

## QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2021

27 October 2021

ASX CODE: RWD

### DIRECTORS

Colin McCavana  
*Chairman*

Michael Ruane  
*Executive Director*

Rod Della Vedova  
*Non-Executive Director*

### MANAGEMENT

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](mailto:admin@rewardminerals.com)

W: [www.rewardminerals.com](http://www.rewardminerals.com)

### Highlights

- **Officer Basin Phase 1 Drilling Recommended**
- **Heritage Clearance obtained for Phase 2 Drilling at Officer Basin Project (11 Holes)**
- **Heritage Clearance Survey undertaken within the Mackay Range JV area in preparation for drilling (FMG)**
- **R&D Incentive Scheme funds of \$268,000 received**

### Corporate Activities

Expenditure by Reward Minerals Limited (“Reward” or “the Company”) during the September 2021 quarter was approximately \$860,000. This expenditure was partly offset by income of \$405,000 which included \$268,000 R&D incentive scheme rebate.

Available cash at the end of the period was approximately \$3.27 million. This sum includes the \$1.3 million loan facility provided by Director, Dr M Ruane which has been fully drawn down. Interest accumulated on the loan to 30 September 2021 was \$151,932.

In accordance with ASX Listing Rule 5.3.1, as disclosed in the Cashflow Report (item 1.2(a)), Reward’s exploration expenditure for the quarter was approximately \$560,000. Details of the exploration activities underlying this expenditure is set out below.

In accordance with ASX Listing Rule 5.3.5, \$17,000 was paid to related parties or their associates during the quarter, comprising of Director fees.

Dr Michael Ruane is continuing as interim CEO pending appointment of a new CEO when available.

### Kumpupintil Lake Potash Project (“KP”) Activities

A low level of activity occurred at the Kumpupintil Lake Potash Project during the quarter.

The KP Exploration Camp is being utilised as a base for some of Reward’s Officer Basin exploration activities and by FMG Resources Pty Ltd (“FMG”) for its activities relating to the Mackay Range Farm-In Joint Venture with Reward.

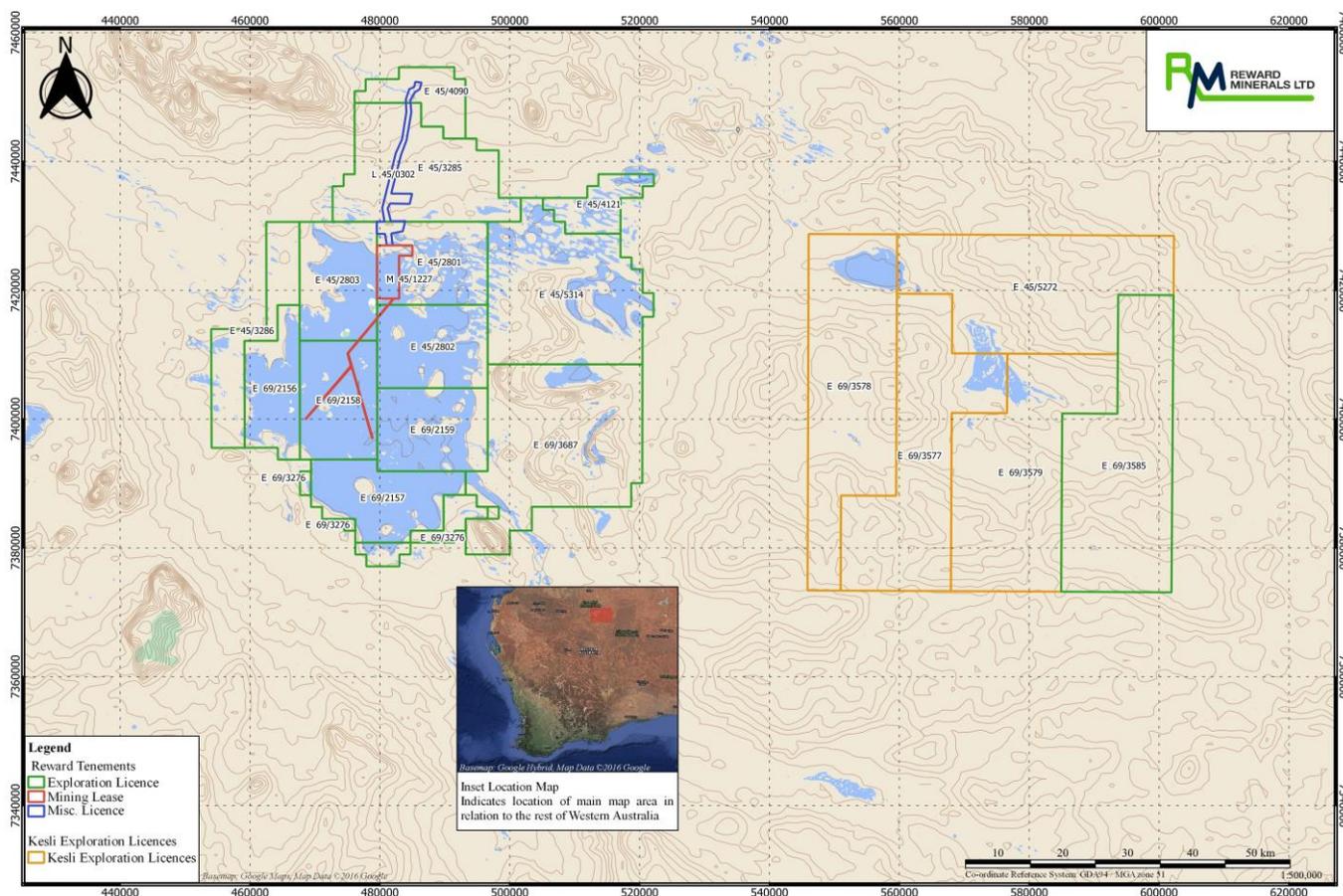
Works on KP during the quarter relate to a revision of the Project’s Pre-Feasibility Study (“PFS”) by Northshore Capital Advisors Pty Ltd, aimed at enhancing the Project’s economics following recommendation from the Trade Off Study by Bechtel Australia Pty Ltd earlier in 2021. The Northshore PFS revision was delayed whilst further metallurgical testwork was undertaken and due to time commitments by Northshore on other projects.

An outline of Key Parameters from Northshore has now been received. Reward will evaluate and incorporate these into the new PFS model in order to advance the PFS revision in a reasonable timeframe.

## Officer Basin Potash Project (“OB”)

Reward has a large (~3,100 km<sup>2</sup>) tenement holding in the Officer Basin region located 100 km east of its Kumpupintil Lake Potash Project (Figure 1).

Figure 1 – Officer Basin (right) and Kumpupintil Lake (left) Tenements



The OB exploration concept is based on the potential for Potash mineralisation to occur at shallow depths in the Browne Formation evaporites, known to cover a very large area in the Officer Basin.

### Phase 1 Drilling Completion

Reward drilled core holes OB001 and OB002 to depths of 419 m and 706 m respectively during 2020 without intersecting anticipated solid (soluble) evaporites. See Figure 2.

Two subsequent holes (OB003 and OB004) were drilled to shallow depths only, to assess the potential of the brine aquifer discovered in the initial holes. The brine encountered during pumping of the completed drill holes contained significant Potassium and Sulphate values - see ASX release dated 27 January 2021 and Table 1.

The lateral extent of the transect covered by holes OB001 - OB004 along Seismic Line N83-01 is 6.5 km.

Reward is now drilling OB005 along the same transect, which increases this coverage to 9.7 km (see Figure 2).

Figure 2 – Seismic Line N83-01 Interpretation, Reprocessed – Officer Basin

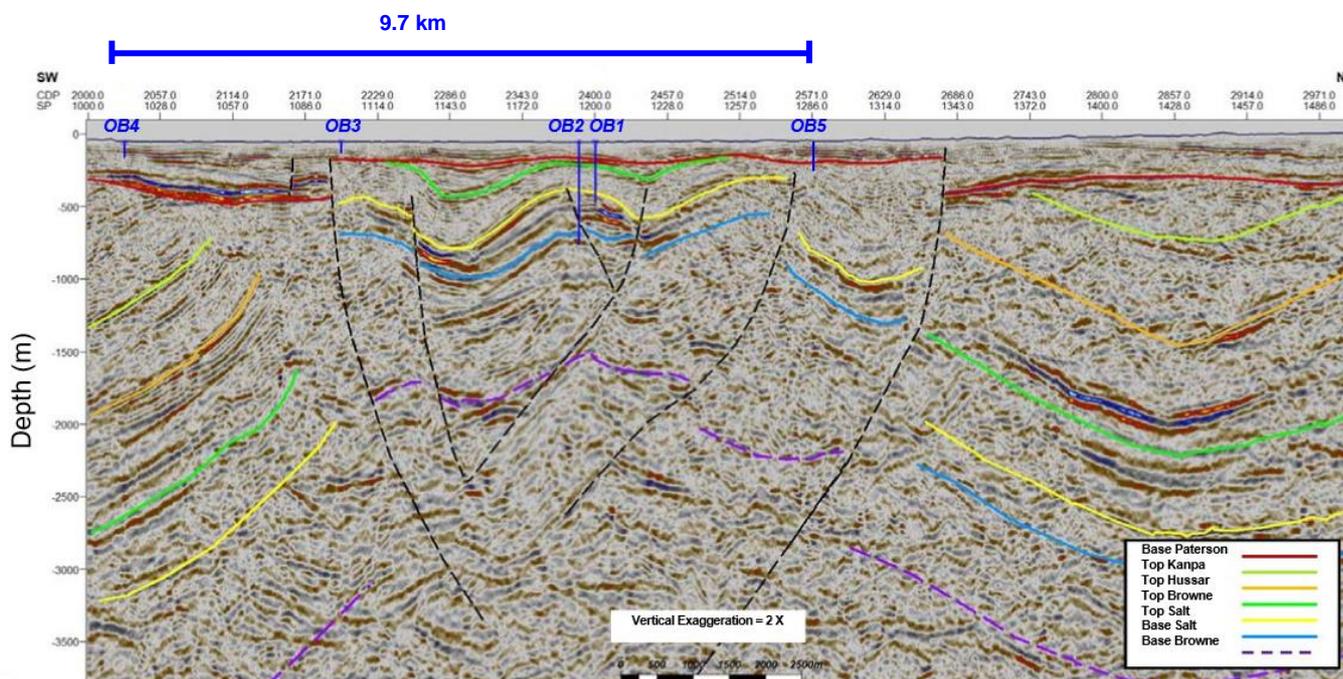


Table 1. Brine Assay Results from Phase 1 Drill Holes

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>
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
KP <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. KP 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 KP 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 KP brine i.e. 12.1 - 13.3 vs 19.2 tonnes NaCl per tonne of SOP respectively.

Exploration activity at OB during this current field season has been disappointingly slow and technically difficult. Access to the Project was restricted for a significant period of time due to heavy rains late in the summer season.

Drilling at Phase 1's final drill site - OB005, commenced in October 2021. The drilling encountered a high-flow freshwater aquifer at shallow depth (30 – 40 m). Attempts to case-off this aquifer and continue drilling to depth resulted in loss of the drill string and equipment. Consequently, a second hole (OB005B) was collared adjacent to the original hole, OB005(A); which is now being used to supply water for mud rotary drilling of OB005B.

Due to limited availability of specialist equipment, drilling at OB005 was delayed until late this quarter. Drilling is now underway and anticipated to be completed in the coming weeks.

Despite the highly variable nature of the ground and drilling difficulties encountered, Reward is persisting with its exploration of this exciting Potash prospect and continues to develop new drilling techniques that will enable effective evaluation of the various aquifers present; in order to establish the potential of the Project with greater certainty.

### **Heritage Clearance Survey and Phase 2 Drilling**

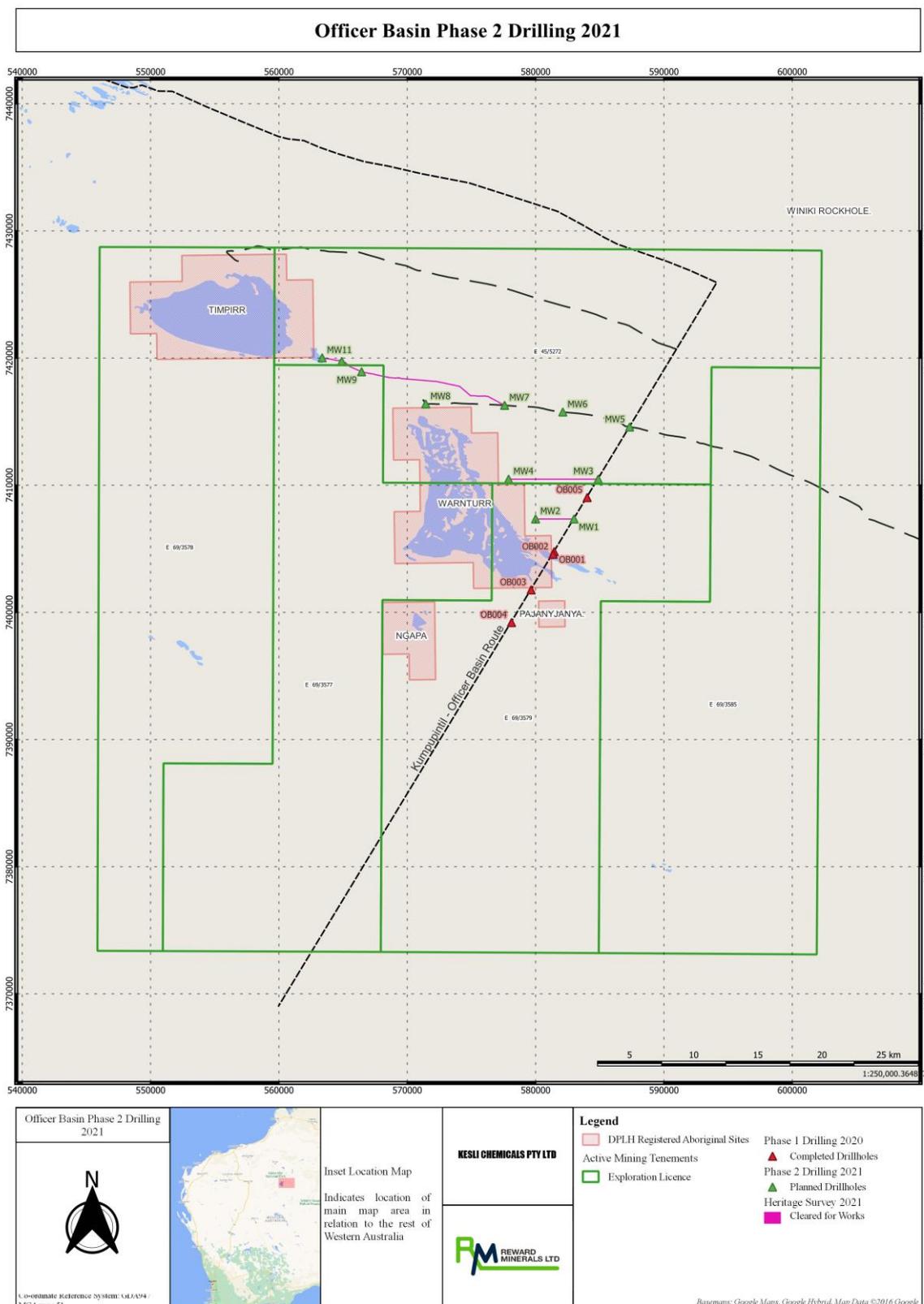
Late in the quarter, Reward undertook a second Heritage Clearance Survey (HERKES002) with the Western Desert Lands Aboriginal Corporation ("WDLAC") and Martu people, for expansion of the Officer Basin drilling program as planned by the Company.

The Clearance was obtained on October 1 and will allow Reward to drill a further eleven (11) exploration holes at the Officer Basin Project.

This drilling will provide east-west extension of approximately 25 km and NE-SW extension of 5 km along Seismic Line N83-01.

See Figure 3 and ASX Release dated 7 October 2021 for details of Phase 2 Drill holes MW1-MW11.

Figure 3. Map showing Phase 1 and Phase 2 drillholes at Officer Basin, located just 100km east of Reward’s JORC-defined SOP Resource of Kumpupintil Lake.



Note: Officer Basin Tenements are Registered under Kesli Chemicals Pty Ltd, which holds 100% beneficial interest in its Tenements on behalf of Reward Minerals Ltd.

### Mackay Range Farm-In Joint Venture – FMG/RWD

Late in 2019, Reward executed a Farm-In Exploration Joint Venture with FMG Resources Pty Ltd (“FMG”) covering Reward’s Exploration Licences 45/3285 and 45/4090 which form part of the Kumpupintil Lake Potash Project – see Figure 4.

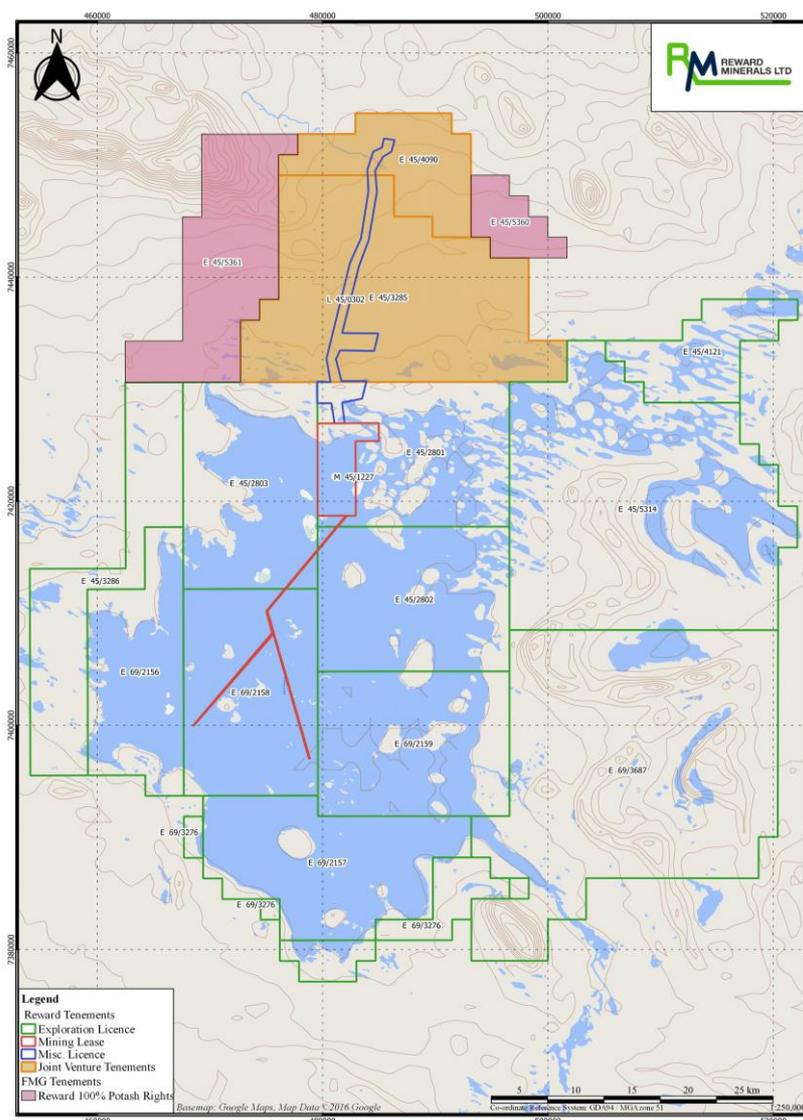
FMG retain the right to earn an 80% interest in the Reward tenements by expenditure of \$2 million over four years. Reward retains 100% Potash Rights over E45/3285 and E45/4090 and over the two adjoining FMG tenements E45/5362 and E45/5360. For further details of the Agreement see Reward’s release dated 13 November 2019. Works on the Farm-In to date include helicopter VTEM geophysical survey, regolith mapping, ground gravity survey, passive seismic survey and surface sampling (soil, lag rock chip).

Activities by FMG during the September quarter on the Mackay Range JV included final geological mapping, ground gravity data synthesis and some further geochemical data processing.

A Heritage Clearance Survey was undertaken by FMG late in the quarter to clear sites for proposed drilling within JV Tenement E45/3285. The final Clearance report from WDLAC is due shortly.

JV expenditure by FMG during the September quarter amounted to \$110,000.

Figure 4. Map of the Mackay Range Farm-In, Joint Venture and Potash Rights Tenements



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

For further information please contact:

**Michael Ruane**  
**Executive Director**

---

**About Reward**

Reward is an ASX-listed advanced-stage sulphate of potash exploration and development company. Reward's flagship is its 100%-owned Kumpupintil Lake Potash 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 Kumpupintil Lake 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.

**Tenement Holdings as at 30 September 2021** (See Figure 1)

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
<b>Kumpupintil Lake, 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%	-	-
E69/3276	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
E45/5314	Granted	100%	-	-
E69/3687	Granted	100%	-	-
<b>Officer Basin, Western Australia</b>				
E45/5272 <sup>2</sup>	Granted	100%	-	-
E69/3577 <sup>2</sup>	Granted	100%	-	-
E69/3578 <sup>2</sup>	Granted	100%	-	-
E69/3579 <sup>2</sup>	Granted	100%	-	-
E69/3585	Granted	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 ("FMG") 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. Officer Basin Tenements are Registered under Kesli Chemicals Pty Ltd, which holds 100% beneficial interest in its Tenements on behalf of Reward Minerals 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")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	137	137
1.2 Payments for		
(a) exploration & evaluation	(560)	(1,128)
(b) development	-	-
(c) production	-	-
(d) staff costs	(121)	(274)
(e) administration and corporate costs	(176)	(450)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	268	268
1.8 Other – net GST (paid) / refunded	(26)	(29)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(478)</b>	<b>(1,476)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(15)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

## 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
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>(4)</b>	<b>(15)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	128
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	-	(15)
3.5	Proceeds from borrowings	-	-
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>-</b>	<b>113</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	3,756	4,652
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(478)	(1,476)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(15)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	113

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,274</b>	<b>3,274</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,274	3,756
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,274</b>	<b>3,756</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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

<b>7. 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)	-	-
<b>7.4 Total financing facilities</b>	<b>1,300</b>	<b>1,300</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>0</b>
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(478)
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)	(478)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,274
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,274
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>6</b>
<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	
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	
<i>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.</i>	

**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: 27 October 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.