ensure fastest speed to market compared to the other options considered. Bechtel's conclusion reinforces the findings of the independent process review of the LD SOP Project's flowsheet by the German potash-processing specialists Ercosplan which was conducted as a component of the pre-feasibility study. In that review, Ercosplan concluded that the flowsheet was "state of the art".
- Despite the fact that the LD SOP Project is already a predominantly solar renewable energy project in its own right, Renewable energy alternatives to supply the processing plant's power (electrical) and thermal energy requirements were investigated. Concentrated Solar Power and/or Concentrated Solar Thermal were considered and were found to be economically and environmentally superior to the PFS Base Case use of diesel power and will thus likely be adopted in a revised PFS and in the final design.
- Prior to the engagement of Bechtel Reward had confidentially been assessing the potential of various pipeline solutions for the transport of different forms of brine and/or products to dramatically lower the Project's carbon footprint and capture other multi-product benefits. In the short to medium term Bechtel concluded that the base case logistics option of trucking the SOP product to Port Hedland was the preferred option, driven primarily by two key factors, lowest capital cost and fastest time-to-market. (It is also worth noting that currently the LD SOP Project has the second shortest trucking distance to port amongst its SOP peers.)
- A number of "Blue-Sky products" were assessed at a high level but generally found not to be economically attractive considering current market prices and relatively high operating and logistics costs. Potash Magnesium currently holds some potential to be marginally feasible and Reward will continue to monitor this market given the scale of LD's resource and its magnesium content. Additional products were identified that could be considered in future but these will require further investigation and the Company remains focused on its planned production of a premium, organically certifiable SOP product.

Whilst it is conducting its internal review of the Study Reward and Bechtel are continuing to engage on the conclusions reached and the next steps to be taken to progress the Project.

One of the key recommendations by Bechtel was to conduct an independent metallurgical pilot plant campaign and update the process simulation mass balances with the resulting new test work data. This program has the potential to significantly increase the Project's overall potash recovery and will also, importantly, generate final SOP product/s that can be used as samples for evaluation by potential end-users.

LD SOP Project – Federal Government Major Project Status Application

During the quarter Reward finalised an application for Major Project Status for the LD SOP Project. The application was made to the Australian Federal Government's Major Projects Facilitation Agency, which assesses each application based on a range of criteria prior to making a recommendation to the Federal Minister for Industry, Science and Technology.

Major Project Status can be awarded to projects that are considered to be of strategic importance to Australia that must either:

- contribute significantly to economic growth, exports, employment and/or infrastructure development, and/or
- have an economic benefit to regional Australia, considering a region's investment needs.

A project that is awarded Major Project Status can receive extra support and coordinated approvals.

Whilst Reward successfully charted its own course through the federal environmental approvals process it believes that should the Project be granted Major Project Status (which is valid for three years) at this stage it will significantly assist the Company during the Project's funding and development phases. Specifically, Major Project Status would enable Reward to receive Government support from the Major Project Facilitation Agency for obtaining:

- foreign investment approval;
- import tariff concessions; and
- customs and biosecurity approvals (if required).

It may also enable Reward to receive support from Government employment and training programs as well as immigration programs.

Officer Basin Exploration Program

As reported in the previous quarterly and an ASX release dated 27 January 2021 titled "Potash Rich Brine Encountered in Three Officer Basin Drill Holes"), Reward has completed a total of four drill holes in its Officer Basin Exploration Program.

The first two holes (OB01 and OB02) were stratigraphic drill holes targeting water soluble evaporites. OB01 was abandoned at a final depth of 419.45 m due to technical difficulties whilst OB02 reached a final depth of 705.6 m without encountering water soluble evaporites. 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 (see Figure 1).

As in the first holes, a significant inflow of potash rich groundwater was encountered at relatively shallow depths between 18 – 87 m below surface in the second program. Test bores were constructed using slotted PVC casing and gravel packing and the aquifer was pumped from a depth of 35 m in both holes. Brine samples were collected during the pumping of the completed drill holes and assays were conducted, with a summary of the assay results presented in the aforementioned releases. Interestingly, the composition of the brine from OB03 and OB04 was very similar to the earlier results.

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 will be required to assess aquifer depth and extent, long term yields and brine chemistry variation.

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 20 m 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 for the continuation of the program.

Reward is still planning the next phase of the program in which it will seek to conduct step-out drilling down to depths of 120 metres and conduct 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. However, a heritage survey is likely to be required which will require engagement with the Martu people, the country's traditional owners.

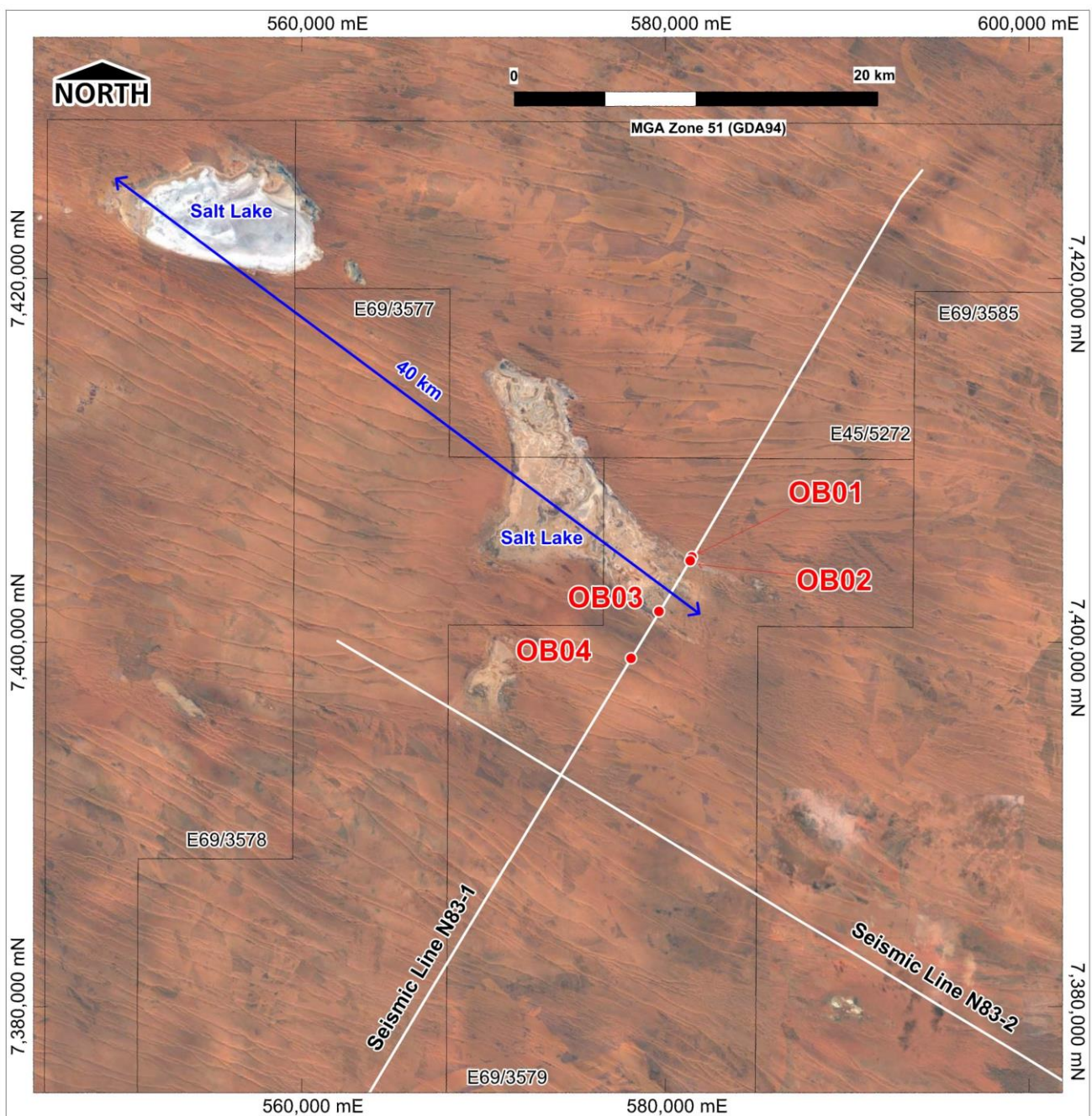


Figure 1 – Officer Basin Drill hole location plan

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

During the quarter, FMG Resources Pty Ltd (**Fortescue**) continued to focus primarily on reviewing historical data, the processing and interpretation of the McKay Range VTEM survey that was conducted in the previous quarter, and planning works for the 2021 field season.

In advance of the Annual Technical presentation Fortescue's in-house geophysics team processed and imaged the data and its geologists began interpretation of the data. Also, a packet of the survey data over tenements E45/4090 and E45/3285 (see Figure 2) was prepared by Fortescue and was provided to Reward during the quarter. The Annual Technical presentation by Fortescue's exploration team proceeded shortly after the end of the quarter based on their review and interpretation of the results of the VTEM survey.

Fortescue's cumulative combined expenditure incurred for both tenements since execution of the McKay Range FJVA now exceeds \$506,000 and as reported in the previous quarter, Fortescue has already satisfied the \$400,000 Minimum Obligation.

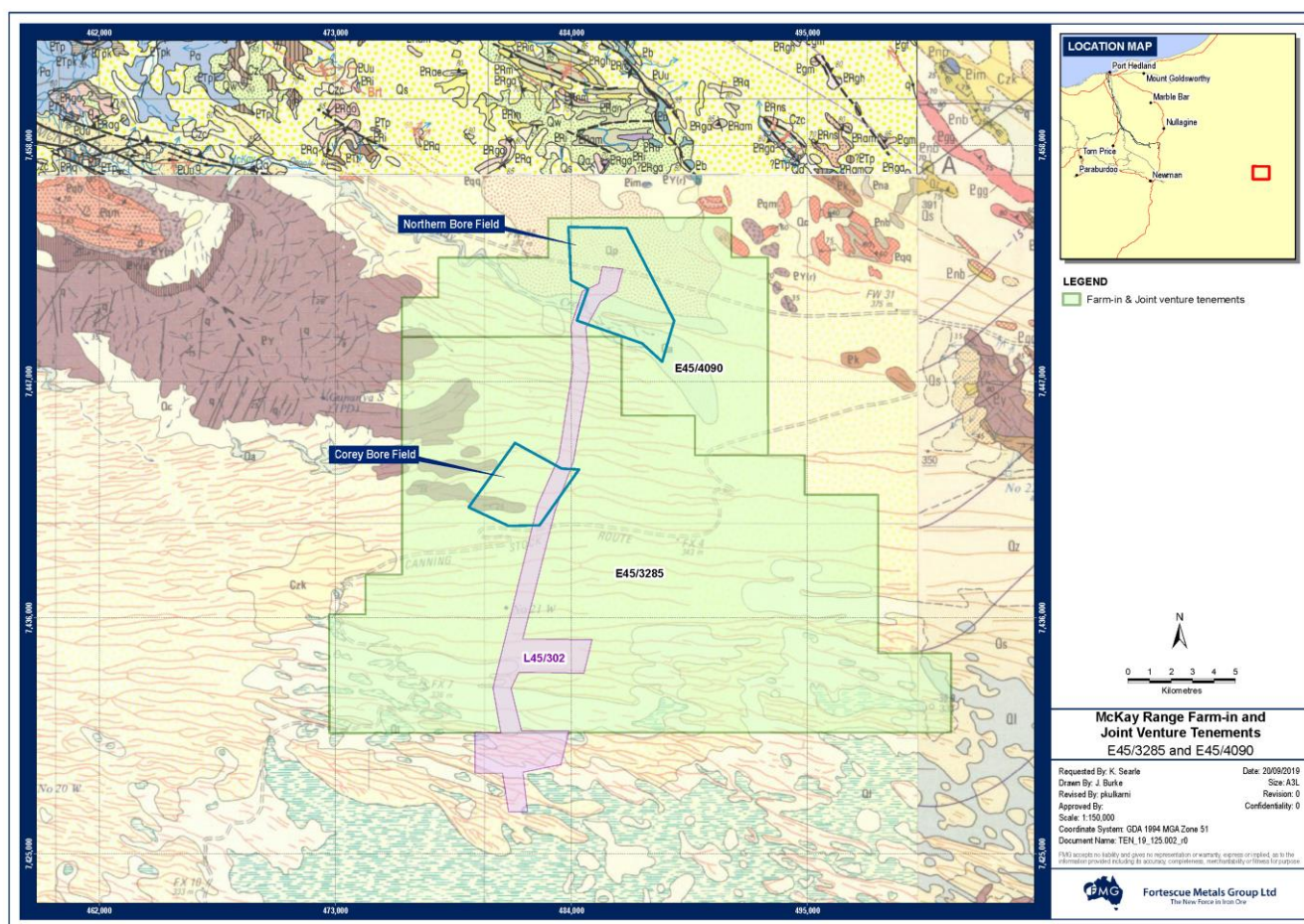


Figure 2 – Officer Basin Drill hole location plan

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. Key environmental approvals are in place and development can commence on completion of final feasibility studies, secondary regulatory approvals and achievement of funding.

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.

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.

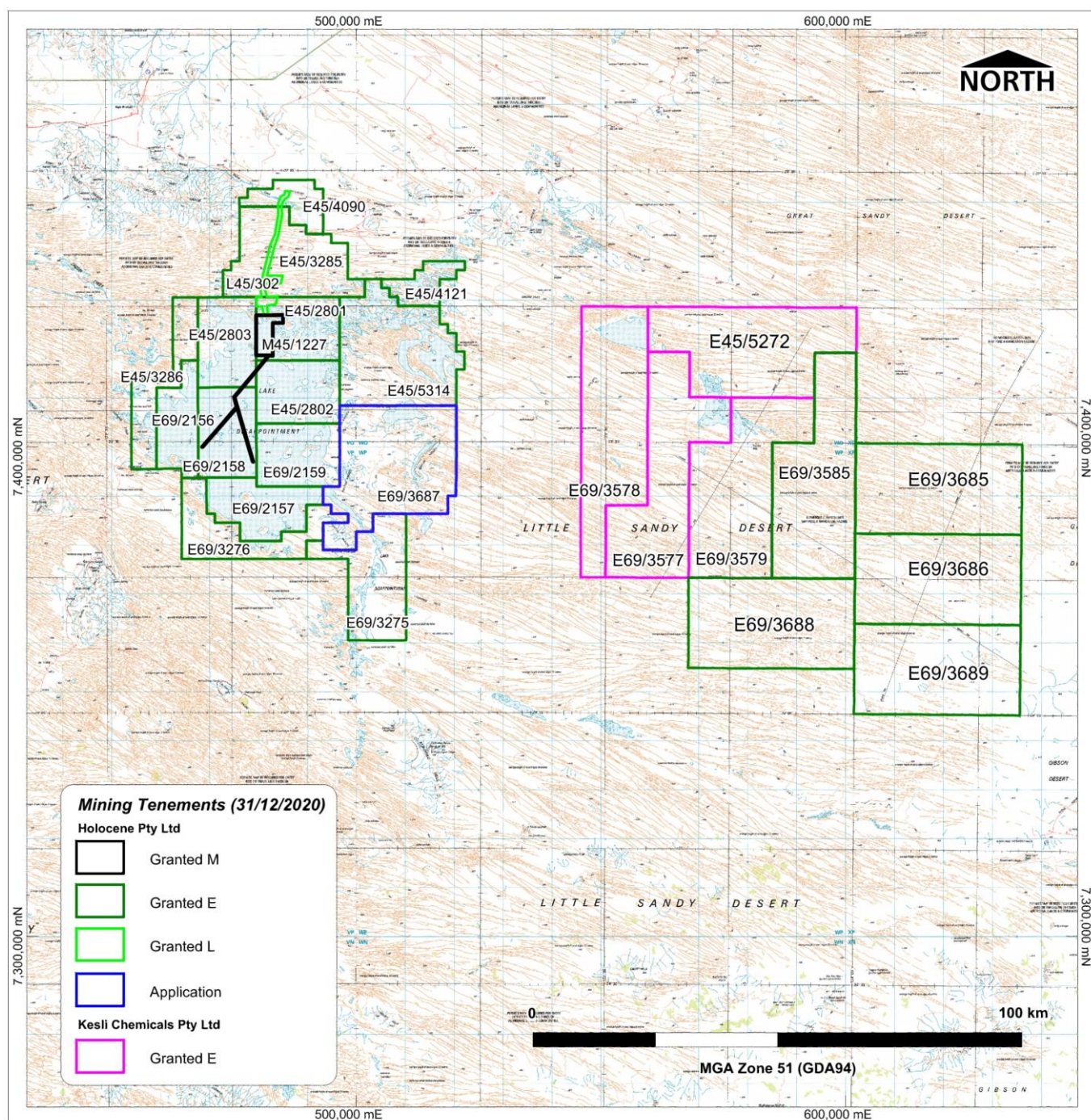


Figure 3 – Lake Disappointment and Officer Basin Tenements

Tenement Holdings as at 31 March 2021 (See Figure 3)

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 ¹	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090 ¹	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%		
Midway Well, Western Australia				
E45/5272 ²	Granted	-	-	-
E69/3577 ²	Granted	-	-	-
E69/3578 ²	Granted	-	-	-
E69/3579 ²	Granted	-	-	-
E69/3585	Granted	100%	-	-
E69/3685	Granted	100%	-	-
E69/3686	Granted	100%	-	-
E69/3688	Granted	100%	-	-
E69/3689	Granted	100%	-	-
Balfour, Western Australia				
L46/128	Pending	100%	-	-
Dora, Western Australia				
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.