

# REWARD MINERALS LIMITED



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

***Annual General Meeting  
28 May 2021***



REWARD  
MINERALS LTD

ASX | RWD  
[www.rewardminerals.com](http://www.rewardminerals.com)



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- ▶ **Corporate Snapshot**
- ▶ **2020 Highlights**
- ▶ **2021 Progress to date**
- ▶ **Some LD Project Perspectives**
- ▶ **Officer Basin Update**
- ▶ **Looking forward...**

# REWARD CORPORATE SNAPSHOT



## Capital Structure 26 May 2021

ASX:RWD

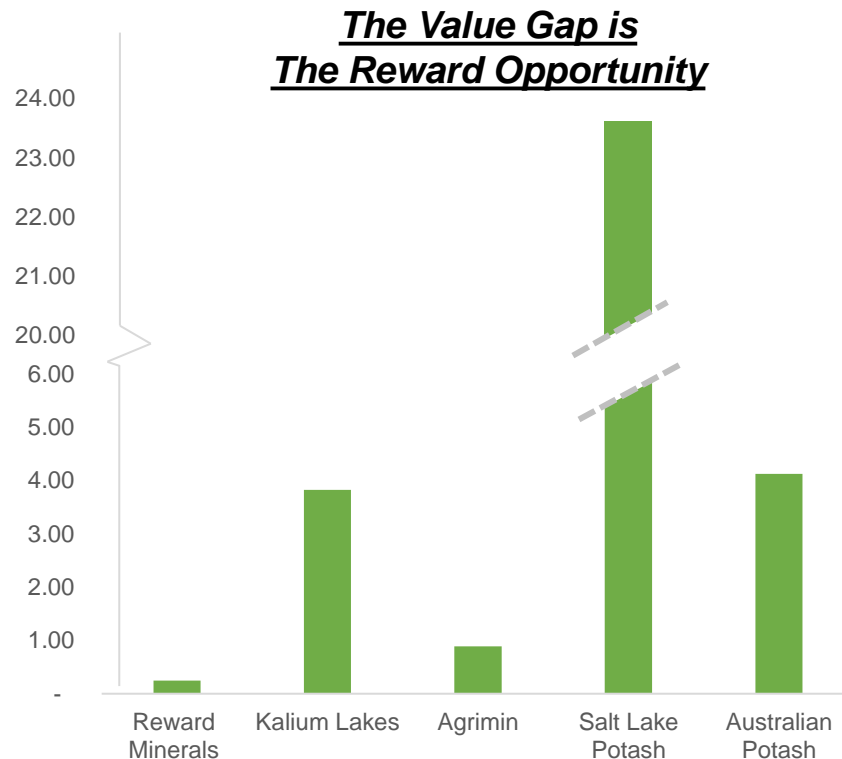
Ordinary Shares on Issue	194.5m
Rights and Options on Issue	31.1m
Share Price	\$0.13
Undiluted Market Capitalisation	\$25.3m
Short Term Debt	~\$1.3m
Cash & Equivalents	~\$4.0m
Undiluted Enterprise Value	\$22.3m

## Major Shareholders

Name	Shares (m)	%
Ruane Combined Holdings	70.869	36.4
Brooks Combined Holdings	8.288	4.3
Horizon Minerals	7.151	3.7
Top 20	122.938	63.2



## EV to Drainable SOP Resource Tonne (as at 30/11/20)



# 2020 HIGHLIGHTS – LANDMARK APPROVALS



## *Cautious and consistent progress whilst still preserving cash*

### WA Ministerial Environmental Approval (3 June)

- ▶ Momentous Project milestone achieved
- ▶ Culmination of 4-year assessment and 7-year process
- ▶ First SOP Project to achieve approval via “Public Review” Assessment

### Commonwealth EPBC Act Approval (1 October)

- ▶ Project Approval for full production for a 40-year mine life
- ▶ 4-year assessment (but impact studies commenced in 2012)
- ▶ LD is the only Australian SOP Project with this level of environmental approval

### Bechtel Commences LD Project Review (14 October)

- ▶ Evaluate leading edge renewable energy solutions
- ▶ Assess various processing and flow sheet options
- ▶ Review development schedule and consider alternative logistics solutions

### Entitlement Issue completed (16 October)

- ▶ Take-up of 68% from existing shareholders
- ▶ \$3.9 M raised
- ▶ \$1.8 M shortfall to be placed within 3 months

# 2021 PROGRESS TO DATE



## *Continuing to make progress...*

- ▶ Entitlement Issue Shortfall Closed 14 January
  - ▶ Additional \$0.56 M
  - ▶ Final total raised \$4.4 M
- ▶ LD Project Review Completed 31 March
  - ▶ Back-mix is a superior process
  - ▶ Renewable energy use will reduce power costs
  - ▶ Recovery increase likely
  - ▶ Final independent metallurgical pilot scale test recommended





## *Conclusions were generally positive:*

- ▶ Back-mix is a superior process (compared to flotation, used by RWD's peers) which should enable lower Capex & Opex Costs & better Environmental outcomes (as no reagents are used)
- ▶ Significant increase in overall recovery likely as RWD's PFS assumptions were highly conservative
- ▶ Renewable energy penetration will reduce power costs
- ▶ Product trucking is the most cost-effective logistics solution in the short to medium term

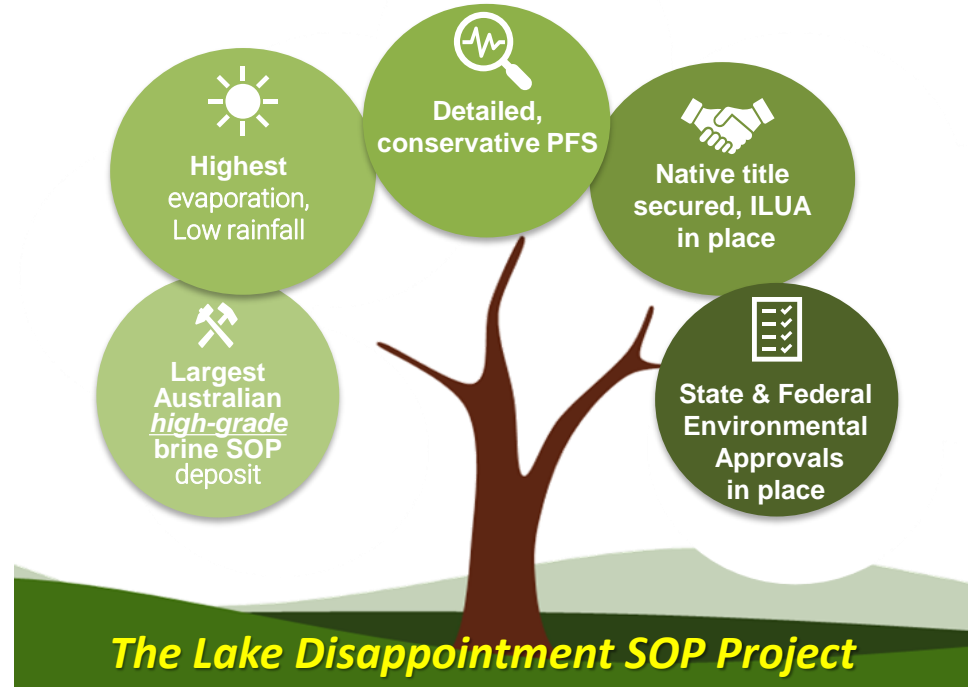
## *Recommendations made:*

- ▶ Conduct final independent metallurgical pilot scale test
- ▶ Review Project mass balance pending outcome of pilot metallurgical tests (Recovery)
- ▶ Commission independent logistics study (to update PFS trucking and ship loading costs)
- ▶ Complete the resource conversion process to define a reserve

# THE LAKE DISAPPOINTMENT SOP PROJECT



*Only SOP Project with State & Federal Environmental Approval for full production for Life of Mine*







**Lake Disappointment is 866 km from Port Hedland**

**Location and port:  
Is the Project's  
location and chosen  
export port a  
disadvantage?**

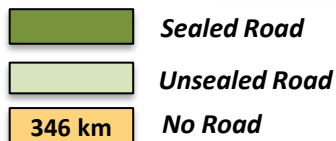
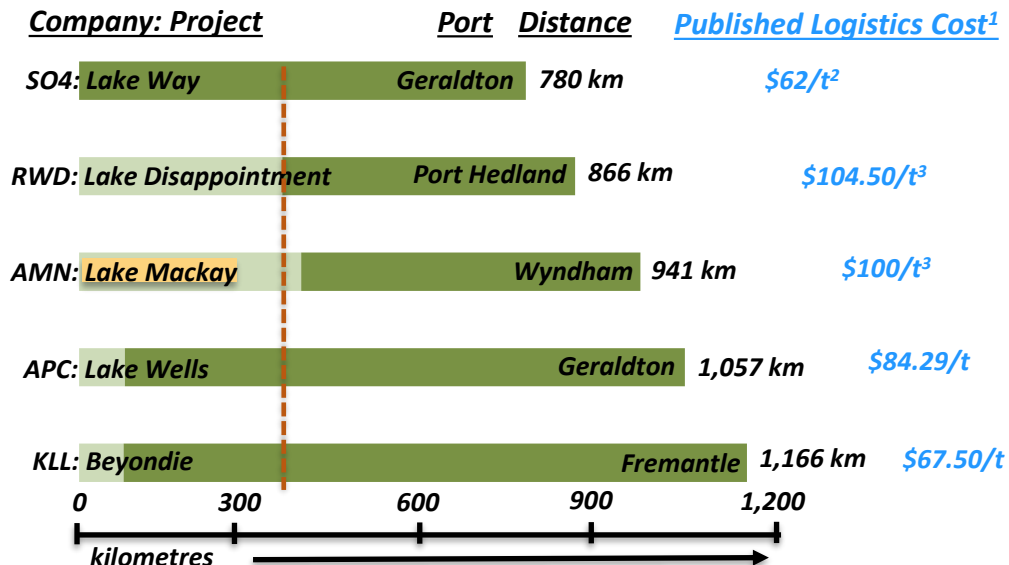


# PEER COMPARISON – TRUCKING DISTANCES



## WA SOP Projects: Relative Logistics Costs

Location/Logistics have often been cited as one of the Project's disadvantages\* – but impartial analysis raises a different question...

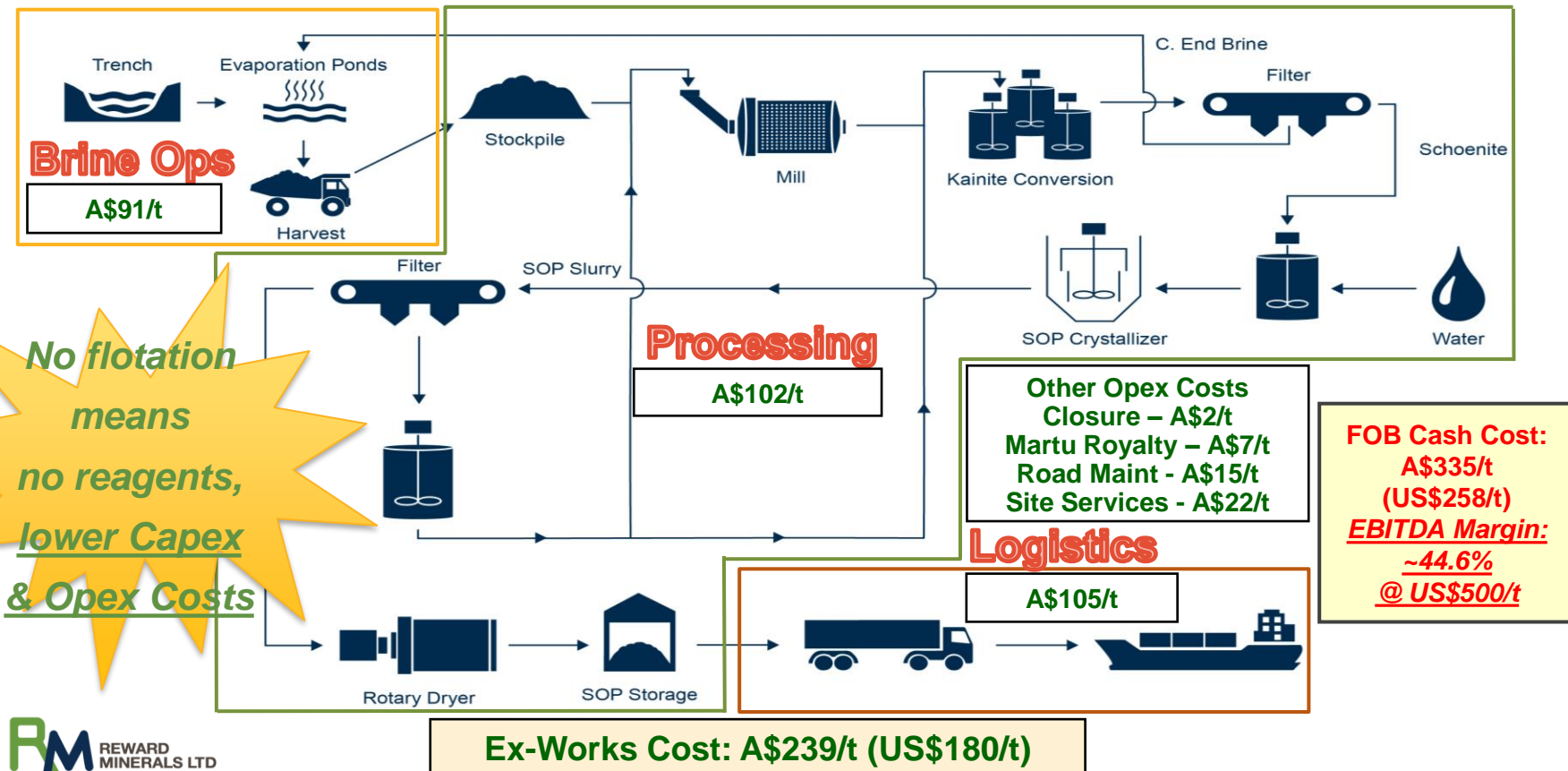


### Notes:

1. Logistics Cost includes trucking and ship loading, i.e. "FOB" Costs, as published in the Companies' ASX releases
2. The SO4 logistics cost is as per its Lake Way DFS
3. RWD & AMN published trucking & port handling costs separately

\*An old research report claimed:  
"The LD Project is remote"

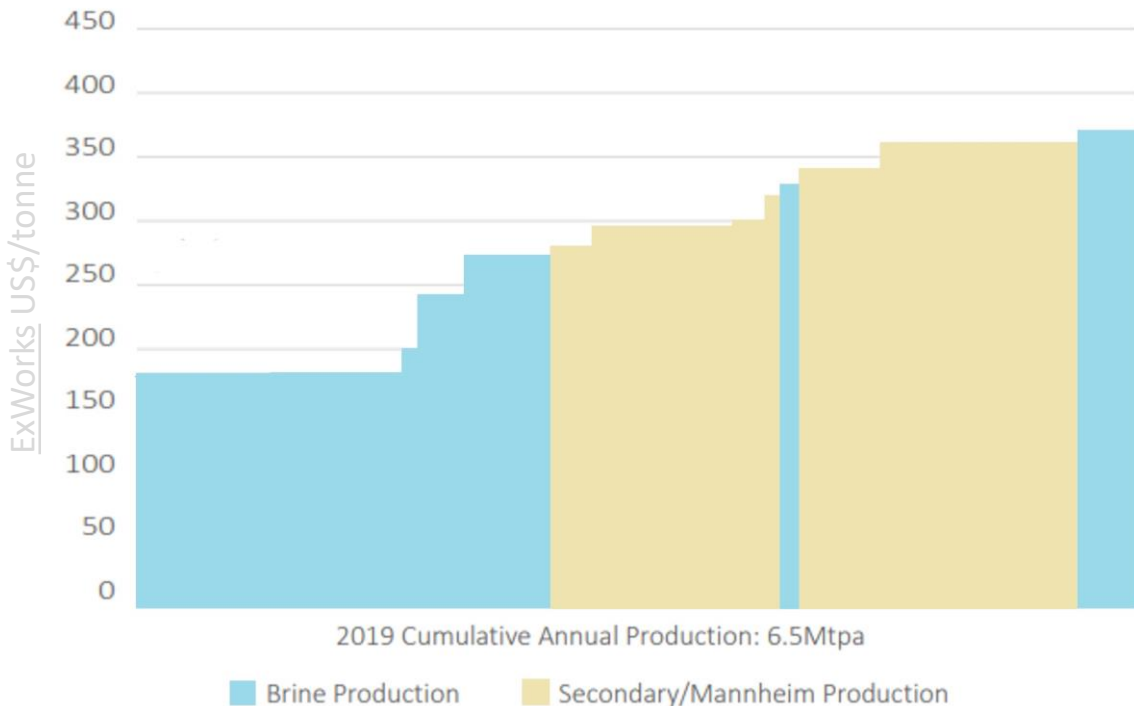
# A SUPERIOR PROCESS



# GLOBAL COST CURVE



*Will LD and the other Australian SOP Producers be Competitive?*



# LD HAS COMPELLING RETURNS....



## Project Returns

- Pre-tax: Real NPV<sub>8</sub> – \$518 M, IRR – 19%
- Post-tax: Real NPV<sub>8</sub> – \$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

**....despite Reward's conservative approach**



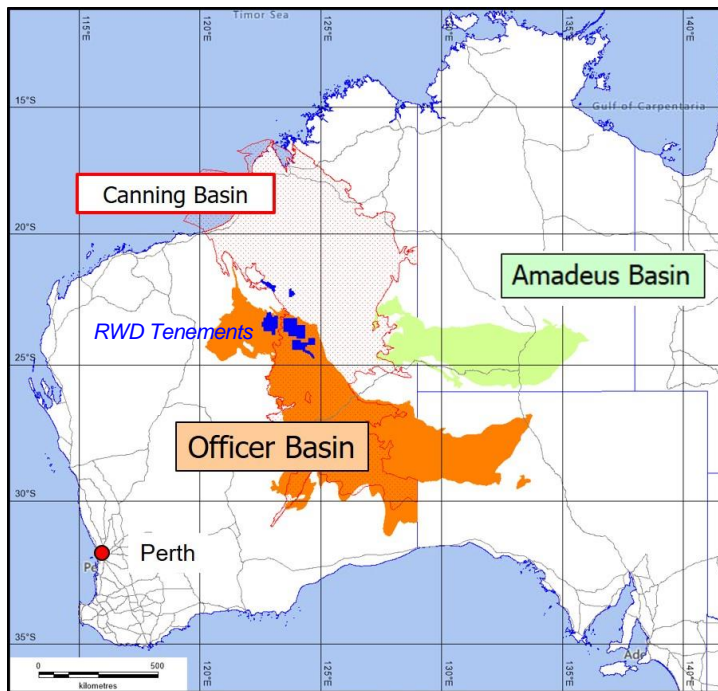
## *OFFICER BASIN UPDATE*



# OFFICER BASIN EXPLORATION UPDATE



*Shallow SOP mineralisation is the target*



- ▶ Gibson Desert, ~400km east of Newman
- ▶ Limited oil/gas exploration historically
- ▶ Officer, Canning and Amadeus Basins are large Sedimentary Evaporite Basins
- ▶ Browne is the host formation for evaporites in the Officer Basin
- ▶ Seismic data indicates near surface Browne formation evaporites over a wide area of Officer Basin
- ▶ The Browne Formation could be the source of WA's palaeovalley brine SOP deposits

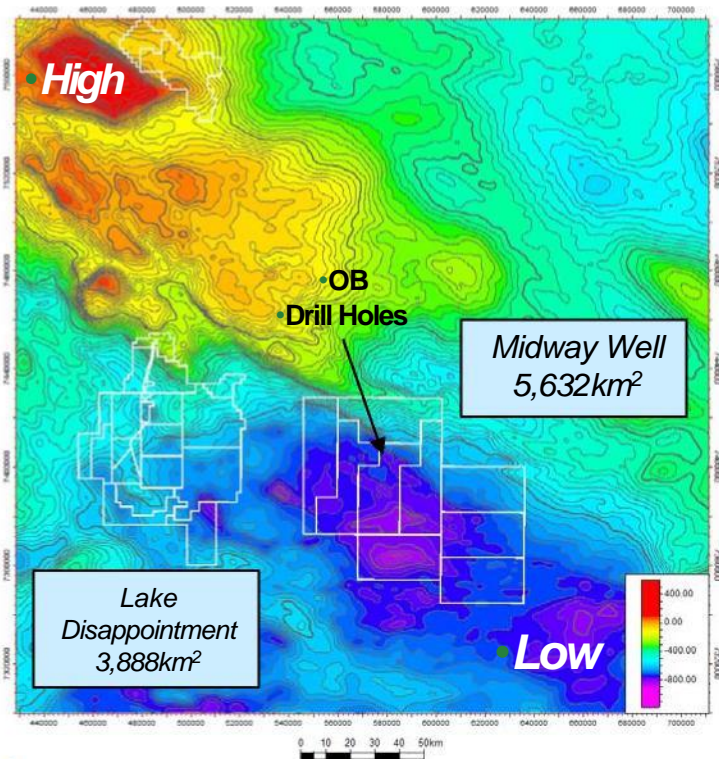
*The discovery of shallow potash deposits in Officer Basin could make Reward's LD Project the Patience Lake\* of Western Australia: i.e. the first of numerous potash mines in the region*



# GIBSON AREA CONTEXT



## Midway Well Prospect: Targeting shallow SOP mineralisation

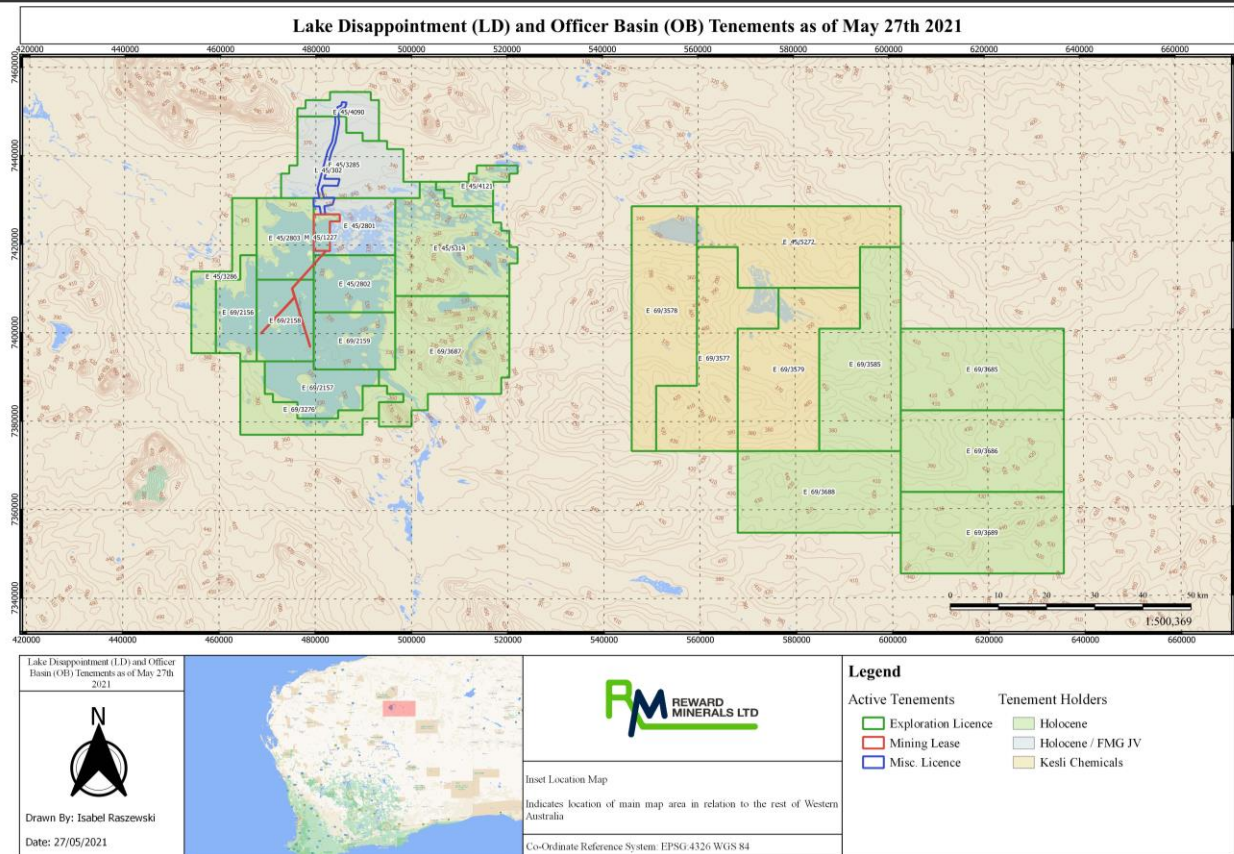


- ▶ In the Gibson area of the Western Officer Basin over 250,000km<sup>2</sup> of the Browne Formation occurs at shallow depth and outcrops in numerous locations
- ▶ Erosion of the outcropping Browne Evaporites could be the source of WA's palaeovalley brine SOP deposits such as Lakes Disappointment, Dora and Auld
- ▶ These deposits are high in Sulphate thus implying that the Browne Formation in the Gibson area has the potential to host deposits similar to the Danakil depression in Eritrea
- ▶ The Danakil mineral suite includes the high Sulphate mineral Kainite and hosts over 6 billion tonnes of Potash evaporites amenable to open pit mining

*The region contains numerous structural targets within the Browne Formation that are defined by seismic and (limited) historical drilling data from the Officer Basin*



# OFFICER BASIN & LAKE DISAPPOINTMENT TENEMENTS

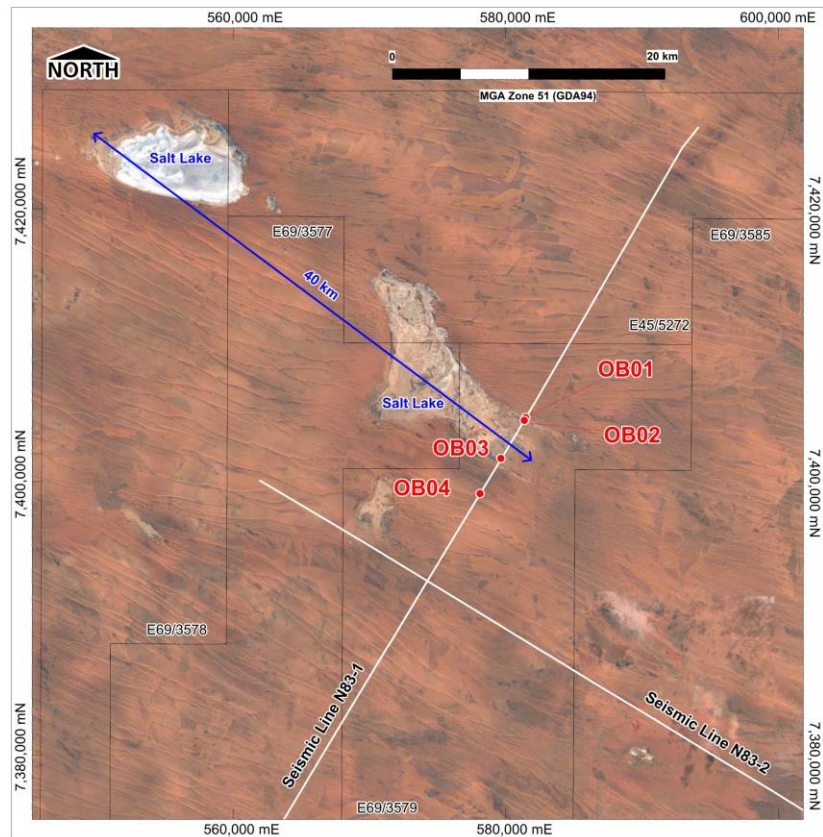


# GIBSON SUB BASIN – INITIAL TARGET AREA



## OB Drill Holes at 31.12.20

	<u>Hole ID</u>	<u>Depth (m)</u>
•	OB001	419
•	OB002	706
•	OB003	80
•	OB004	108

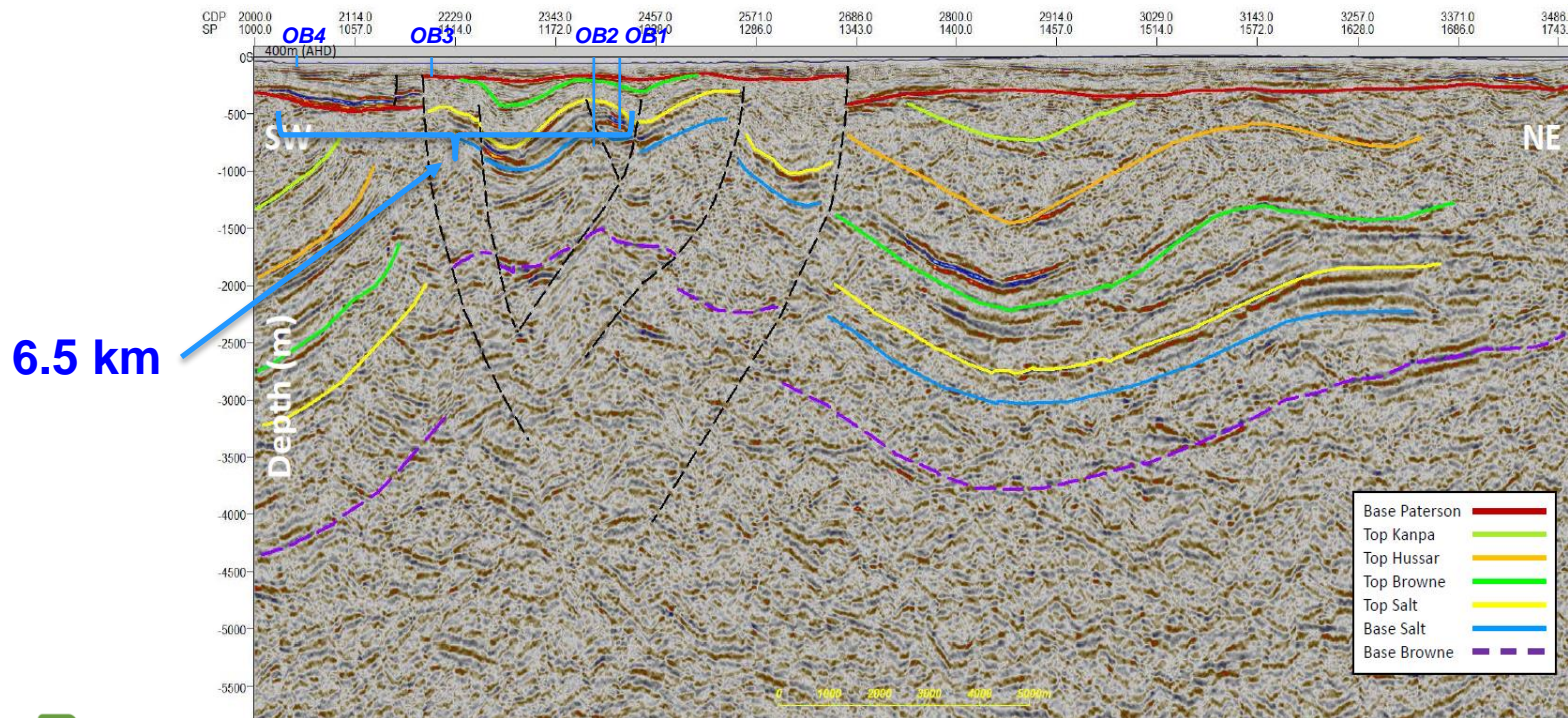




# MIDWAY WELL SEISMIC SECTION – N83-1



## Targeting shallow SOP mineralisation



# EARLY SUCCESS AT MIDWAY WELL



- ▶ Potash-rich groundwater intersected in all holes
- ▶ Brine encountered between 29 – 87 metres below surface in holes OB001-4
- ▶ Assays shows encouraging grade with high  $K_2SO_4$ : NaCl ratios

Brine Source	Ionic Composition <sup>i</sup>								Key Ratios	
	K	SO <sub>4</sub>	K <sub>2</sub> SO <sub>4</sub>	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>
OB001	3.85	27.42	8.59	0.69	3.23	45.14	64.26	114.7	7.1	13.3
OB003	3.80	25.50	8.47	0.75	3.28	40.65	63.15	103.3	6.7	12.2
OB004	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

i. All units are kg/m<sup>3</sup>.

ii. LD Brine average from PFS Metallurgical Mass Balance data, ASX release dated 1 May 2018.

iii. "Equivalent SOP" calculated from potassium values ( $K_2SO_4 = K \times 2.23$ ).

i. "Equivalent Salt" calculated from sodium values ( $NaCl = Na \times 2.54$ ).

ii. 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.

iii. 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.



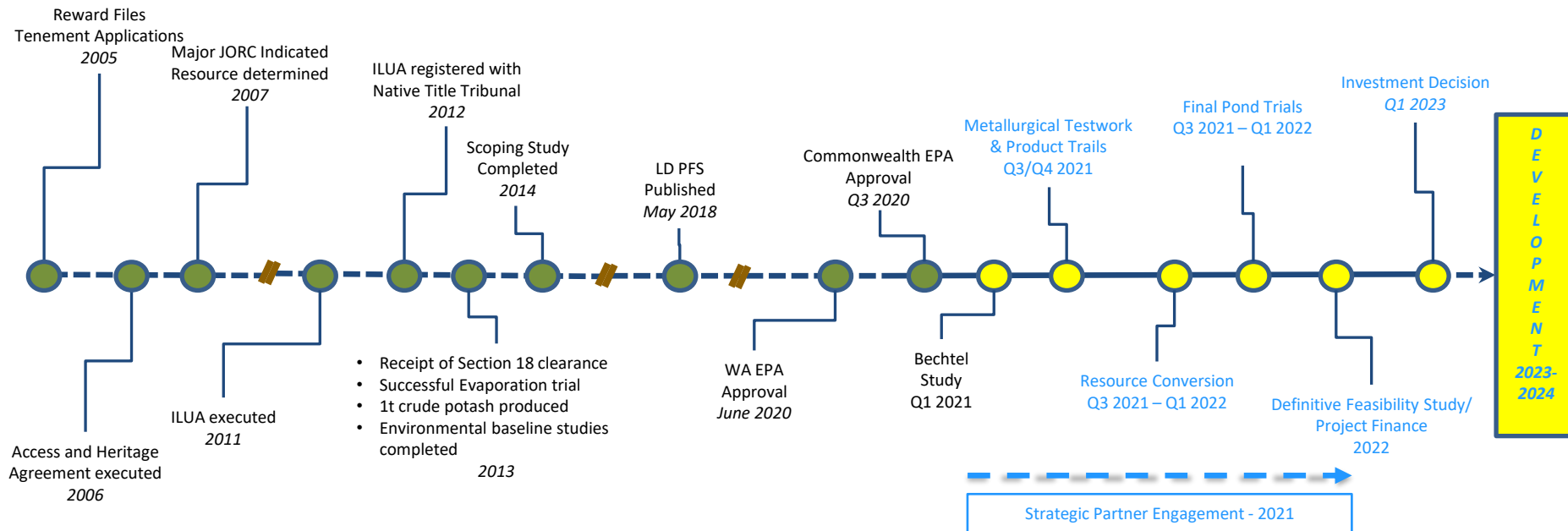
## *WHATS NEXT FOR LD?*



# LOOKING TO THE FUTURE...



*Reward has successfully overcome many challenges over time...*



*And will continue to cautiously progress the LD Project ...*

**RM** REWARD MINERALS LTD





## *Reward is well positioned, its LD Brine SOP Project:*

- ▶ Has Environmental Approvals and Native Title in place
  - ▶ WA State and Commonwealth Approvals
  - ▶ Full Mining Agreement in place with the Martu Traditional Owners
- ▶ Is technically robust, backed by a
  - ▶ Conservative PFS conducted to exacting standards
  - ▶ 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

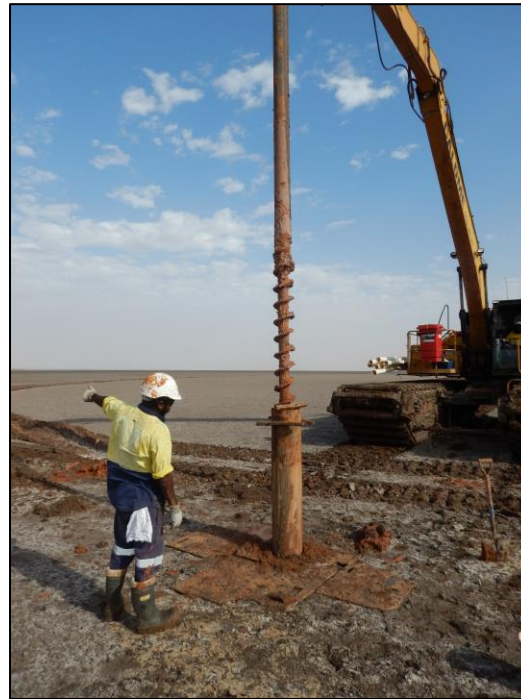


*Questions?*





# APPENDICES



# GLOBALLY SIGNIFICANT TIER 1 RESOURCE



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

	Hydrostratigraphic Unit	Unit Symbol	Nominal Dimensions (m)			Volume (m <sup>3</sup> x 10 <sup>6</sup> )	Area (m <sup>2</sup> x 10 <sup>6</sup> )	Assigned Specific Yield Effective Porosity (%)	SOP Brine Grade (kg/m <sup>3</sup> )	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: 1,241km<sup>2</sup>
2. Total area of the accessible zone: 749km<sup>2</sup>
3. Total area of the exclusion zone: 492km<sup>2</sup>
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
<b>Subtotal</b>	<b>301.7</b>
Indirect Costs (EPC, Consultants, Commissioning)	20.0
Owners Costs	23.4
<b>Subtotal</b>	<b>43.4</b>
<b>Total Capital Costs before Contingency</b>	<b>345.1</b>
Contingency	59.9
<b>Total Initial Capital Cost</b>	<b>405.0</b>
Working Capital (Pre-Production Operating Expenses)	45.6
<b>Total Development Capital Cost</b>	<b>450.6</b>

# SOURCES INFORMATION FOR PEER COMPARISONS



## 1. Australian Potash Ltd:

- Australian Potash Ltd Announces Definitive Feasibility Study Outstanding Outcomes Over 30 Year Mine Life, 28 August 2019
- Front End Engineering Design (FEED) positions K-Brite™ at the Premium End of the Global SOP Market, 20 April 2021

## 2. Kalium Lakes Limited:

- Bankable Feasibility Study Completed with Exceptional Financial Outcomes, 18 September 2018.
- Project Update and A\$61 million Equity Raising, 21 May 2020

## 3. SO4/Salt Lake Potash Limited:

- Outstanding Bankable Feasibility Results for Lake Way, 11 October 2019
- Institutional Placement to enable final Debt Drawdown, 24 May 2021

## 4. Agrimin Limited:

- Targeting the World's Lowest Cost SOP Production, 21 July 2020
- Bell Potter Unearthed Natural Resources Conference, February 2021

# REWARD RELEASES QUOTED



## *Sources of Reward information for information contained in this presentation:*

- **PFS Confirms LD Project as a Globally Significant SOP Project**  
See Reward release dated 1 May 2018
- **LD SOP Project PFS Enhancements**  
See Reward release dated 13 July 2018
- **Infill Drilling Program Assay Results Confirms Excellent Shallow Grade Profile**  
See Reward Quarterly for the period ending 31 March 2019, published 30 April 2019
- **WA Minister for Environment Approves LD for development**  
See Reward release dated 4 June 2020, titled “LD Project: WA State Environmental Minister Approves Project Implementation”
- **Early Officer Basin Success**  
See Reward release dated 21 July 2020, titled “Potash rich brine encountered in first hole in Officer Basin”
- **LD Potash Project Commonwealth Environmental Approval**  
See Reward release dated 2 October 2020, titled “Commonwealth Environmental Approval for LD Potash Project”
- **Bechtel PFS Review**  
See Reward release dated 14 October 2020, titled “Bechtel Commences PFS Review of Lake Disappointment Potash Project”
- **Entitlement Issue**  
See Reward release dated 21 October 2020, titled “Completion of Non-Renounceable Pro-Rata Rights Issue”

# 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](http://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.



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