

Reward Minerals Ltd
ACN 009 173 602

Notice of General Meeting

Notice is given that a general meeting of the Company will be held at:

Time 10:00am (AWST)
Date Monday, 16 December 2024
Place 54 Kings Park Road, West Perth WA 6005

Independent Expert's Report: All Shareholders should carefully consider the Independent Expert's Report attached to this Notice for the purposes of considering Resolution 1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 1 to the non-associated Shareholders. The Independent Expert has concluded that the transaction the subject of Resolution 1 of the General Meeting is **fair and reasonable** to non-associated Shareholders.

Important: This Notice is an important document that should be read in its entirety. If you are in any doubt or have any questions about this document, you should promptly consult your stockbroker, accountant, solicitor or other professional adviser.

Notice of General Meeting

Notice is given that a general meeting (**Meeting**) of Reward Minerals Ltd (ACN 009 173 602) (**Company**) will be held at 10:00am (AWST) on Monday, 16 December 2024 at 54 Kings Park Road, West Perth WA 6005. This notice (**Notice**) incorporates the accompanying Explanatory Statement and Proxy Form.

Resolutions

The agenda for the Meeting will be to consider the Resolutions set out below.

1 Resolution 1 – Approval for the acquisition of the Beyondie Sale Assets

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.1 and for all other purposes, Shareholders approve the acquisition of the Beyondie Sale Assets by the Company from Dr Michael Ruane pursuant to the Acquisition Agreement for cash consideration of \$2,130,880.90 (plus GST), as contemplated in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Michael Ruane, and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder), or an associate of those persons, subject to any applicable exceptions described below.

Independent Expert’s Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval under ASX Listing Rule 10.1. The Independent Expert’s Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined that the transaction is **fair and reasonable** to the non-associated Shareholders in the Company.

2 Resolutions 2(a) and (b) – Ratification of prior issue of Shares and Placement Options under the Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolutions, each as a separate **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 28,366,432 Shares at \$0.06 per Share and 14,183,216 free-attaching Placement Options under the Placement as follows:

(a) 19,994,655 Shares and 14,183,216 Placement Options under Listing Rule 7.1; and

(b) 8,371,777 Shares under Listing Rule 7.1A,

as described in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolutions 2(a) and 2(b) by or on behalf of any Placement Participant (including the persons named as “material investors” in Section 3(a) of the Explanatory Statement), or any of their respective associates.

3 Resolution 3 - Issue of Ruane Securities to Dr Michael Ruane

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 10,000,000 Shares at an issue price of \$0.06 per Share and 5,000,000 free-attaching Placement Options to Director, Dr Michael Ruane (or his nominees), as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Ruane (and his nominees), or any of his associates.

Voting exclusions

Where a voting exclusion applies to a Resolution, it is set out below the relevant Resolution. The voting exclusion for the following Resolutions are subject to the exceptions stated in the table below (as applicable).

Resolution	Exceptions
1, 2(a) and 2(b), 3	<p>The voting exclusions do not apply to a vote cast in favour of this Resolution by:</p> <ul style="list-style-type: none">• a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;• the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or• a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none">– the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and– the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting entitlements

The Company has determined that, in accordance with section 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered holders at 5:00pm (AWST) on 14 December 2024. Accordingly, share transfers registered after this time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy voting

- Votes at the Meeting may be given personally or by proxy, attorney or representative. A proxy does not need to be a Shareholder.
- The Proxy Form accompanying this Notice should be used in accordance with its instructions to vote by proxy at the Meeting.

- Each Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint up to 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes that each proxy may exercise, then each proxy will be entitled to exercise half of that Shareholder's votes. An additional Proxy Form will be supplied by the Company on request. No Shareholder may appoint more than 2 proxies.
- In the case of a Shareholder who is an individual, a Proxy Form must be executed under the hand of the individual or their attorney duly authorised in writing and, in the case of a member that is a corporation, a Proxy Form must be executed by the corporation under common seal, pursuant to section 127 of the Corporations Act or under the hand of its duly authorised officer or attorney.
- Any Shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or a certified copy of it must be received by the Company in accordance with this Notice.
- Any corporation that is a Shareholder may appoint a representative to attend and vote for that corporation at the Meeting. Appointments of corporate representatives must be received by the Company in accordance with this Notice or handed in at the Meeting when registering as a corporate representative.
- Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chair, who is required to vote proxies as directed on a poll.
- A Proxy Form (including any instrument under which it has been executed) or power of attorney granted by a Shareholder must be lodged with the Company's share registry, Automic, by:
 - post to Automic, GPO Box 5193, Sydney, NSW 2001;
 - online portal at <https://investor.automic.com.au/#/loginsah> (also accessible by scanning the QR code in the Proxy Form);
 - email to meetings@automicgroup.com.au;
 - hand at Automic, Level 5, 126 Phillip Street, Sydney NSW 2000; or
 - facsimile to +61 2 8583 3040,
 so that it is received no later than 48 hours before the commencement of the Meeting.
- The Chair intends to exercise all available proxies in favour of the Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Document availability

In accordance with section 110D of the Corporations Act, this Notice is being made available to Shareholders by electronic means and the Company will not be dispatching physical copies of this Notice, other than to any Shareholder who has elected to receive notices of meeting in hard copy only pursuant to section 110E, or who otherwise requests a hard copy of this Notice at least 48 hours before the Meeting.

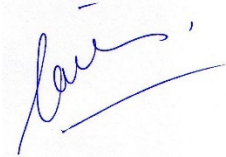
This Notice can be viewed online and downloaded via:

- the Company's website at <https://rewardminerals.com/investors/asx-announcements/>;
- the Company's ASX platform at <https://www.asx.com.au/markets/company/RWD>; or

- if the Shareholder has nominated an email address and has elected to receive electronic communications from the Company, the link sent by the Company to the Shareholder's nominated email address.

Authorisation

This Notice is authorised by order of the Board.

A handwritten signature in blue ink, appearing to read 'Bianca Taveira', with a horizontal line underneath.

Bianca Taveira
Company Secretary

11 November 2024

Explanatory Statement

This Explanatory Statement sets out the information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions. The Explanatory Statement forms part of this Notice and should be read in its entirety.

The Explanatory Statement contains the key terms on which the Resolutions will be voted, and includes information to assist Shareholders in deciding how to vote on the Resolutions.

1 Background

1.1 Overview

As announced on 14 March 2024, the Company terminated its previous share sale agreement (initially announced to ASX on 5 December 2023) with the Receivers of Kalium Lakes Limited (Administrators Appointed) (Receivers and Managers Appointed) (ASX: KLL) ACN 613 656 643 (**Kalium**) relating to the acquisition of 100% of the issued share capital of Kalium Lakes Infrastructure Pty Ltd (**KLI**) and Kalium Lakes Potash Pty Ltd (**KLP**), being the operating entities of the Beyondie SOP Project (**Beyondie Project**), located approximately 160km south east of Newman, Western Australia (**Previous Transaction**).

Following termination of the Previous Transaction, the Receivers placed a number of items of plant and equipment held by Kalium, KLI and KLP related to the Beyondie Project for sale through an engagement with Pickles Auctions Pty Ltd (ACN 003 417 650) (**Pickles**), with some assets sold through Pickles and the balance ultimately sold to PVT Sales Pty Limited (ACN 001 800 960) (**PVT**), an entity associated with Pickles.

The Company (together with Executive Director, Dr Michael Ruane, in his personal capacity) retained contact with Pickles during the above noted sale process with a view to purchasing some of the key plant and infrastructure assets related to the Beyondie Project, including the Entire Late Model Mineral Processing Plant (excluding power plant), together with some additional items of plant and infrastructure such as crib room, workshops, equipment spares and offices (**Beyondie Sale Assets**).

On 30 August 2024, based on the urgency to complete the acquisition of the Beyondie Sale Assets, Dr Ruane entered into an unconditional agreement with PVT to purchase the Beyondie Sale Assets from PVT for cash consideration of \$2,130,880.90 (plus GST) (**PVT Agreement**). Dr Ruane's intention in entering into the PVT Agreement was to then either nominate the Company as purchaser under the PVT Agreement or to subsequently offer the Beyondie Sale Assets for sale to the Company.

As announced on 30 September 2024, Dr Ruane entered into an agreement with the Company, pursuant to which the Company agreed to purchase the Beyondie Sale Assets from Dr Ruane for \$2,130,880.90 (plus GST) (**Consideration**), being the same price paid by Dr Ruane under the PVT Agreement (**Acquisition Agreement**). Following discussions with ASX, ASX has determined that ASX Listing Rule 10.1 applies to the acquisition of the Beyondie Sale Assets by the Company (**Acquisition**), however Listing Rules 11.1.2 and 11.1.3 do not apply to the Acquisition. Accordingly, completion of the Acquisition is subject to shareholder approval pursuant to Resolution 1.

The Beyondie Sale Assets are to be acquired on an "as is, where is" basis. In addition, the Company is required to manage care and maintenance activities at the Beyondie Project site until it is able to relocate the Beyondie Sale Assets and the Company will be responsible for dismantling and removing the Beyondie Sale Assets from the plant area and rehabilitating the plant and facilities area (only).

The Company further notes that, pursuant to section 114(6) of the *Mining Act 1978* (WA), the Minister for Mines and Petroleum (**Minister**) has determined that the Beyondie Sale Assets may

remain on the land that was the subject of forfeited Mining Lease M69/145 (the key mining lease in respect of the Beyondie Project) (**Beyondie Site**) until 2 September 2025. The Minister has further determined that no rent is payable for the use and occupation of the land on which the Beyondie Sale Assets are allowed to remain, on the provision that the site will be left in a state that is “safe to humans and animals, with all potential sources of pollution from any mining plant, including hydrocarbons and chemical reagents, also removed”.

1.2 Acquisition rationale

The Directors and management of the Company believe that the Beyondie Sale Assets will provide an exciting opportunity for the Company to progress its long-held ambition of producing SOP fertilizer from brine resources on a viable commercial basis.

The Beyondie Sale Assets will provide an avenue for the Company to conduct definitive pilot studies required for project feasibility studies at a fraction of the cost associated with a new pilot plant facility. The Company's directors and management are also of the view that potential joint venture partners will see this as an attractive scenario with a greatly reduced risk profile. While the Beyondie SOP operation did not achieve viable production status, the plant facility has many suitable components required for successful operation in a more favourable location. By combining this infrastructure with simplification of SOP production from resource brines using the Company's recent advances in SOP technology, the Company believes that successful production of SOP on a commercial scale is more likely as a near term outcome.

In addition, section 10 of the Independent Expert's Report (together with section 2.5 of the Independent Specialist Report by Plant and Infrastructure Engineering (**PIE**) contained in Appendix 3 of the Independent Expert's Report), indicates the estimated “preferred” value of the Beyondie Sale Assets (with an accuracy within the range of +/- 10%) as **\$18,175,138** (being \$43,470,089 less estimated Relocation Costs (see section 1.3 below)), with the low case valuation as \$16.36 million and the high case valuation as \$19.99 million. Accordingly, the Acquisition represents a significant opportunity for the Company to acquire the Beyondie Sale Assets at a fraction of their estimated value (based on the Independent Expert's Report).

1.3 Obligations with respect to Beyondie Sale Assets

Upon Completion of the Acquisition, the Company will be required to:

- (a) maintain and secure the Beyondie Sale Assets at the Beyondie Site prior to dismantling the Beyondie Sale Assets;
- (b) establish the logistical and cost parameters for relocation of the Beyondie Sale Assets to the Carnarvon Potash Project or another suitable project; and
- (c) meet certain rehabilitation obligations with respect to the demobilisation and removal of the Beyondie Sale Assets,

(together, the **Sale Asset Obligations**).

As noted in section 10 of the Independent Expert's Report (and in section 2.5 of the Independent Specialist Report by PIE), the estimated cost to dismantle and relocate the Beyondie Sale Assets and meet rehabilitation costs is \$25,294,951 (**Relocation Costs**). In addition, until the Beyondie Sale Assets are removed and rehabilitation is completed, estimated care and maintenance costs are \$33,340 per month.

Although care and maintenance costs will be funded out of the Company's existing working capital, the Company will require further funding (with such fundraising likely to be via a combination of equity and debt) in order to meet the Relocation Costs. In this regard, the Company has been in discussions with a number of potential strategic investors and financial institutions with a view to securing funds to advance the Company's early-stage minerals processing technologies and the Carnarvon Potash Project. Although there can be no assurance that future funding will be available to the Company on favourable terms (or at all), the Directors believe that an updated Engineering Scoping Study to be prepared for a SOP Potash project in W.A. (with similar characteristics to the

Carnarvon Potash Project) using Reward's processing technologies and utilising the Beyondie Sale Assets will demonstrate a favourable investment case, such that such funding will be available to the Company when required.

The Company notes that it has no intention to sell the Beyondie Sale Assets as "scrap" (see Section 10 of the Independent Expert's Report), however in the event that the Acquisition completes, but funding for the Relocation Costs is not available following completion of the Acquisition, the Company may be required to sell some or all of the Beyondie Sale Assets as scrap, in which case it is possible that the Company may realise a loss from such sales.

1.4 Acquisition Funding

The Consideration is to be funded via an unsecured loan provided by Dr Ruane to the Company. The material terms of the loan agreement are as follows:

- (d) **Term:** Repayable at call, however Dr Ruane has advised that he has no intention of calling up the loans unless requested to do so by the Company.
- (e) **Interest Rate:** 7.5% per annum
- (f) **Interest repayments:** payable quarterly in arrears.

It is noted that the above loan terms are identical to the terms of existing unsecured funding provided by Dr Ruane to the Company.

2 Resolution 1 – Approval for the acquisition of the Beyondie Sale Assets

2.1 General

As set out in Section 1, the Company proposes to acquire the Beyondie Sale Assets from Dr Michael Ruane for the Consideration on the terms and conditions set out in the Acquisition Agreement. The material terms of the Acquisition Agreement are set out in section 1.1.

Dr Michael Ruane is a Director of the Company and ASX has determined that for the purposes of ASX Listing Rule 10.1.1, Shareholder approval is required for the Company to complete the acquisition of the Beyondie Sale Assets under the Acquisition Agreement.

Resolution 1 seeks Shareholder approval for the purpose of Listing Rule 10.1 and all other purposes for the Company to complete the acquisition of the Beyondie Sale Assets.

Resolution 1 is an **ordinary resolution**.

2.2 Independent Expert's Report

Listing Rule 10.5.10 requires a notice of meeting containing a resolution to approve a transaction under Listing Rule 10.1 to include a report on the Acquisition from an independent expert.

The Independent Expert's Report prepared by BDO Corporate Finance Australia Pty Ltd (**Independent Expert**) (a copy of which is attached as Attachment 1 to this Notice) sets out a detailed independent examination of the Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 1. The Independent Expert has concluded that the acquisition of the Beyondie Sale Assets, being the subject of Resolution 1, is **fair and reasonable** to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report in full to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

2.3 Director Recommendation

After carefully considering all aspects of the Acquisition and the Independent Expert's Report, the Directors (excluding Dr Michael Ruane, who has a material personal interest in the outcome of Resolution 1 on the basis that Dr Ruane will receive the Consideration payable under the Acquisition Agreement should Resolution 1 be approved and the Acquisition Agreement becomes unconditional) consider the Acquisition is in the best interests of Shareholders and recommend that Shareholders vote in favour of Resolution 1.

For the reasons noted above, Dr Ruane does not make a recommendation to Shareholders in relation to Resolution 1.

The Directors are not aware of any other information other than as set out in this Notice that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

2.4 Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire or dispose of, or agree to acquire to dispose of, when the consideration to be paid for the asset or the value of the asset being disposed of constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to ASX under the Listing Rules from:

- (g) a related party;
- (h) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (i) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company;
- (j) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (k) a person whose relationship with the company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

Dr Michael Ruane is a Director of the Company. ASX has determined that ASX Listing Rule 10.1 applies to the Acquisition and therefore Shareholder approval for the purposes of Listing Rule 10.1.1 is required.

The effect of Resolution 1 will be to allow the Company to proceed with the Acquisition.

If Resolution 1 is not passed, the Company will be unable to complete the Acquisition.

2.5 Specific information required by Listing Rule 10.5

Pursuant to and in accordance with Listing Rule 10.5, the following information is provided in relation to Resolution 1:

- (a) the Company is acquiring the Beyondie Sale Assets from Dr Michael Ruane (Executive Director of the Company) pursuant to the Acquisition Agreement;
- (b) Dr Ruane is a Director of the Company and is therefore a related party under Listing Rule 10.1.1;
- (c) the assets being acquired are the Beyondie Sale Assets;
- (d) the consideration for the acquisition of the Beyondie Sale Assets is \$2,130,880.90 (plus GST);
- (e) the Consideration payable for the acquisition of the Beyondie Sale Assets will be funded via loan funding provided by Dr Michael Ruane. The material terms of the loan funding are set out in Section 1.4;
- (f) the Company intends to complete the Acquisition as soon as reasonably practicable following the receipt of Shareholder approval under Resolution 1;
- (g) the Acquisition is being made pursuant to the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Section 1.1;
- (h) a voting exclusion statement is included in the Notice; and
- (i) an Independent Expert's Report is included at Attachment 1 of this Notice.

2.6 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The payment of the Consideration to Dr Ruane pursuant to the Acquisition Agreement constitutes giving a financial benefit and Dr Ruane is a related party of the Company by virtue of being a Director.

The Board (other than Dr Ruane, who has a material personal interest in Resolution 1) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 1 because the Consideration payable to Dr Ruane under the Acquisition Agreement is on identical terms to the PVT Agreement between Dr Ruane and PVT, which was negotiated on arm's length terms.

3 Resolutions 2(a) and (b) – Ratification of prior issue of Shares and Placement Options under the Placement

3.1 General

On 24 October 2024, the Company announced that it had received binding commitments for a placement to raise \$2,301,985.92 (before costs) (**Placement**) via the issue of 38,366,432 Shares at \$0.06 each, together with one free attaching option (exercisable at \$0.12 and expiring on 5 November 2026) (**Placement Option**) per 2 Shares subscribed for under the Placement to certain sophisticated and professional investors identified by the Company.

No lead manager was appointed to manage the Placement, however assisting brokers received 5% of funds raised by those respective brokers.

On 5 and 6 November 2024, the Company issued a total of:

- 19,994,655 Shares and 14,183,216 Placement Options using the Company's placement capacity under Listing Rules 7.1; and
- 8,371,777 Shares using the Company's placement capacity under Listing Rule 7.1A,

(together, the **Placement Securities**) to participants in the Placement (**Placement Participants**). An additional 10,000,000 Shares and 5,000,000 Placement Options under the Placement, which are proposed to be issued to Director, Dr Michael Ruane, are subject to approval of Shareholders pursuant to Listing Rule 10.11 (being the subject of Resolution 3).

Resolutions 2(a) and 2(b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Securities to the Placement Participants.

Resolutions 2(a) and 2(b) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 2(a) and 2(b).

3.2 Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Under Listing Rule 7.1A an eligible entity can seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 29 May 2024.

Listing Rule 7.4 sets out an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rule 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issues under Listing Rules 7.1 and 7.1A. Accordingly, Resolutions 2(a) and 2(b) seek Shareholder approval for the previous issue of Placement Shares to the Placement Participants for the purposes of Listing Rule 7.4.

If Resolution 2(a) is passed, 19,994,655 Shares and 14,183,216 Placement Options will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement Shares (being 5 November 2024).

If Resolution 2(a) is not passed, 19,994,655 Shares and 14,183,216 Placement Options will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares (being 5 November 2024).

If Resolution 2(b) is passed, the 8,371,777 Shares will be excluded in calculating the Company's 10% limit under Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement Shares (being 5 November 2024).

If Resolution 2(b) is not passed, the 8,371,777 Shares will be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares (being 5 November 2024).

3.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Shares and Placement Options under the Placement:

- (a) the Placement Securities were issued to the Placement Participants, being investors selected by the Company. Of the Placement Participants, the following party is a "material investor" as per ASX Guidance Note 21, paragraph 7.2:

- (i) Bill Brooks Pty Ltd <Bill Brooks Super Fund A/C>, a substantial shareholder of the Company, who was issued 3,333,333 Shares and 1,666,667 Placement Options.

No other Placement Participants are considered to be "material investors" for the purposes of ASX Guidance Note 21, paragraph 7.2;

- (b) a total of 28,366,432 Shares and 14,183,216 Placement Options were issued on 5 November 2024 as follows:

- (i) 19,994,655 Shares and 14,183,216 Placement Options were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 8,371,777 Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;

- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Placement Options are exercisable at \$0.12 each on or before 5 November 2026 and were otherwise issued on the terms and conditions set out in Schedule 1;

- (d) each Share was issued at \$0.06 per Share, while each Placement Option was issued for nil cash consideration (as free attaching options on the basis of 1 option for each 2 Shares subscribed for under the Placement);

- (e) the proceeds from the issue of the Placement Securities are intended to be used towards:

- (i) completion of a new Engineering Scoping Study for a SOP Potash project in W.A. using the Company's processing technologies and, subject to approval of Resolution 1, the Beyondie Sale Assets;
 - (ii) continuing engagement with solar salt, fertilizer and seawater desalination companies worldwide to discuss the application of the Company's technology and proposed SOP developments for possible joint venture participation and investment;
 - (iii) general working capital; and

- (iv) the costs of the Placement;
- (f) the material terms on which the Placement Securities were issued are set out in section 3.1; and
- (g) a voting exclusion statement is included in the Notice.

4 Resolution 3 - Issue of Ruane Securities to Dr Michael Ruane

4.1 General

As set out in section 3.1, Director Dr Michael Ruane intends to subscribe for 10,000,000 Shares and 5,000,000 Placement Options (**Ruane Securities**) on the same terms as the Placement Securities previously issued to the Placement Participants.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of the Ruane Securities to Dr Ruane.

Resolution 3 is an **ordinary** resolution.

The Board (other than Dr Ruane, who has a material personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 3.

4.2 Section 606 prohibition

Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to the securities entered into by or on behalf of the person and, because of the transaction, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

Section 611 of the Corporations Act identifies the circumstances in which acquisitions of relevant interests are exempt from the prohibition in section 606 of the Corporations Act. Item 9 of section

611 of the Corporations Act provides for the “3% creep” exception, which is an exemption for an acquisition by a person if:

- (a) throughout the 6 months before the acquisition that person, or any other person, has had voting power in the company of at least 19%; and
- (b) as a result of the acquisition, none of the persons referred to in (a) would have voting power in the company more than 3 percentage points higher than they had 6 months before the acquisition.

The effect of the Placement on the Company’s capital and Dr Ruane’s voting power is shown in the table below (assuming no other changes occur):

	Immediately prior to 5 November 2024 (being the date of issue of first tranche of the Placement – see Section 3.1)	As at the date of this Notice (i.e. following issue of first tranche of Placement)	Following issue of Shares and Placement Options to Dr Ruane pursuant to Resolution 3
Shares on issue	227,853,138	256,219,570	266,219,570
Shares held by Dr Ruane and his associates	95,554,355	95,554,355	105,554,355
Dr Ruane approximate voting power	41.94%	37.29%	39.65%

As set out in the table above, if Resolution 3 is approved and the issue of Shares and Placement Options to Dr Ruane under the Placement is completed and if no other changes occur, the relevant interest of Dr Ruane will increase to around 39.65%, which remains within the limit of the “3% creep” exception as Dr Ruane’s interest in the voting power of the Company is not more than 3% higher than his voting power six months prior to the date on which the Shares and Placement Options are proposed to be issued to Dr Ruane.

Dr Ruane may also (without limitation) acquire or dispose of further Shares at his discretion at any time or times, subject to compliance with the Corporations Act and the Company’s trading policies.

4.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of

the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);

- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

Dr Ruane is a related party of the Company by virtue of being a Director. As Dr Ruane's participation in the Placement involves the issue of Shares and Placement Options to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Resolution 3 seeks the required Listing Rule 10.11. Shareholder approval to the issue of the Ruane Securities to Dr Ruane.

If Resolution 3 is passed the Company will be able to proceed with the issue of the Shares and Placement Options to Dr Ruane (or his nominee) under the Placement.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Shares and Placement Options to Dr Ruane (or his nominee) under the Placement and the Company will not raise the relevant funds of \$600,000 (before costs) from Dr Ruane.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Shares and Placement Options to Dr Ruane (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

4.4 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares and Placement Options to Dr Ruane under the Placement:

- (a) the Ruane Securities will be issued to Dr Michael Ruane (or his nominee), who is a Director of the Company;
- (b) Dr Ruane is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.11.1. In the event that the Ruane Securities are issued to a nominee of Dr Ruane, such person will fall into the category stipulated by Listing Rule 10.11.4;
- (c) Dr Ruane (or his nominee) are to be issued 10,000,000 Shares and 5,000,000 Placement Options;
- (d) the Shares to be issued to Dr Ruane (or his nominee) will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Placement Options are exercisable at \$0.12 each on or before 5 November 2026 and will otherwise be issued on the terms and conditions set out in Schedule 1;
- (e) the Ruane Securities will be issued to Dr Ruane (or his nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) each Share will be issued at a price of \$0.06 per Share, while each Placement Option will be issued for nil cash consideration (as free attaching options on the basis of 1 option for each 2

Shares subscribed for under the Placement), being on the same terms as all other Placement Securities issued to the Placement Participants under the Placement;

- (g) the proceeds from the issue of the Ruane Securities are intended to be used towards:
 - (i) completion of a new Engineering Scoping Study for a SOP Potash project in W.A. using the Company's processing technologies and, subject to approval of Resolution 1, the Beyondie Sale Assets;
 - (ii) continuing engagement with solar salt, fertilizer and seawater desalination companies worldwide to discuss the application of the Company's technology and proposed SOP developments for possible joint venture participation and investment;
 - (iii) general working capital; and
 - (iv) the costs of the Placement;
- (h) the issue of Ruane Securities is not intended to remunerate or incentivise Dr Ruane;
- (i) the material terms on which the Ruane Securities will be issued are set out in sections 3.1 and 4.1; and
- (j) a voting exclusion statement is included in the Notice.

4.5 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Ruane Securities to Dr Ruane constitutes giving a financial benefit and Dr Ruane is a related party of the Company by virtue of being a Director.

The Board (other than Dr Ruane) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Ruane Securities on the basis that the Ruane Securities will be issued to Dr Ruane on the same terms as the Placement Securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

Definitions

Acquisition has the meaning in Section 1.1.

Acquisition Agreement has the meaning in Section 1.1.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

AWST means Australian Western Standard Time being the time in Perth, Western Australia.

Beyondie Project has the meaning in Section 1.1.

Beyondie Sale Assets has the meaning in Section 1.1.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting.

Company means Reward Minerals Ltd (ACN 009 173 602).

Consideration has the meaning in Section 1.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement which forms part of this Notice.

Independent Expert means BDO Corporate Finance Australia Pty Ltd.

Independent Expert's Report means the independent expert report set out in Attachment 1.

Listing Rules means the listing rules of ASX.

Meeting means the general meeting of Shareholders convened by this Notice.

Notice or **Notice of Meeting** means this document convening the Meeting, including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share.

Placement has the meaning in Section 3.1.

Placement Option means an Option on the terms set out in Schedule 1.

Placement Participant has the meaning in Section 3.1.

Placement Securities has the meaning in Section 3.1.

Proxy Form means the proxy form accompanying this Notice.

Ruane Securities has the meaning in Section 4.1

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

SOP means sulphate of potash.

Schedule 1– Terms of Placement Options

- 1 **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- 2 **(Issue Price):** No cash consideration is payable for the issue of the Options.
- 3 **(Exercise Price):** The Options have an exercise price of \$0.12 per Option **(Exercise Price)**.
- 4 **(Expiry Date):** The Options expire at 5:00pm (WST) on 5 November 2026 **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 5 **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- 6 **(Exercise Notice):** An Option may be exercised during the Exercise Period by written notice to the Company in any manner specified on the Option certificate **(Exercise Notice)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- 7 **(Exercise Date):** An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
- 8 **(Timing of Shares issued on exercise):** Within 5 Business Days after the Exercise Date, the Company will:
 - issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company;
 - if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - apply for quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under the above is not effective (for any reason) to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- 9 **(Ranking of Shares):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- 10 **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- 11 **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
- 12 **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

- 13 **(Transferability of Options):** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- 14 **(Quotation of Options):** The Options will not be quoted on ASX.

Reward Minerals Limited

Independent Expert's Report

Opinion: Fair and Reasonable

5 November 2024



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FINANCIAL SERVICES GUIDE

Dated: 5 November 2024

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd (BDO Corporate Finance, BDO, we, us, our).

The FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts, and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$25,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting, and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: <http://www.afca.org.au>

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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5 November 2024

The Independent Directors
Reward Minerals Limited
159 Stirling Highway
Nedlands WA 6009

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 30 September 2024, Reward Minerals Limited ('Reward' or 'the Company') announced it had entered into a binding asset sale agreement with its Executive Director and major shareholder, Dr. Michael Ruane, to acquire the Beyondie Sulphate of Potash ('SOP') Plant, administration and operations offices and minor associated infrastructure ('the Assets') ('the Proposed Transaction'). The consideration for this acquisition will be \$2.13 million in cash (excluding GST) ('the Consideration').

Reward will acquire the Assets on an "as is, where is" basis. Reward will manage care and maintenance activities at the site until it is able to relocate the Assets, which are located approximately 160kms south-east of Newman in Western Australia ('WA'). While the Company has yet to decide on where it will relocate the Assets to, it anticipates the location will be in the northwest of WA. Reward will be responsible for dismantling and removing the Assets from the existing plant area and rehabilitating the plant and facilities area.

The Proposed Transaction will be funded by an extension to an existing loan facility provided by Dr Ruane on commercial terms with interest of 7.5% per annum applicable:

Current loan and interest outstanding	\$4.60 million
New loan for the Proposed Transaction	\$2.13 million
Total	<u>\$6.73 million</u>

The loans are repayable at call, however Dr Ruane has advised that he will not call up the loans provided in the next twelve months unless requested by the Company.

An independent expert's report is required for the Proposed Transaction as the acquisition of the Assets represents a significant acquisition from a related party, which requires the approval of the shareholders of Reward who are not associated with Dr Michael Ruane ('Shareholders') under ASX's Listing Rule 10.1. We note that the extension of the existing loan facility does not require approval from Shareholders. Accordingly, we have not provided an opinion on the loan itself.

Further details of the Proposed Transaction are outline in Section 4 of this report. All figures are quotes in Australian dollars ('AUD', 'A\$' or '\$') unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of Reward have requested that BDO Corporate Finance Australia Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Proposed Transaction is fair and reasonable to Shareholders.

Our Report is prepared pursuant to ASX Listing Rule 10.1 and 10.5, and Chapter 2E of the Corporations Act 2001 ('Corporations Act' or 'the Act') and relevant Corporations Regulations and is to be included in the Notice of Meeting for Reward to assist Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide, Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of expert reports' ('RG 111') and Regulatory Guide 112 'Independence of experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- How the value of the Assets being acquired compares to the value of the Consideration to be paid for the Assets.
- The likelihood of an alternative offer being made to Reward.
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that, the Proposed Transaction is fair and reasonable to Shareholders.

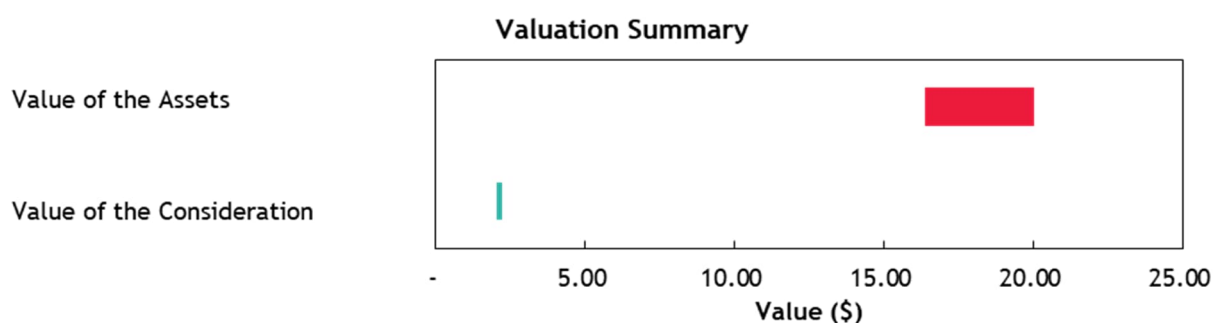
2.4 Fairness

In Section 12, we determined how the value of the Assets compares to the value of the Consideration, as detailed below.

	Ref	Low \$m	Preferred \$m	High \$m
Value of the Assets	10	16.36	18.18	19.99
Value of the Consideration	11	2.13	2.13	2.13

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information the Proposed Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this Report, in terms of the following:

- Advantages and disadvantages of the Proposed Transaction.
- Other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	The Proposed Transaction is fair	13.4	The Company's debt levels increase as a result of the Proposed Transaction
13.3	The Proposed Transaction is on the same terms as the agreement entered into between Dr Ruane and PVT	13.4	Reward will have to bear certain costs that it would not have had to incur were the Assets purchased new
13.3	Non-dilutive debt funding for the Proposed Transaction is readily available	13.4	Should Reward decide to sell all the Assets as scrap, PIE has estimated that the costs will exceed the sales proceeds. This could result in a loss being realised
13.3	The Assets may be used by the Company's CPP and could fast track the development of the Reward Process		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Consequences of not approving the Proposed Transaction including potential share price impact

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

Dr. Michael Ruane is an Executive Director and substantial shareholder of Reward and is therefore considered to be a related party. Based on the reviewed accounts as at 30 June 2024, Reward reported a total equity deficiency of approximately \$3.37 million. The value of the Consideration to be paid for the Assets to be acquired in the Proposed Transaction exceeds 5% of Reward's total equity, therefore the Assets are considered a substantial asset for the purposes of the ASX Listing Rules.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Proposed Transaction. Under RG 111 the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Reward.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. In the case of Reward the Assets are the subject of the transaction. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Transaction is a control transaction. As such, we have not included a premium for control when considering the value of the Assets.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the Assets being acquired and the value of the Consideration (fairness - see Section 12 'Is the Proposed Transaction Fair?').
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

On 30 August 2024, Dr Ruane secured the purchase of the Assets from PVT Sales Pty Ltd ('PVT'), an entity associated with Pickles Auctions Pty Ltd, who had previously purchased the Assets from the Receivers of Kalium Lakes Limited ('Kalium'). The Proposed Transaction is under the same terms as the transaction entered into between Dr Ruane and PVT.

On 30 September 2024, Reward announced it had entered into a binding asset sale agreement with Reward Executive Director and major shareholder, Dr Ruane to acquire the Assets for a cash consideration of \$2.13 million (excluding GST). The Assets comprise a fully constructed processing plant, site offices and maintenance infrastructure. Specific plant components include a SOP KTMS crushing circuit, Kainite conversion circuit, column flotation circuit, liquor cooling heat exchangers, evaporative cooling circuit, product separation centrifuges, SOP recovery and granulation units, Reverse Osmosis plant and a bulk storage shed. It does not include the power station, gas or brine supply facilities, evaporation ponds, accommodation camp and some other minor items at the site.

Reward will acquire the Assets from Dr Ruane on an "as is, where is" basis. Reward will manage care and maintenance activities at the site until it is able to relocate the Assets, which are located approximately 160km south-east of Newman in WA. While the Company has yet to decide on where it will relocate the Assets, it anticipates the location will be in the northwest of WA. Reward will be responsible for dismantling and removing the Assets from the existing plant area and rehabilitating the plant and facilities area.

Reward notes that, pursuant to section 114(6) of the Mining Act 1978 (WA), the Minister for Mines and Petroleum has determined that the Assets may remain on the forfeited Mining Lease M69/145 (the key mining lease in respect of the Beyondie Project) until 2 September 2025.

The Proposed Transaction will be funded by an extension to an existing loan facility provided by Dr Ruane on commercial terms with interest of 7.5% per annum applicable:

Current loan and interest outstanding	\$4.60 million
New loan for the Proposed Transaction	\$2.13 million
Total	<u>\$6.73 million</u>

The loans are repayable at call, however Dr Ruane has advised that he will not call up the loans provided in the next twelve months unless requested by the Company.

Completion of the Proposed Transaction is subject to Reward obtaining shareholder approval pursuant to ASX Listing Rule 10.1 as required by the ASX.

5. Profile of Reward

5.1 Overview

Reward is an ASX-listed SOP exploration and development company. Reward's flagship project is its 100% owned Carnarvon Potash Project ('CPP') located in Western Australia. Reward is also the 100% owner and developer of new processing technology for the recovery of high-purity SOP from seawater and other high-sulphate brines ('Reward Process').

The Company's board of directors are:

- Mr. Colin McCavana - Non-Executive Chairman;
- Dr. Michael Ruane - Executive Director; and
- Mr. Rod Della Vedova - Non-Executive Director.

5.2 Projects

The Reward Process

Reward has been developing a new SOP processing technology to achieve low cost recovery of high-purity SOP from seawater and other high-sulphate brines. The Company claims that the key benefits of the Reward Process compared to existing technology are:

- No mechanical harvesting of mixed salts prior to processing required;
- No flotation upgrade of mixed salts required; and
- Utilises conventional fixed plant components.

Reward lodged an international application containing technical information under the Patent Co-operation Treaty claiming priority from Australian Patent Applications 2022902277 in August 2023. On 24 June 2024 Reward received a positive preliminary report on the patentability of the Reward Process from the International Preliminary Examining Authority ('IPEA'). The IPEA found that the Reward Process meets the requirements for novelty, inventive step, and industrial applicability. The next action required is the filing by Reward of national/regional phase applications by February 2025, in the countries/regions where Reward wishes to seek patent protection.

On 28 September 2023, Reward announced results of an Engineering Scoping Study ('ESS') to recover SOP from the residual brine ('Bitterns') derived from seawater solar salt operations in northwest WA between Carnarvon and Port Hedland using the Reward Process. At the time, the ESS estimated capital costs at a +/-40% order of magnitude level of accuracy of \$198.2 million excluding contingency of approximately \$69.4 million for on a production facility supporting 100,000 tonnes per annum of SOP. The ESS was prepared by Reward and various third-party participants including processing engineering inputs provided by Reward and Bechtel Australia Pty Ltd. The ESS assumptions were based on Reward's own CPP. The ESS assumes the use of Bitterns from an inexhaustible seawater resource that could potentially operate indefinitely at a solar salt operation with an appropriate sustaining capital model. Notwithstanding the ESS was best suited and based on utilising Bitterns, the processing techniques within the Reward Process are also directly applicable to other high-sulphate brines and other playa lake potash deposits in WA. Subject to suitable site access, Reward intends to proceed with a Pre-Feasibility Study ('PFS') using the Reward Process.

Reward has also been conducting in-house testwork on brines including those derived from Bitterns and playa lake potash deposits in WA. Recently, Reward announced a lab-scale breakthrough whereby high SOP

recoveries were achieved using new techniques recovering SOP directly from concentrated brines. These new techniques differ from the Reward Process as they do not rely on the addition of gypsum (CaSO_4) to the feed brine to extract high purity SOP, thereby providing a simplified and improved first pass SOP recoveries. Reward is currently preparing further patent applications to protect the new intellectual property.

Carnarvon Potash Project

On 6 May 2024, exploration licence application E09/2763 was granted by the Department of Energy, Mines and Industry Regulation and Safety to Holocene Pty Ltd ('Holocene') (a wholly owned subsidiary of Reward). The 219km² tenements form the CPP which is 100% owned by Holocene and is situated approximately 30km north of Carnarvon, WA. The CPP has potential to contain concentrated seawater type brines at shallow depth which will be the initial focus of Reward's exploration activity going forward. Planning and statutory approvals for exploration to identify if such brines exist is currently underway.

The CPP adjoins Mining Lease ML245SA which covers the Lake Macleod salt and gypsum operations ('Lake Macleod'). The Lake Macleod operation involves solar evaporation of concentrated seawater brines. Following evaporation and recovery of the salt, the Bitterns containing potassium are discarded. However, the Reward Process has demonstrated that this potassium could be recovered from these Bitterns at a low cost. Lake Macleod was sold in the first half of 2024 to privately-owned salt company Leichhardt Industrials Group for \$375 million.

Kumpupintil Lake Potash Project

The Kumpupintil Lake Potash Project ('the KP Lake Project') is located within the Little Sandy Desery, WA. A registered Mining and Indigenous Land Use Agreement ('ILUA') was in place with the Martu Traditional Owners of the lands upon which the project is situated. Reward completed a PFS in 2018, which demonstrated a financially robust and technically sound project at that time.

During 2022 and 2023, the Jamukurnu-Yapalikurnu Aboriginal Corporation ('JYAC') who are the Martu land council, and the Martu Traditional Owners, commenced on-country work with Reward for the preparation of the Reward-JYAC Cultural Heritage Management Plan for the KP Lake Project, which was required by the ILUA.

However, due to prolonged delays in these activities and high associated costs, Reward determined it was in the best interest of the Company to surrender the majority of the KP Lake Project tenements and focus the majority of its activities and funding towards the advancement of the CPP and the Reward Process. Miscellaneous Licence L45/302 has been retained as it contains the KP Lake Project camp and infrastructure to be used to attend to minor environmental remediation of work areas, feasibility study test ponds, trenches and site access tracks. As a consequence of this, during the year ended 31 December 2023, the Company impaired the value of the KP Lake Project by \$21.11 million, and during the half-year ended 30 June 2024, a further \$21.96 million was impaired.

5.3 Recent Corporate events

Beyondie Potash Project transaction

In November 2023, Reward executed an exclusivity deed relating to the acquisition of the Beyondie Potash Project ('Beyondie Project') from the Kalium Receivers for a proposed purchase price of \$20 million. Reward determined that the Beyondie Project was a clear strategic fit.

Reward believed the flowsheet and unit operations at the Beyondie Project could be simplified, thus enabling profitable SOP production at the site. Reward planned to incorporate the Reward Process into

the Beyondie Project in order to enhance the revenue generating possibilities from the SOP brine resources identified. Reward determined that changing the evaporation and processing techniques at the Beyondie Project by incorporating the Reward Process had the potential to generate significant value for Reward shareholders. The acquisition of the Beyondie Project would have allowed Reward to fast-track development of the Reward Process and potentially leverage any success into additional SOP projects globally. At the time, Reward considered the market outlook for SOP to be attractive, driven by population growth, restricted supply, low-chloride fertiliser demand and increased usage for higher value crops driving strong prices which were expected to continue in future years.

The Beyondie Project had a total of \$466 million invested into the project and related infrastructure and produced first SOP in October 2021 with first sales in July 2022. The project had an extensive tenement package of more than 1,800km², three granted Mining Leases, and numerous granted Exploration and Miscellaneous Licences.

Reward received shareholder approval on 9 January 2024 and on 10 January 2024 issued a Prospectus to raise \$22.8 million to finance the acquisition. The capital raise was structured as a Renounceable Entitlement Offer, whereby existing shareholders could receive 2 new shares for every 1 share held at 15 January 2024 at an issue price of \$0.05 per share with 1 free-attaching quoted option exercisable at \$0.10 and expiring 3 years from the issue date for every 2 new shares successfully subscribed for. Funds raised were proposed to be used primarily to complete the acquisition of the Beyondie Project as well as for general working capital. However, Reward was unable to raise an adequate level of funding and notified the Receivers of its withdrawal from the sale agreement on 18 March 2024.

October 2024 Placement

On 24 October 2024, Reward announced it had received firm commitments from sophisticated and professional investors to raise \$2.3 million (before costs) via a two-tranche placement (the 'October 2024 Placement'). The October 2024 Placement comprises the issue of 38.37 million new Reward shares at an issue price of \$0.06 each. For every 2 new shares subscribed, investors will also receive 1 free attaching option that is exercisable at \$0.12 and expires 2 years from the date of issue.

The October 2024 Placement is structured as two tranches:

- Tranche 1 raising \$1.7 million (before costs) from unrelated parties via the issue of 28.4 million shares and 14.2 million free attaching options, expected to be completed in early November 2024.
- Tranche 2 raising \$0.6 million (before costs) from Dr Ruane via the issue of 10.0 million shares and 5.0 million free attaching options. The issue of Tranche 2 shares is subject to shareholder approval.

Aside from general working capital purposes, funds raised from the October 2024 Placement will be used for the completion of a new ESS for a SOP project in WA using Reward's processing technologies and the Assets, continue engagement with solar salt, fertilizer and seawater desalination companies to discuss the application of Reward's technology and proposed SOP developments for possible joint venture participation and investment.

5.4 Historical Statements of Financial Position

Consolidated statement of Financial Position	Reviewed as at 30-Jun-24 \$	Audited as at 31-Dec-23 \$	Audited as at 31-Dec-22 \$
CURRENT ASSETS			
Cash and cash equivalents	303,074	1,066,496	1,699,738
Trade and other receivables	73,784	84,757	83,660
TOTAL CURRENT ASSETS	376,858	1,151,253	1,783,398
NON-CURRENT ASSETS			
Right of use assets	95,122	37,041	111,826
Other assets	50,000	50,000	50,000
Property, plant and equipment	206,453	228,656	285,414
Exploration and evaluation expenditure	592,508	22,990,889	42,239,793
TOTAL NON-CURRENT ASSETS	944,083	23,306,586	42,687,033
TOTAL ASSETS	1,320,941	24,457,839	44,470,431
CURRENT LIABILITIES			
Trade and other payables	454,797	920,745	834,736
Lease liabilities	95,115	41,672	79,283
Borrowings	4,141,339	3,363,425	3,153,425
TOTAL CURRENT LIABILITIES	4,691,251	4,325,842	4,067,444
NON-CURRENT LIABILITIES			
Lease liabilities	-	-	42,390
TOTAL CURRENT LIABILITIES	-	-	42,390
TOTAL LIABILITIES	4,691,251	4,325,842	4,109,834
NET ASSETS	(3,370,310)	20,131,997	40,360,597
EQUITY			
Contributed equity	46,769,553	46,769,553	44,439,827
Reserves	11,572,138	11,572,138	11,457,661
Accumulated losses	(61,712,001)	(38,209,694)	(15,536,891)
TOTAL (DEFICIT)/EQUITY	(3,370,310)	20,131,997	40,360,597

Source: Reward's reviewed financial statement for the half year ended 30 June 2024, and Reward's audited financial statements for the years ended 31 December 2023 and 31 December 2022.

We note that Reward's auditor included an emphasis of matter relating to a material uncertainty to continue as a going concern, in its audit report for the year ended 31 December 2023. The notes to the Company's financial statements for the half-year ended 30 June 2024 also included a statement that, notwithstanding the Company's deficiency in net current assets, the statements were prepared on a going concern basis.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$1.07 million as at 31 December 2023 to \$0.30 million at the half-year ended 30 June 2024. This decrease of approximately \$0.76 million was primarily due to payments for mineral exploration of \$1.14 million which was partially offset by \$0.66 million in proceeds from borrowings.

- Exploration and evaluation expenditure has been broken down in the table below:

Exploration and evaluation expenditure	Reviewed as at 30-Jun-24 \$	Audited as at 31-Dec-23 \$	Audited as at 31-Dec-22 \$
Opening balance	22,990,889	42,239,793	43,697,070
Exploration expenditure capitalised during the period	632,376	1,862,293	1,498,544
Exploration expenditure - impairment	(21,957,446)	(21,111,197)	-
Exploration expenditure - written off	(1,073,311)	-	(2,955,821)
Closing balance	592,508	22,990,889	42,239,793

Source: Reward's reviewed financial statement for the half year ended 30 June 2024, and Reward's audited financial statements for the years ended 31 December 2023 and 31 December 2022.

During the year ended 31 December 2023, Reward impaired 50% of the value of its KP Lake Project being \$21.11 million, following the Company's decision to surrender six tenements within the project in August 2023. During the half-year ended 30 June 2024, Reward impaired its remaining investment in the KP Lake Project, being \$21.96 million. The tenements relating to the project were surrendered (except for Miscellaneous Licence L45/302) on 22 July 2024.

Exploration expenditure of \$1.07 million was written off during the half-year ended 30 June 2024, which related to expenses incurred by Reward in a previous attempt to acquire the Beyondie Project, which was terminated on 18 March 2024.

- Borrowings of \$4.14 million as at the half-year ended 30 June 2024 consist of a \$3.46 million loan from Reward's Executive Director, Dr Ruane, and \$0.68 million in accrued interest. The loan is unsecured and carries an interest rate of 7.5% per annum with interest payable quarterly in arrears. Borrowings from Dr Ruane are payable at call, however, Dr Ruane has advised he has no intention of calling up the loans unless requested to do so by the Company.

5.5 Historical Statements of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Comprehensive Income	Reviewed for the half-year ended 30-Jun-24 \$	Audited for the year ended 31-Dec-23 \$	Audited for the year ended 31-Dec-22 \$
Revenue from continuing operations	22,660	24,079	5,512
Other income	-	17,731	186,136
Gross profit	22,660	41,810	191,648
Depreciation	(22,203)	(56,758)	(72,683)
Audit fees	(20,000)	(30,045)	(30,000)
Consulting fees	(21,592)	(155,633)	(39,211)
Exploration expenses	-	(327,797)	(159,880)
Finance costs	(117,232)	(210,000)	(173,630)
Legal expense	-	(16,748)	(6,840)
Administration expenses	(141,644)	(362,966)	(306,033)
Employee benefits expense	(129,221)	(223,811)	(125,088)
Building and occupancy costs	(42,318)	(130,394)	(118,192)
Share based payments	-	(89,264)	(234,173)
Impairment of exploration and evaluation assets	(21,957,446)	(21,111,197)	(2,834,284)
Write-off of exploration and evaluation assets	(1,073,311)	-	-
Loss before income tax	(23,502,307)	(22,672,803)	(3,908,366)
Income tax	-	-	-
Loss for the period	(23,502,307)	(22,672,803)	(3,908,366)
Other comprehensive income	-	-	-
Total comprehensive loss for the period, net of tax	(23,502,307)	(22,672,803)	(3,908,366)

Source: Reward's reviewed financial statement for the half year ended 30 June 2024, and Reward's audited financial statements for the years ended 31 December 2023 and 31 December 2022.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Revenue from continuing operations of \$22,660 for the half-year ended 30 June 2024 comprised interest income of \$4,317 and sundry income of \$18,343.
- Finance costs relate to interest expenses on the loan from Dr Ruane.
- Impairment of exploration and evaluation assets for the half year ended 30 June 2024 and for the year ended 31 December 2023 relates to the impairment on the KP Lake Project as discussed in Section 5.4.
- The write-off of exploration and evaluation assets for the half-year ended 30 June 2024 relates to the proposed acquisition of the Beyondie Project which did not proceed as discussed in Section 5.4.

5.6 Capital structure

The share structure of Reward as at 5 November 2024 is outlined below:

	Number
Total ordinary shares on issue	255,389,566
Top 20 shareholders	163,371,340
Top 20 shareholders - % of shares on issue	63.97%

Source: Share registry information from Reward

The range of shares held in Reward as at 5 November 2024 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	202	65,126	0.03%
1,001 - 5,000	258	753,731	0.30%
5,001 - 10,000	165	1,285,725	0.50%
10,001 - 100,000	380	14,876,689	5.83%
100,001 - and over	214	238,408,295	93.55%
TOTAL	1,219	255,389,566	100.00%

Source: Share registry information from Reward

As at 5 November 2024, Dr Ruane is the only substantial shareholder in the Company as detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Kesli Chemicals Pty Ltd <Ruane Superfund Account>	42,610,283	16.68%
Kesli Chemicals Pty Ltd	26,628,279	10.43%
Tyson Resources Pty Ltd	19,757,018	7.74%
Dr. Michael Ruane	6,558,775	2.57%
Subtotal - Dr Ruane's Holdings	95,554,355	37.42%
Others	159,835,211	62.58%
Total ordinary shares on Issue	255,389,566	100.00%

Source: Appendix 3Y, Reward ASX announcements

The options and performance rights on issue in Reward as at 5 November 2024 are outlined below:

Description	No. of Options	Exercise price (\$)	Expiry Date
Unlisted options expiring 14 September 2025 with an exercise price of \$0.198 each	5,000,000	0.198	14-Sep-25
Listed options expiring 31 March 2025 with an exercise price of \$0.20 each	18,275,275	0.200	31-Mar-25
Unlisted options expiring 14 September 2025 with an exercise price of \$0.20 each	5,250,000	0.200	14-Sep-25
Unlisted options expiring 5 November 2026 with an exercise price of \$0.12 each	13,768,214	0.120	05-Nov-26
Total number of options and performance rights	42,293,489		

Source: ASX announcements

6. Background on the Assets

The Assets were part of the Beyondie Project, a SOP project located approximately 160km southeast of Newman, WA. The Beyondie Project was operated by Kalium, who, from 2016, raised over \$450 million in debt and equity funding to acquire and develop the Beyondie Project. The first Mining Tenements of the Beyondie Project were granted in 2018. By June 2019, haulage, port and gas supply/transport contracts were awarded. By November 2019, a \$176 million Project Finance package was finalised and construction of the Beyondie Project commenced. Following completion of construction in 2020/2021, in October 2021, first SOP production was achieved, and first sales were achieved around August 2022. The Beyondie Project had a nameplate design capacity of 90 thousand tonnes per annum ('ktpa') SOP and a 7.5 megawatt ('MW') SOP plant with a gas-fired power station with dedicated spur line off the Dampier to Bunbury Pipeline. A total of \$466 million was invested into the entire project and related infrastructure by Kalium.

Kalium faced challenges with the operational ramp up of the Beyondie Project, including a rush into production, exacerbated by an inexperienced workforce, COVID-19, and flooding events, which resulted in Kalium not meeting its production targets and consequently resulted in funding issues. On 3 August 2023, senior lenders appointed McGrathNicol as Receivers and Managers of Kalium. The Beyondie Project was placed into care and maintenance at the end of September 2023 in order to reduce costs. As discussed previously, Reward had attempted to purchase the Beyondie Project but ultimately withdrew from the acquisition in March 2024 as it was unable to raise sufficient funding. The Assets were then acquired by PVT, who then sold them to Dr Ruane on 30 August 2024.

The Proposed Transaction includes the purchase of a fully constructed processing plant, site offices and maintenance infrastructure. Specific plant components include a SOP KTMS crushing circuit, Kainite conversion circuit, column flotation circuit, liquor cooling heat exchangers, evaporative cooling circuit, product separation centrifuges, SOP recovery and granulation units, Reverse Osmosis plant and a bulk storage shed, which we have defined as the Assets. The Assets do not include the power station, gas or brine supply facilities, evaporation ponds, accommodation camp and some other minor items at the site.

For further details on the Assets, refer to Appendix 3 for the Independent Technical Report.

7. Economic analysis

7.1 Australia

At the November 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') left the cash rate unchanged at 4.35%. Since the November 2023 meeting, the RBA has kept interest rates at the highest level since April 2022, in line with the post-COVID-19 deflationary policy. The current monetary policy is aimed at returning inflation to the RBA's target of 2-3% within a reasonable timeframe, noting that indicators such as a strengthening of the labour market and growing labour and non-labour costs pose upside risks to inflation. For the year ended September 2024, the trimmed mean consumer price index ('CPI') was 3.5%, as forecast, but still above the 2.5% midpoint of the inflation target. In line with the September 2024 Statement of Monetary Policy, the RBA's forecasts indicate that inflation will not return sustainably to the midpoint of the target until 2026.

The inflation forecast reflects resilient consumer demand, combined with the RBA's assessment that the economy is weaker than previously forecast based on less capacity to meet economic demand. In addition, indicators of household consumption and economic activity appear to be slowing with a gradual rise in the unemployment rate, which is at 4.1% in September 2024, up from the trough of 3.5% in late 2022.

Economic recovery appears to be slower than estimated headlined by disruptions to the economic position of Australia's main trading partner. In China, property woes have led to weaker consumption and commodity prices such iron ore. Public authorities in China have responded to the weak outlook for economic activity by implementing more expansionary policies, although the impact of these measures remains to be seen. In the United States, growth has been robust however there remains uncertainty about the inflation and growth outlook pending the outcome of the elections.

Based on the most recent data, household and public consumption led to a strengthening of domestic demand, although the net effect of import growth and softer exports have had a negative effect on gross domestic product ('GDP') growth. For the year ended June 2024, GDP growth was 1.0%, which is lower than the forecast outcome from May 2024 of 1.2%.

Since late 2022, equity prices in Australia have continued to increase, following suit from the United States equity market. The rise in equity prices has largely been driven by increased expectations of future earnings growth, most notably in the technology sector, although in the recent weeks, markets have seen significant pullbacks due to lower than expected earnings of some large technology companies and scepticism over the convertibility of investment in artificial intelligence into earnings. More recently, global equities were significantly set back by a rise in interest rates by the Bank of Japan as the policy setters looked to support a struggling Yen, causing a sell off of both Japanese and global equities, including in Australia.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. In Australia, as in many advanced economies, persistent systemic inflation and energy prices have weighed on demand. For the remainder of 2024, it is anticipated that GDP growth in Australia's key trading partners will continue to fall below expectations.

Outlook

The economic outlook remains highly uncertain, and according to the RBA, recent data indicates that the process of returning inflation to target is unlikely to be smooth and may take longer than previously expected. To date, medium-term inflation expectations have been consistent with the inflation target and the RBA emphasised the importance of this remaining the case. While headline inflation has declined

substantially, the RBA still consider underlying inflation, which is more indicative of inflation momentum, to be too high. Services price inflation remains high, as observed overseas, but it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continue to weigh on consumption, albeit at a gradual pace. Growth is expected to gradually increase from late 2024 as inflation declines and household income pressure eases. However, the full impact of policy tightening on household consumption is uncertain and seems to be lagging behind. Household consumption is expected to experience growth to levels seen pre-pandemic by around mid-2025 supported by increases in real income growth due to tax cuts and declining inflation.

Considering that economic growth of Australia's trading partners has been slower than expected, domestic growth expectations have been pushed out. However, there remains a high level of uncertainty around the Chinese economic outlook and the implications of the conflicts in Ukraine and the Middle East, which may have significant implications for supply chains.

Source: www.rba.gov.au Statement by the Reserve Bank Board: Monetary Policy Decision dated 5 November 2024 and prior periods, Statement on Monetary Policy November 2024 and prior periods, Minutes of the Monetary Policy Meeting of the Reserve Bank Board 24 September 2024 and prior periods.

8. Industry analysis

8.1 Sulphate of Potash

Overview

Potash, as a general term, refers to a potassium-rich salt that is commonly mined from underground deposits formed from evaporated sea beds millions of years ago. As potash is a source of soluble potassium, it is critical to the agricultural industry for its use in the production of fertilisers because it is a facilitator in photosynthesis, protein formation, enzyme activation and starch formation. Additionally, potash increases water retention in plants, improves crop yields and influences many plants' taste, texture and nutritional value. Potash derives its name from production methods preceding the industrial age whereby potash was produced by leaching tree ashes in metal pots, the process left behind a white residue, which was aptly named 'pot ash'.

Most potash is derived from potassium chloride, also known as Muriate of Potash ('MOP'), which is predominantly produced in countries like Canada, Russia and Belarus. SOP on the other hand, is formed from potassium sulphate and is the second most common form of potash. SOP is widely viewed as a superior alternative to MOP because it does not contain chloride, which is advantageous in agricultural settings as chloride is toxic to some vegetation types.

SOP is also known for being particularly effective in cultivating high-value crops such as fruits, vegetables, nuts, tea, coffee and tobacco, as it contains sulphur, which is a secondary macronutrient used for healthy propagation. The growing prevalence of sulphur deficient soils has caused SOP to become well sought after by producers of high-value crops.

Beyond its use in agrochemicals, SOP is utilised in various industrial settings, including the manufacture of cement and plaster boards, glass and ceramic production, potassium aluminium sulphate synthesis, the

manufacture of explosives and pyrotechnics, and the production of numerous dyes, lubricants, surface treating agents and abrasives.

SOP is not naturally occurring, consequently, the majority of SOP is chemically synthesised from raw materials rather than mined directly from the earth. The relatively laborious and expensive nature of SOP production means that SOP holds a relatively small percentage of the market with global production of approximately seven million tonnes per annum, compared to the 70 million tonnes of MOP produced per annum.

SOP production methods

The three principal methods of producing SOP are:

- The Mannheim Process;
- Natural brine processing; and
- Potassium chloride and sulphate salt's reaction.

The most common method of SOP production is the Mannheim Process, which entails a reaction between potassium chloride and sulphuric acid at high temperatures. This process produces hydrochloric acid as a primary product and SOP as a by-product. The Mannheim Process accounts for approximately 50% to 60% of global supply, however, due to the high input costs of purchasing MOP and sulphuric acid, it is the most expensive production method.

Natural brine processing or salt lake brine processing, involves the extraction of brine from underground reservoirs and evaporating the water to precipitate mixed potassium salts, which are subsequently purified to produce SOP. This method accounts for approximately 15% to 20% of global SOP supply.

Although considered to be a relatively low cost method of producing SOP, this option is limited due to the small number of salt lakes in the world that have suitable logistical and environmental conditions for SOP extraction. Such brine operations can be observed in countries like China, Chile and the United States. In addition, the majority of potential SOP projects in WA plan to utilise iterations of this methodology.

Natural brine processing requires brines with high sulphate levels. The sulphate is typically present in the harvest salts in the form of double salt kainite, which is subsequently converted to schoenite by leaching with sulphate brine, before the halite is removed by flotation. After thickening, the schoenite is decomposed by adding hot water, at which point the magnesium sulphate enters the solution leaving behind SOP crystals. Reward claims that its Reward Process does away with the requirement of mechanical harvesting of mixed potassium salts and the conventional kainite or schoenite flotation steps used in traditional natural brine processing.

The final method of SOP production is from the potassium chloride and sodium sulphate reaction, which commonly involves a two stage process. In the first stage, sodium sulphate and potassium chloride react to form glaserite, a double salt of sodium and potassium sulphate. The glaserite is separated and treated with MOP brine, decomposing into potassium sulphate and sodium chloride. There are only a handful of operators in the world that employ this production method, however, this method of production remains the second greatest source of global supply, accounting for approximately 25% to 30%.

Pricing

SOP, being regarded as a superior alternative to MOP, attracts a premium over MOP pricing, typically between 40% and 100% (being approximately US\$100/t to US\$200/t, although this premium has significantly narrowed in recent times). Pricing data for SOP is often contract-based and is not publicly available.

Potash prices, which are closely linked to the demand and supply factors of the wider fertiliser industry, decreased between 2023 and 2024 by approximately 30%. This decline in pricing reflects improved production and lower nitrogen and natural gas prices.

Prices for nitrogen and natural gas decreased in 2024 by 10% and 38% respectively. Declining natural gas prices were as a result of elevated inventories, strong production, and soft demand due to mild weather temperatures. As nitrogen and natural gas are key inputs to the production of nitrogen-based fertilisers, this resulted in a decrease in prices of most fertiliser types.

The recent price decreases were also largely driven by stronger than expected exports from Russia and Belarus, despite sanctions imposed on these nations, which are the second and third largest producers of potash globally.

According to the Commodity Markets Outlook by the World Bank in April 2024, potash prices are projected to increase in 2025 as demand strengthens and prices for natural gas rise.

Outlook and the SOP industry in Australia

According to Future Market Insights, global demand for SOP is projected to grow at 4.8% per annum between 2024 and 2034 driven by a growing world population, changing eating habits toward high-value crops, and the increased requirement for higher crop yields.

SOP prices, however, are expected to be determined largely by supply-side factors which have been volatile in light of varying input costs for chemical inputs and raw materials as well as other changing environmental factors. Prices are expected to decline further in 2024 but stabilise in 2025 as natural gas prices rise due to the conflict in the Middle East, which in turn will lead to higher prices for fertilisers.

Australia is currently not known to be a major supplier of MOP or SOP, however, several proposed potash mining projects have emerged across Western Australia's salt lakes, with the brine deposits deemed to be suitable for organic SOP production.

With one of the world's largest agricultural sectors, Australia consumes up to 465 kilotonnes of SOP and MOP per annum, which is currently all imported from Canada, the Middle East and Europe. Therefore, it is expected that any future potash production will be met with robust domestic demand.

If Reward is successful in commercial production of SOP in Australia, the Company will likely benefit from favourable market conditions with the industry widely regarded to be constrained in supply. However, Reward also faces certain operational risks, with full-scale SOP production in Australia still unprecedented and the natural brine processing method being subject to optimal environmental and logistical conditions.

Source: World Bank Commodity Markets Outlook April 2024, Future Market Insights.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2 of our Report.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

In assessing whether the Proposed Transaction is fair for the purposes of ASX Listing Rule 10.1, we have considered the value of the Assets to be acquired relative to the value of the Consideration.

9.1 Valuation of the Assets to be acquired

As outlined in Section 4, the Assets to be acquired comprise a fully constructed processing plant, site offices and maintenance infrastructure. Specific plant components include a SOP KTMS crushing circuit, Kainite conversion circuit, column flotation circuit, liquor cooling heat exchangers, evaporative cooling circuit, product separation centrifuges, SOP recovery and granulation units, Reverse Osmosis plant and a bulk storage shed. It does not include the power station, gas or brine supply facilities, evaporation ponds, accommodation camp and some other minor items at the site. Reward will acquire the Assets from Dr Ruane on an "as is, where is" basis. Dr Ruane acquired the assets on the same basis, this was a condition of the sales process that took place for the Assets.

In performing our valuation of the Assets, we have relied on the Independent Technical Report prepared by Plant & Infrastructure Engineering Pty Ltd ('PIE'), which includes a valuation of the Assets, and an estimate of the dismantling and transportation costs, costs to rehabilitate the existing area, and interim care & maintenance costs. We are satisfied with the valuation methodologies adopted by PIE, which we believe are in accordance with industry practices and the principles of RG 111. The specific valuation methodologies used by PIE are referred to in further detail in the Independent Technical Report contained in Appendix 3.

9.2 Valuation of the Consideration

As outlined in Section 4, the Consideration for the Proposed Transaction is cash of \$2.13 million (excluding GST). Therefore, the value of the Consideration is \$2.13 million.

10. Valuation of the Assets

PIE has provided their opinion on the value of the Assets and associated costs to dismantle and transport the plant and equipment to the Pilbara under two scenarios:

- Relocate Scenario - All of the Assets are dismantled and transported. The portion of the Assets considered redundant for Reward's purposes are sold and the site is rehabilitated.
- Scrap Scenario - All of the Assets are dismantled and sold and materials scrapped. Under this scenario, PIE has assessed the scrap value of the Assets to be less than the costs required to achieve that sale.

In forming our assessment of the value of the Assets, we have only considered the value under the Relocate Scenario. Reward has announced its intentions to use the Assets as part of a pilot plant facility to conduct pilot studies at a more favourable location. Reward has not indicated that the rationale to purchase the Assets is to sell them all for scrap, per the Scrap Scenario described above.

The estimated value of the Assets, associated costs to dismantle and transport the Assets and rehabilitation costs under the Relocate Scenario is summarised in the table below.

PIE's valuation of the Assets	\$ million
<u>Gross value of the Assets</u>	
Useful assets	42.98
Redundant assets	0.49
	<u>43.47</u>
<u>Labour, freight and other costs</u>	
Dismantling labour costs:	
Useful assets	8.57
Redundant assets	2.16
	<u>10.73</u>
Freight costs:	
Useful assets	1.37
Redundant assets	0.24
	<u>1.61</u>
Project Management and Owner's Costs	12.65
Rehabilitation costs	0.31
Total labour, freight and other costs	<u>25.29</u>
<u>Net value of the Assets</u>	
Gross value of the Assets	43.47
Less: total costs above	(25.29)
	<u>18.18</u>

Source: PIE's Independent Technical Report

For further information on PIE's approach and valuation, refer to its report which is included in Appendix 3.

As disclosed in PIE's Independent Technical Report, its estimate was performed to an accuracy within the range of +/- 10%. We have applied this range to the valuation above in forming our assessed range for the value of the Assets, per the table below.

	Low \$ million	Preferred \$ million	High \$ million
Value of the Assets	16.36	18.18	19.99

11. Valuation of the Consideration

The Consideration for the purchase of the Assets is cash of \$2.13 million (excluding GST).

12. Is the Proposed Transaction fair?

The value of the Assets is compared to the value of the Consideration below:

	Ref	Low \$m	Preferred \$m	High \$m
Value of the Assets	10	16.36	18.18	19.99
Value of the Consideration	11	2.13	2.13	2.13

Source: BDO analysis

We note from the table above that the value of the Assets exceeds the value of the Consideration payable. Therefore, we consider that the Proposed Transaction is fair.

It is noted that the above valuation of the Assets includes the cost to rehabilitate the plant and facilities area as required under the Proposed Transaction. However, it does not include care and maintenance costs at the site until Reward is able to relocate the Assets. Reward has estimated these costs at \$400,000 per annum, which PIE considers to be reasonable. Therefore, even if it took a year for Reward to find a suitable location to relocate the Assets, these care and maintenance costs would not change our fairness opinion.

Notwithstanding this, as contemplated by the Scrap Scenario in Section 10, should Reward decide to sell all of the Assets as scrap, PIE has estimated that the costs will exceed the sales proceeds. Accordingly, only if this scenario were to materialise (which is different to the stated intention of the Company), would we consider the Proposed Transaction to be “not fair”.

13. Is the Proposed Transaction reasonable?

We have considered the analysis below, in terms of the following:

- Advantages and disadvantages of the Proposed Transaction.
- Other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Proposed Transaction is reasonable for Shareholders.

13.1 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders of Reward a premium over the value resulting from the Proposed Transaction.

13.2 Consequences of not approving the Proposed Transaction

Consequences

If the Proposed Transaction is not approved, Reward would have to identify and purchase alternative plant and equipment should it wish to conduct pilot scale feasibility studies to progress its Reward Process towards commercialisation. The Company would also need to identify and purchase alternative plant and equipment for the CPP, should it wish to progress towards production. If the Company is unable to identify suitable second hand equipment for these purposes, it would have to purchase the items new, which could be more costly and take a longer time to procure.

Potential impact on share price

We have analysed movements in Reward's share price since the Proposed Transaction was announced. A graph of Reward's share price and trading volume leading up to, and following the announcement of the Proposed Transaction is set out below.



The closing price of a Reward share from 30 April 2024 to 30 October 2024 ranged from a low of \$0.023 on 1 July 2024 to a high of \$0.690 on 7 October 2024.

The Proposed Transaction was announced on 30 September 2024. On the first trading day after the Proposed Transaction was announced, the share price closed at \$0.060, up from a closing price of \$0.041 on the previous trading day (albeit only 184,573 shares traded on the day, valued at approximately \$10,000). Following the announcement of the Proposed Transaction, the share price of Reward has fluctuated from a low of \$0.056 on 9 October 2024, to a high of \$0.069 on 7 October 2024. However we note that following the announcement, Reward has broadly traded above its pre-announcement pricing levels.

Given the above analysis it is possible that if the Proposed Transaction is not approved then Reward's share price would decline to pre-announcement levels in the absence of an alternative proposal.

13.3 Advantages of approving the Proposed Transaction

We have considered the following advantages in our assessment of whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair	As set out in Section 12 the Proposed Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
The Proposed Transaction is on the same terms as the agreement entered into between Dr Ruane and PVT	As the Proposed Transaction is on the same terms as the agreement entered into between Dr Ruane and PVT, Reward is not incurring any additional transactional, brokerage or other costs compared to if it had bought the Assets directly from PVT.
Non-dilutive debt funding for the Proposed Transaction is readily available	As the funding for the Proposed Transaction is contributed via an extension of an existing loan the Company has with Dr Ruane (which is on commercial terms), Reward is not required to source external funding for the Proposed Transaction which may have delayed the acquisition and use up the Company's resources, nor is the Company issuing equity to fund the transaction, which could be dilutive to existing Shareholders.
The Assets may be used by the Company's CPP and could fast track the development of the Reward Process	Reward has previously attempted to acquire the Beyondie Project (in December 2023) for \$20 million in cash, but ultimately withdrew from the transaction due to lack of adequate financial support. The Proposed Transaction allows the Company to acquire certain assets from the project at a fraction of the cost, with the potential for the Assets to be used at the CPP, thereby reducing capital costs relative to that indicated in Reward's September 2023 ESS (detailed further in Section 5.2). In addition, the Assets may be used to conduct pilot studies and further progress the Company's commercialisation of the Reward Process. Further, by acquiring the Assets now, the Company avoids potential long lead times associated with procuring new plant and equipment.

13.4 Disadvantages of approving the Proposed Transaction

We have considered the following disadvantages in our assessment of whether the Proposed Transaction is reasonable.

Disadvantage	Description
The Company's debt levels increase as a result of the Proposed Transaction	In order to fund the Proposed Transaction, the Company is drawing down additional funds from Dr Ruane on the same terms as its existing loan. Consequently, the additional \$2.13 million in borrowings increases the leverage in the Company, which increases risks to Shareholders, compared to the Company issuing equity to fund the Proposed Transaction.
Reward will have to bear certain costs that it would not have had to pay for were the Assets purchased new	As part of the Proposed Transaction, Reward will be responsible for rehabilitating the existing plant and facilities area and managing care and maintenance activities at the site until the Assets are relocated. Had Reward purchased the plant and equipment items new, it would not have to pay for these additional costs.
Should Reward decide to sell all the Assets as scrap, PIE has estimated that the costs will exceed the sales proceeds. This could result in a loss being realised.	According to Section 2.6 of the Independent Technical Report contained in Appendix 3 of our Report, if Reward are unable to relocate the equipment, the value of the Assets to be sold and materials scrapped may be less than the costs to sell them and rehabilitate the area. This could result in a loss being realised.

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of Reward.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting on or about the date of this report
- Audited financial statements of Reward for the years ended 31 December 2023 and 31 December 2022
- Reviewed financial statements of Reward for the half year ended 30 June 2024
- Independent Technical Report of the Assets dated 1 November 2024, prepared by PIE
- Draft asset sale agreement between Dr Ruane and Reward pursuant to the Proposed Transaction
- Asset sale agreement between PVT and Dr Ruane pursuant to the acquisition of the Assets dated 30 August 2024
- Loan deed between Dr Ruane and Reward dated 12 February 2018
- Reserve Bank of Australia
- Share registry information
- S&P Capital IQ

- Bloomberg
- Information in the public domain
- Discussions with Directors and Management of Reward.

16. Independence

BDO Corporate Finance Australia Pty Ltd is entitled to receive a fee between of approximately \$25,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance Australia Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance Australia Pty Ltd has been indemnified by Reward in respect of any claim arising from BDO Corporate Finance Australia Pty Ltd's reliance on information provided by Reward, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance Australia Pty Ltd has considered its independence with respect to Reward and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance Australia Pty Ltd's opinion it is independent of Reward and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance Australia Pty Ltd, have had within the past two years any professional relationship with Reward, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Reward and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance Australia Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

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The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance Australia Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and a member of the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 700 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These expert's reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

18. Disclaimers and consents

This report has been prepared at the request of Reward for inclusion in the Notice of Meeting which will be sent to all Reward Shareholders. Reward engaged BDO Corporate Finance Australia Pty Ltd to prepare an independent expert's report to consider the Proposed Transaction as the acquisition of the Assets represents a significant acquisition from a related party, which requires the approval of the non-associated shareholders of Reward under ASX's Listing Rule 10.1.

BDO Corporate Finance Australia Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement, or letter without the prior written consent of BDO Corporate Finance Australia Pty Ltd.

BDO Corporate Finance Australia Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance Australia Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Reward. BDO Corporate Finance Australia Pty Ltd provides no warranty as to the adequacy, effectiveness, or completeness of the due diligence process.

The opinion of BDO Corporate Finance Australia Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the shareholders of Reward, or any other party.

BDO Corporate Finance Australia Pty Ltd has also considered and relied upon independent valuations for the Assets. The valuer engaged for the valuation, PIE, possesses the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.


The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance Australia Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this

report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE AUSTRALIA PTY LTD

A handwritten signature in black ink, appearing to read 'Adam Myers', with a stylized, cursive script.

Adam Myers
Director

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', with a stylized, cursive script.

Sherif Andrawes
Director

Appendix 1 – Glossary of Terms

Reference	Definition
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’
ASIC	Australian Securities and Investments Commission
the Assets	the Beyondie Sulphate of Potash Plant, administration and operations offices and minor associated infrastructure.
AUD, A\$, or \$	Australian dollars
BDO Corporate Finance, BDO, we, us or our	BDO Corporate Finance Australia Pty Ltd
Beyondie Project	the Beyondie Potash Project
Bitterns	Residual brine derived from seawater solar salt operations
the Company	Reward Minerals Limited
the Consideration	Consideration for purchase of the Assets is expected to be \$2.13 million in cash (excluding GST)
Corporations Act, or the Act	The Corporations Act 2001 Cth
CPI	consumer price index
CPP	Carnarvon Potash Project
DCF	Discounted Future Cash Flows
ESS	Engineering Scoping Study
FME	Future Maintainable Earnings
FSG	Financial Services Guide
GDP	Gross Domestic Product
Holocene	Holocene Pty Ltd
ILUA	Indigenous Land Use Agreement
IPEA	the International Preliminary Examining Authority
JYAC	the Jamukurnu-Yapalikurnu Aboriginal Corporation
Kalium	Kalium Lakes Limited
the KP Lake Project	the Kumpupintil Lake Potash Project
ktpa	thousand tonnes per annum
Lake Macleod	the Lake Macleod salt and gypsum operations
MOP	Muriate of Potash

MW	mega-watt
NAV	Net Asset Value
our Report	This Independent Expert's Report prepared by BDO
PFS	Pre-Feasibility Study
PIE	Plant & Infrastructure Engineering Pty Ltd
the Proposed Transaction	The binding asset sale agreement between Reward Minerals Limited and its Executive Director and major shareholder, Dr Michael Ruane, to acquire the Beyondie Sulphate of Potash Plant, administration and operations offices and minor associated infrastructure.
PVT	PVT Sales Pty Ltd
QMP	Quoted market price
RBA	the Reserve Bank of Australia
Reward	Reward Minerals Limited
Reward Process	Reward's new processing technology for the recovery of high-purity SOP from seawater and other high-sulphate brines
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 76	Related party transactions
Shareholders	the shareholders of Reward who are not associated with Dr Michael Ruane
SOP	Sulphate of Potash
WA	Western Australia

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Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted market price basis*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax or earnings before interest, tax, depreciation and amortisation. The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market-based assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Independent Technical Report by Plant and Infrastructure Engineering



BDO Corporate Finance Australia Pty Ltd

Reward Minerals Ltd, Beyondie Plant

Valuation Report

Rev	Date	Issue	By	Reviewed By	Approved By
A	18 Oct 24	Draft Issue for Comment	PJ		
B	28 Oct 24	Updated Tables and Comments	PJ		
C	31 Oct 24	Revise Redundant	PJ	KGB	
D	1 Nov 24	Compaction Plant inserted to Table 7-1	PJ	KGB	

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1 INTRODUCTION

Reward Minerals Ltd (Reward) is a potash-focused advanced-stage exploration and development company listed on the Australian Securities Exchange (ASX:RWD).

Reward is focussing the majority of its activities and funding toward the advancement of its Carnarvon Potash Project (CPP) and its processing technology (PCT Patent Pending).

Reward is looking to purchase the process plant and associated building infrastructure located at the Beyondie Potash Project as a result of the recent liquidation of Kalium Lakes Limited. This report is intended to provide a detailed independent valuation of the plant and infrastructure.

Plant and Infrastructure Engineering Pty Ltd (PIE) has been engaged as a Technical Specialist by BDO Corporate Finance Australia Pty Ltd (BDO) for this purpose.

This report outlines the valuation brief, the approach to valuation used and references to support the accuracy and independence of the report. This report shall not be used for any other purposes other than for the Independent Expert's Report prepared by BDO.

The basis of this report is "fair market value".

The currency used throughout the report is Australian Dollars (AUD) and the valuation figures stated exclude GST.

The assets to be purchased include:

- All of the process plant equipment, structures, piping, electrical and ancillaries
- Site services such as water, air cooling and power
- Non process buildings including offices, ablutions, stores, workshops, control room and laboratory

The sale does not include:

- Power station
- Bulk fuel tanks
- Accommodation camp
- Borefield equipment
- Gas pipeline
- Pond infrastructure

The valuation is current as at the date of this report, being 31 October 2024.

The estimate accuracy is to an American Association of Cost Engineers (AACE) class 2 with an accuracy range of +/-10%.

A site visit was not undertaken as the reviewer is familiar with the location and type of equipment. The plant has seen little use, so is known to have minimal wear and tear.

2 SUMMARY CONCLUSIONS

2.1 Transaction Overview

The purchase price for the assets is \$ 2,130,880.90 (excluding GST).

The original 2019 purchase price for materials and equipment only for the same assets was \$ 60,117,324.

The Australian Bureau of Statistics (ABS) publishes an index for input to the coal mining industry prices. There are no indices for other mineral plant inputs in Australia. In June 2019, the index was 108.8. In June 2024, the index was 133.3, an increase of 22.5%. This implies that the assets would be valued at \$73.6M at today's prices.

In the worst case of selling redundant equipment and scrapping the Beyondie plant in its entirety, the value of the assets is less than the costs to achieve the sale.

For the scenario of relocating the plant to a new Pilbara location the depreciated value of the assets based on 5 years into a 20 year equipment life is \$ 42,983,196 (excluding the value of any redundant equipment). Net of redundant equipment sales, PIE estimates the cost to dismantle and relocate the plant and rehabilitate is \$ 22,892,423.

If the value of redundant equipment is added to the reused equipment value, the depreciated asset value is \$ 43,470,089. Including redundant equipment sales, the cost to dismantle and relocate the plant and rehabilitate is \$ 25,294,951.

Reward intends to reuse all parts except for:

- Feed system from ROM bin to the front end of the conversion circuit consisting of dry crushing and milling system and conveyors
- Flotation circuit
- Flotation Reagents

These redundant parts will be transported to Perth for sale or scrap.

2.2 Plant Valuation

The residual value of equipment to be reused is \$ 42,983,196. Replacement value of these assets using the ABS index for input to the coal mining industry prices is \$ 52.65M. The estimated cost to dismantle and relocate the reused process plant to a Pilbara location is \$ 22,584,658.

Table 2-1 Relocation Summary

	Depreciated Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Dismantling Equipment Cost	Freight Cost	Total
Plant Areas	\$ 42,983,196					
Dismantling Costs		68541	\$ 8,567,669		\$ 1,366,166	\$ 9,933,835
Indirect PM and Owner's Costs		49283	\$ 8,482,500	\$ 4,168,323		\$ 12,650,823
Total Depreciated Value	\$ 42,983,196					
Total Costs		117825	\$ 17,050,169	\$ 4,168,323	\$ 1,366,166	\$ 22,584,658

In addition, the cost to dismantle, transport, store and sell redundant equipment is \$ 2,402,527. The expected selling value for redundant equipment is \$ 486,893.

Table 2-2 Redundant Equipment Valuation Summary

	Residual Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Freight Cost	Total
Plant Areas	\$ 486,893				
Dismantling Costs		17265	\$ 2,158,065	\$ 244,462	\$ 2,402,527
Indirect PM and Owner's Costs					Incl in 2.1
Total	\$ 486,893				
Total		17265	\$ 2,158,065	\$ 244,462	\$ 2,402,527

Alternatively, if all equipment is to be sold and materials scrapped, the residual value is \$ 9,775,287. The cost to dismantle and transport is \$ 20,103,080.

Table 2-3 Scrap Valuation Summary

	Residual Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Dismantling Equipment Cost	Freight Cost	Total
Plant Areas	\$ 9,775,287					
Dismantling Costs		70019	\$ 8,752,329		\$ 1,619,348	\$ 10,371,677
Indirect PM and Owner's Costs		37910	\$ 6,525,000	\$ 3,206,403	0	\$ 9,731,403
Total	\$ 9,775,287					
Total		107929	\$ 15,277,329	\$ 3,206,403	\$ 1,619,348	\$ 20,103,080

The costs of rehabilitation would need to be added to the above.

2.3 Rehabilitation

Rehabilitation will be achieved by breaking up concrete using a rock breaker mounted on an excavator and loading for disposal to a designated disposal site. The below ground services and concrete foundations will require removal after the plant has been dismantled. The estimated cost for concrete removal and ground rehabilitation is \$ 307,766.

Table 2-4 Rehabilitation Summary

	Rehab Labour Hours	Rehab Labour Cost	Rehab Equipment Cost	Freight Cost	Total
Breaking Concrete and Load Out	94	\$ 11,263	\$ 150,194		\$ 161,457
Rip and Spread Topsoil	249	\$ 29,823	\$ 116,486		\$ 146,309
Total	343	\$ 41,086	\$ 266,680		\$ 307,766

Management and Overhead costs are included in redundant or relocated equipment quotes.

2.4 Ongoing Costs (Care and Maintenance)

Until such time as the plant is removed and rehabilitation is completed, there will be a requirement for care and maintenance of the site. This on going cost is estimated to be \$ 33,340 per month.

2.5 Combined Valuation Relocate

The combined valuation to relocate the plant considered suitable for future reuse, scrap or sell the redundant equipment and materials and rehabilitate the Beyondie site is shown in Table 2-5. The ongoing care and maintenance costs are not included as the timing of works is not yet clear.

Table 2-5 Relocation Combined Valuation Summary

	Depreciated Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Dismantling Equipment Cost	Freight Cost	Total
Relocate Areas	\$ 42,983,196	68541	\$ 8,567,669		\$ 1,366,166	\$ 9,933,835
Redundant Areas	\$ 486,893	17265	\$ 2,158,065		\$ 244,462	\$ 2,402,527
PM and Owner's Costs		49283	\$ 8,482,500	\$ 4,168,323		\$ 12,650,823
Rehab Costs		1129	\$ 41,085	\$ 266,681		\$ 307,766
Total Depreciated Plant	\$ 43,470,089					
Total Costs		136218	\$ 19,249,319	\$4,435,004	\$ 1,610,628	\$ 25,294,951

2.6 Combined Valuation Scrap

The combined valuation to scrap or sell the redundant equipment and materials and rehabilitate the Beyondie site is shown in Table 2-6. The ongoing care and maintenance costs are not included as the timing of works is not yet clear.

Table 2-6 Redundant Plant and Scrap Combined Valuation Summary

	Depreciated Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Dismantling Equipment Cost	Freight Cost	Total
Redundant Areas	\$ 9,850,555					
Dismantling Costs		70019	\$ 8,752,329		\$ 1,619,348	\$ 10,371,677
PM and Owner's Costs		37910	\$ 6,525,000	\$3,206,403		\$ 9,731,403
Rehab Costs		1129	\$ 41,085	\$ 266,681		\$ 307,766
Total Sale/Scrap Value	\$ 9,850,555					
Total		109058	\$ 15,318,414	\$ 3,473,084	\$ 1,619,348	\$ 20,410,846

4 BEYONDIE PLANT HISTORY

4.1 Design

The Beyondie plant was a collaborative design by Ebtec and DRA Australia, where Ebtec performed the process design and process equipment supply, and DRA Australia did the detailed design, integration of equipment and civil, structural, piping and electrical elements.

The process design relied on Kainite Type Mixed Salts being fed through a crushing circuit, converted to Schoenite and then put through a flotation stage before leaching and crystallisation stages.

The plant design was to Australian Standards and in compliance with Mining Regulations.

4.2 Construction

The plant was commissioned in October 2021. The basis of the capital cost estimate dates from 2019. The plant is typical of mineral processing plants in use in Western Australia in terms of layout and general form, but using exotic materials to resist corrosion when dealing with brines.

4.3 Operation

The production of SOP did not meet planned targets, with first commercial delivery in August 2022. Approximately 2500 tonnes of SOP were produced. It is understood that the process difficulties remained unresolved when the company was put into administration. It is believed that the feed salts produced from ponds were not at target grade, which created problems at the flotation stages. The plant has seen very little use.

5 PROCESS PLANT RECONFIGURATION

5.1 Design Intent

Reward has been researching alternative methods for extraction of potassium from brines in lieu of pond crystallisation and dry feed. The process avoids the front end crushing stages and does not require a flotation stage, which eliminates the processes identified as problematic during operation. The later stages of the process, namely leaching and crystallisation, are applicable to the new process flow sheet as identified by Reward.

The current focus has been on a plant capacity of 100,000 tonnes per annum of SOP. The nameplate capacity of the Beyondie plant is 90,000 tonnes per annum.

6 VALUATION STRATEGY

6.1 Valuation Methodology

The valuation seeks to identify value in the transaction to purchase the Beyondie plant compared to acquiring new equipment on a delivered basis to the nominated site in the Pilbara. The evaluation approach used for reuse estimation is a cost approach using the original capital cost estimate. The scrap value estimates have used a market based approach to the extent that market prices are known for equipment which is not common.

The Beyondie plant has been in partial use for 5 years. The nature of salt brine and potash means that plant equipment and structures will decline in value due to corrosion for the expected 20 year design life. The depreciated value for reused equipment is therefore the original 2019 value of equipment reduced by 25%. For transaction valuation, the estimated cost of new equipment depreciated by 25% is the appropriate measure.

Where items are not to be reused, the equipment is valued at used equipment trading value (estimated) or scrap value for steel and copper.

In all cases, it is largely impractical to reuse electrical cables, cable support systems and piping since they become compromised during removal. These are therefore priced at scrap value.

For industrial plants, the alternative valuation method normally employed is to compare the plant value to other peer operations and equipment. There is one other similar SOP plant in Australia owned by Salt Lake in Wiluna (built around the same time). The equipment for Salt Lake was sourced from different suppliers, the design feed rate was higher and the process is significantly different, so it is not comparable to the Beyondie plant in terms of new cost plant. International operations do not use the same process flow sheets despite having unit processes in common.

6.2 Relocated Equipment

The equipment identified above as applicable to the new process configuration, together with building structures, switchrooms, heating and cooling services, piping, electrical equipment, instrumentation and non process buildings are to be dismantled (in a controlled manner for ease of reassembly), loaded and transported to a new site in the Pilbara region of Western Australia.

The capital cost estimate used for the original construction has been used as a source document for this valuation. The process equipment and materials value has been depreciated (5 years from a design life of 20 years). Cable supports and piping will be relocated, but the process of dismantling will render the material value to nearly zero residual value. It has been assumed that equipment can be transported with lubricants eliminating the need for draining and storage.

Industry experience with relocating mineral processing plants is that demolition of old plants is achieved using 50-60% of the original installation manhours. To take care during deconstruction for plant reuse will require 65% of original installation manhours. Nevertheless, it is impractical to reuse much of the piping, electrical cabling and supports due to damage during removal. Any materials suitable for reuse are a bonus, otherwise these components will require some processing and handling to satisfy scrap merchant requirements.

Transport has been the subject of current quotations to account for mobilisation to Beyondie and journey to the Pilbara site and return.

To provide a comparison of the disposal purchase price of the plant and the cost to build a new plant equivalent delivered for installation to the same Pilbara delivery point, the original capital estimate value has been used. The workings in the tables are all based on the original cost. Note that the material cost index has increased by around 23% since the date of the original capital cost estimate, so the valuation of what this equipment in a new plant would cost in today's market is increased by 23% from the original capital estimate value.

6.3 Redundant Equipment

Equipment which is no longer required for the new process plant will be dismantled, transported to Perth and offered for sale. Much of this equipment is specific to SOP operations, with limited market opportunities, so a residual value of 20% of original value has been used for this valuation.

The auction house which managed the current sale is working to residual values reflected in the transaction value ie 1% or \$2M vs original plant value of \$200M. This ignores that the original project value had a large proportion of value in ponds and borefields.

Enquiries with other used equipment dealers indicate that for new plant with little use, 20% of original equipment value is a fair appraisal of the realisable value. This assumes the equipment is marketed and not auctioned.

Bulk materials such as structural steel, electric cables and piping associated with redundant equipment will be valued for scrap. Scrap prices have been quoted, which vary significantly depending on the amount of processing required to minimise metal volume. For steel, cut lengths get better pricing and for electrical cables, minimal insulation achieves better pricing. PIE has used middle of the range quotes.

6.4 Alternative Valuation

If the process plant cannot be used at an alternate site, then the valuation of the plant will be on the basis of dismantling, transport to Perth and sale. Based on our professional judgment, enquiries with used equipment dealers and experience with similar assets in the area, equipment will be valued at 20% of original value, with bulk materials sold at scrap value.

7 COST ESTIMATES

7.1 Relocation Cost Estimate

The capital cost estimate for the original plant construction was provided to Reward as part of the documentation handed over on sale of the Beyondie plant. PIE has been provided a copy which has been modified to provide the basis for the valuation.

The plant and equipment to be relocated has been identified as part of the process stages identified by Reward as applicable to the new process flow sheet. It is only these portions of the original plant that have been included in the evaluation of a new plant cost for comparison purposes.

The original manhours estimated for these plant and equipment items have been discounted by 35% and average manhour labour rates derived from current local contractor quotes using typical gang structures. Current equipment rates have also been provided by local contractors.

The manhours have been calculated through to mandays and site duration for an assumed workforce size. Catering costs have been estimated from recent contracts on the assumption that site accommodation can be used for the dismantling process.

For the final rehabilitation stage, it is expected that the workforce will be accommodated at Kumarina Roadhouse and travel to site each day.

Freight rates for different load configurations have been obtained from a trucking company. The original capital cost estimate included the trailer count for the total scope. This will be applied to the relocated items where appropriate. Additional transport allowance will be provided for spares, consumables and valuable equipment accumulated after plant construction.

There will be a requirement for project management and site supervision by Reward during the dismantling. This, together with associated indirect costs, has been estimated by PIE.

Table 7-1 Relocation Detail

	Depreciated Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Dismantling Equipment Cost	Freight Cost	Total
SOP Process Equipment	\$ 29,965,978	1336	\$ 167,034		\$ 49,564	\$ 216,598
KTMS to Schoenite Conversion	\$ 3,051,389	10281	\$ 1,285,145		\$ 229,115	\$ 1,514,260
Schoenite Crystallisation	\$ 1,627,966	12057	\$ 1,507,138		\$ 138,392	\$ 1,645,530
SOP Production	\$ 1,509,839	13408	\$ 1,676,092		\$ 143,325	\$ 1,819,417
Compaction Plant	\$ 3,330,866	9033	\$ 1,129,143		\$ 92,238	\$ 1,221,381
Storage and Packing of SOP	\$ 586,556	3835	\$ 479,374		\$ 79,656	\$ 559,031
Cooling Towers	\$ 219,774	800	\$ 100,027		\$ 53,828	\$ 153,855
Chilled Water Plant	\$ 785,662	1455	\$ 181,862		\$ 93,450	\$ 275,312

Demineralisation Plant	\$ 132,048	286	\$ 35,755		\$ 22,774	\$ 58,529
Steam Generation Plant	\$ 501,754	710	\$ 88,737		\$ 10,600	\$ 99,337
Water Services	\$ 270,012	1572	\$ 196,464		\$ 54,440	\$ 250,904
Air Services	\$ 183,986	761	\$ 95,124		\$ 62,627	\$ 157,751
Fire Protection	\$ 213,528	553	\$ 69,069		\$ 56,105	\$ 125,174
Non Process Infrastructure	\$ 194,955	582	\$ 72,769		\$ 15,089	\$ 87,858
Plant Buildings	\$ 408,883	11871	\$1,483,935		\$ 264,962	\$ 1,748,897
Mobilisation/ Demob		90	\$ 10,800	\$ 328,863		\$ 339,663
Dismantling Management		33,060	\$ 4,867,700	\$ 1,461,741		\$ 6,329,441
Dismantling Management Expenses		10,833	\$2,600,000	\$ 709,655		\$ 3,309,655
Project Management		5120	\$ 982,400	\$ 385,600		\$ 1,368,000
Owner's Costs		180	\$ 21,600	\$ 1,282,465		\$ 1,304,065
Total Depreciated Value	\$ 42,983,196					
Total Costs		117,825	\$ 17,050,169	\$ 4,168,323	\$ 1,366,166	\$ 22,584,658

Equipment required for dismantling, including operators is included in indirect costs for the above table.

7.2 Redundant Equipment Cost Estimate

The plant and equipment which has been identified as redundant will be dismantled and transported to Perth for sale, either as process equipment on the open market or as scrap through merchants. The value of equipment for sale is estimated to be 20% of original value.

Freight rates for different load configurations have been obtained from a trucking company. The original capital cost estimate included a trailer count for the total scope. This has been reviewed and updated for accuracy and rates as the original estimate was considered incomplete. This will be applied to the redundant items where appropriate. Additional transport allowance will be provided for any other scrap materials accumulated after plant construction by Beyondie and left in stores or yards.

The original manhours estimated for these plant and equipment items have been discounted by 50% and average manhour labour rates derived from current local contractor quotes using typical gang structures. Equipment and catering rates are as per the relocated equipment in Table 7.1 Relocation Detail.

Table 7-2 Redundant Equipment Valuation Detail

	Residual Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Freight Cost	Total
KTMS Crushing	\$ 162,921	5265	\$ 658,140	\$ 112,192	\$ 770,332
Schoenite Flotation	\$ 313,273	11718	\$ 1,464,691	\$ 117,435	\$ 1,582,126
Reagent Flotation	\$ 10,700	282	\$ 35,233	\$ 14,835	\$ 50,068
Total Residual	\$ 486,893				
Total		17,265	\$ 2,158,065	\$ 244,462	\$ 2,402,527

7.3 Scrap Cost Estimate

Scrap merchants have provided rates for steel and copper materials delivered to Perth. The quantities are derived from the original capital cost estimate. The amounts for copper have been calculated for substantial cables only as the scrap value depends on a high copper to insulation value. Steel scrap value price used is \$200 per tonne and copper scrap value used is \$9.00 per kg.

The original manhours estimated for scrap material items have been discounted by 50% and average manhour labour rates derived from current local contractor quotes using typical gang structures. Equipment and catering rates are as per the relocated equipment in Table 7.1 Relocation Detail.

Table 7-3 Scrap Valuation Detail

	Residual Material Value	Dismantling Labour Hours	Dismantling Labour Cost	Dismantling Equipment Cost	Freight Cost	Cost Total
SOP Process Plant Equipment	\$ 7,976,175	1058	\$ 132,238		\$ 58,284	\$ 190,522
KTMS Crushing	\$ 38,022	5265	\$ 658,140		\$ 112,192	\$ 770,333
KTMS to Schoenite Conversion	\$ 341,665	7909	\$ 988,573		\$ 229,115	\$ 1,217,688
Schoenite Flotation	\$ 49,499	11718	\$ 1,464,691		\$ 117,435	\$ 1,582,126
Schoenite Crystallisation	\$ 10,426	9275	\$ 1,159,337		\$ 138,392	\$ 1,297,729
SOP Production	\$ 145,350	10314	\$ 1,289,302		\$ 143,325	\$ 1,432,626
Compaction Plant	\$ 670,436	6949	\$ 868,572		\$ 92,238	\$ 960,809
Storage and Packing of SOP	\$ 89,447	2950	\$ 368,749		\$ 79,656	\$ 448,405
Cooling Towers	\$ 50,200	616	\$ 76,944		\$ 53,828	\$ 130,772

Chilled Water Plant	\$ 180,610	1119	\$ 139,894		\$ 93,450	\$ 233,344
Demineralisation Plant	\$ 28,301	220	\$ 27,504		\$ 22,774	\$ 50,278
Steam Generation Plant	\$ 118,800	546	\$ 68,259		\$ 10,600	\$ 78,860
Water Services	\$ 54,638	1209	\$ 151,126		\$ 54,440	\$ 205,566
Air Services	\$ 42,700	585	\$ 73,172		\$ 62,627	\$ 135,799
Fire Protection	\$ 48,816	425	\$ 53,130		\$ 56,105	\$ 109,235
Reagent Flotation	\$ 4,900	282	\$ 35,233		\$ 14,835	\$ 50,069
Non Process Infrastructure	\$ 570	7038	\$ 879,743		\$ 280,050	\$ 1,159,793
Plant Buildings		2542	\$ 317,722		\$ 0	\$ 317,722
Mobilisation/ Demob		69	\$ 8,308	\$ 252,971		\$ 261,279
Plant and Equipment		4154	\$ 556,615	\$ 1,124,416		\$ 1,681,031
Indirect Labour		8308	\$ 1,063,385			\$ 1,063,385
Dismantling Management		12969	\$ 2,124,385			\$ 2,124,385
Dismantling Management Expenses		8333	\$ 2,000,000	\$ 545,888		\$ 2,545,888
Project Management		3938	\$ 755,692	\$ 296,615		\$ 755,692
Owner's Costs		138	\$ 16,615	\$ 986,511		\$ 1,299,742
Total Residual	\$ 9,850,555					
Total Cost		107929	\$ 15,277,329	\$ 3,206,403	\$ 1,619,348	\$ 20,103,080

7.4 Rehabilitation Cost Estimate

The volume of concrete required for rehabilitation is derived from the original capital cost estimate. This volume will be used to determine the truck volumes required to dispose of redundant concrete in an approved disposal site. Production rates for rockbreaking to break concrete down have been derived from contractor sources and machine handbook. A machine gang estimate has been determined from first principles to scarify the plant area and spread topsoil on the assumption that this has been stockpiled nearby.

An allowance will be made for buried services unearthed during scarifying for disposal.

Current contractor rates have been obtained for these rehabilitation works.

Table 7-4 Rehabilitation Valuation Detail

	Labour Hours	Labour Cost	Equipment Cost incl Operator	Total
Concrete Breaking and Removal	529	\$ 11,262	\$ 150,195	\$ 161,457
Rip and Spread Topsoil	600	\$ 29,822	\$116,486	\$ 146,308
Total	1129	\$ 41,085	\$ 266,681	\$ 307,766

Indirect costs associated with rehabilitation are included in the dismantling costs.

7.5 Care and Maintenance Cost Estimate

Reward currently has caretaker personnel on site at Beyondie to provide security against theft and any maintenance activities to keep the assets in current condition. The site maintains an operating office using a small diesel generator. Reward advises that the costs for these activities are as follows:

Table 7-5 Care and Maintenance Summary

Item	Rate \$ per annum	Rate \$ per month
Care and Maintenance Personnel	200,000	
Accommodation and Meals	50,000	
Fuel	50,000	
Travel	40,000	
Contingency	60,000	
Total	400,000	33,340

The care and maintenance estimate is considered by PIE to be reasonable.

7.6 Cost Inputs

7.6.1 Equipment and Materials Pricing

The mechanical and electrical equipment pricing for equipment to be reused is from the Beyondie Capital cost estimate depreciated by 25% to align with the age of the plant (5 years old out of a 20 year design life). For redundant equipment to be sold, a value of 20% of original value is used.

For structural steel, grating, handrails to be relocated the original value will be depreciated by 25% as above.

For buildings, a depreciated value of 50% is used (5 years old out of a 10 year design life).

Piping and electrical materials have no value when dismantled other than copper scrap value for cables.

7.6.2 Labour Pricing

Labour pricing has been obtained from Pilbara contractors and is current. A notional gang has been estimated with rates to provide an average hourly rate which has been applied to the estimate hours. This notional gang rate is \$125 per hour.

7.6.3 Labour Manhours

The original Beyondie capital cost estimate hours were used and a reduction applied for dismantling. Dismantling for reuse is a systematic disassembly exercise to ensure that the equipment can be reused without needing repair. 65% of the original manhours are therefore allocated for this dismantling process as per industry norms.

Where materials are to be removed for scrap, 50% of the original manhours will be allocated for this work due to processing required by scrap merchants.

7.6.4 Owner's Costs

The Owner will be responsible for the site under Mines Regulations and Occupational Health and Safety Regulations. The Owner will therefore be required to provide site supervision during the works. There will also be a requirement to manage contracts and service provision to support the works. Insurances will be required.

The estimate for these costs is based on current hourly rates from engineering service providers.

Accommodation costs have been allowed at \$ 240 per manday based on catering contract rates. It is expected that the on site crib room can be converted to a site kitchen/mess and the current accommodation units put back into service for the dismantling works. When the site has been finally cleared, meals and accommodation will be sourced from Kumarina Roadhouse for a manday rate of \$ 240. Kumarina is some distance from Beyondie and will incur additional travel time during this period.

7.6.5 Spares

A large quantity of spare parts were still on site when the plant ceased operations including workshop equipment and office contents. None of these items have been included in the residual value estimate other than for the cost of some freight to move them from site.

7.6.6 Freight and Logistics

The original capital cost estimate included estimates for the number of trailers required to site. Current rates will be applied for the allotted destination and additional trailer quantities will be allowed for the original omissions, spares, excess materials and any residual items.

Concrete quantities are known from the original estimate, so these quantities will be used to estimate cartage required to dispose of old foundations.

8 COMPETENCY AND INDEPENDENCE

8.1 Professional Competency

PIE has been in operation since 2009, providing consulting services to minerals processing projects. PIE services include design, project management, site supervision, commissioning and independent technical expert (ITE) evaluations.

As part of these services, PIE has prepared detailed project estimates covering salt, potash, gold, copper and other process plants as well as critically reviewed estimates by others for studies and projects around the globe. PIE is suitably qualified to evaluate and estimate the costs described in this report.

Current summary resumes for Peter Jacques and Keith Brown follow.

8.2 Independence

Neither PIE, its directors, shareholders or employees have or have had any financial or other interest in Reward or its entities.

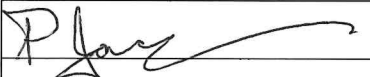

PIE has not provided professional services to Reward in the last two years.

Reward has not directed PIE on the method of evaluation as outlined above. This has been determined entirely by PIE.

8.3 Fee Basis

The fee for preparing this report is based on the actual hours expended in preparing the report, completing the supporting spreadsheet estimates and obtaining data records either from Reward or from sources of knowledge. The hourly rates charged are in accordance with current industry rates. The rates agreement does not include any incentive type payment or other inducement. PIE does not have a vested interest in the outcome of this evaluation and has no expectations of any services beyond this report that Reward may require.

9 AUTHORISATION

Author	Reviewer
	
Peter Jacques	KERN BROWN
BE	QS

10 REFERENCES

Data for this report was largely derived from the capital cost estimate and Mechanical Equipment List prepared for Kalium Lakes by DRA Australia.

Transport trailer quotes were received from Lee's Transport.

Structural Mechanical labour and equipment rates were received from Powerlift Industries.

Crane Hire was quoted by Freo Cranes.

Civil equipment and labour rates were received from Norwest Contracting.

Electrical rates used are from recent projects.

Australian Bureau of Statistics Input to coal mining industry prices, quarterly and annual percentage change and index

Summary Resume Peter Jacques

Qualified mechanical/ electrical engineer since 1985 (41 years) involved in construction and mining.

Director of PIE since 2008 (16 years) involved with the following relevant projects:

- Salt operations included project management for shiploader, stacker, washplant (2), crystalliser construction.
- Design of a salt washplant in Namibia.
- Currently providing consulting services to 4 salt clients in 5 locations. Provided studies and capital cost estimates for multiple sites.
- Independent technical expert services and study input for six gold projects in West Africa and two SOP projects in Western Australia.
- Design and management services for a Biox gold project in the Philippines, copper plant modifications in DRC, gold projects in WA.

Extensive construction and project management experience for a range of commodities and project types in WA and overseas.

Summary Resume Keith Brown

A contracts management professional, Keith has substantial experience in managing major projects in Australia, New Zealand, the Pacific, S.E. Asia and Africa.

Keith's professional career began with a firm of quantity surveyors in New Zealand. This provided the raw skills needed to move into contracts management. Keith's initial experience was on the USD 1.8 billion expansion of an oil refinery in New Zealand. Since then, Keith has gained extensive experience in the resource and commercial construction arenas.

This includes:

- Gold mine projects in Australia, Philippines and Africa.
- Oil and gas in Australia and Papua New Guinea.
- Petrochemical facilities engineered in Korea and constructed in Vietnam.
- Nickel mine, New Caledonia.
- Civil works (railway alignment for an iron ore mine), Pilbara.
- Alumina refinery upgrade, West Australia.
- Strengthening Canning Dam, West Australia.

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Your proxy voting instruction must be received by **10.00am (AWST) on Saturday, 14 December 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

