

## QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2018

31 October 2018

**ASX CODE**  
RWD

**SHARE PRICE**  
\$0.135

**SHARES ON ISSUE**  
162,096,057

**MARKET CAPITALISATION**  
\$22M (undiluted)

### DIRECTORS

Colin McCavana  
*Chairman*

Michael Ruane  
*Director*

Rod Della Vedova  
*Non-Executive Director*

### MANAGEMENT

Greg Cochran  
*Chief Executive Officer*

Daniel Tenardi  
*Project Director*

Bianca Taveira  
*Company Secretary*

### KEY PROJECT

Lake Disappointment Project

### HEAD OFFICE

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### Highlights

- **Entitlement Issue successfully completed**
- **Infill drilling program commenced**
- **Evaporation trials continue**
- **Independent review of output from flowsheet R&D program**
- **ERD update nearing completion**

### Corporate

Expenditure by Reward during the September 2018 quarter was \$1.06 Million, with net cash at the end of the period being approximately \$5.5 Million. The Company owed its strong cash position to the successful completion of a 1 for 5 non-renounceable rights issue which closed in August 2018 and receipt of \$1.83 Million R&D rebate funds.

The Company received subscriptions from the Rights Issue as follows:

Details	New Shares	New Options	Gross Proceeds
Entitlement Securities	14,512,952	7,256,476	\$ 2,612,331.36
Additional Securities	3,176,123	1,588,061.50	\$ 571,702.14
Securities to Underwriter/Subunderwriter	8,333,333	4,166,667	\$ 1,500,000.00
<b>Total</b>	<b>26,022,408</b>	<b>13,011,204</b>	<b>\$ 4,684,033.50</b>

Based on share registry calculations, there was a small shortfall of 1,129,671 New Shares and 564,835 New Options. A further 313,253 New Shares and 156,627 New Options were subsequently placed, leaving the shortfall at 816,418 shares and 408,175 New Options respectively.

As a priority and in line with the Prospectus the short-term loan from Reward's Director, Dr Michael Ruane was repaid, in two tranches.

In September, the Company was pleased to welcome Mr Ron Chamberlain to the team as part-time CFO. Mr Chamberlain, who currently also serves as Vimy Resources' CFO and Company Secretary, has over twenty-five years' experience in the resources industry as a finance professional. He has held a number of senior executive roles in the resources industry, including being the inaugural CFO for Paladin Energy, playing a key role in funding the development of the Langer Heinrich and Kayelekera projects.

Mr Chamberlain has also been involved in other resource project development financings and acquisitions in Australia, Africa, North America and Asia. He holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Chartered Accountants Australia and New Zealand.

## LD Project Infill Drilling Program Commenced

With the LD Project's Pre-Feasibility Study ("PFS") having been completed earlier in the year, Reward embarked on a resource conversion program during the quarter. The program was planned in conjunction with internationally-respected mining consultants SRK and will consist of a number of different components. In addition to infill core drilling, cone penetrometer tests ("CPT's") would also be completed for geotechnical purposes and to support resource conversion and hydrogeological dynamic flow modelling to enable Reserve definition. The program is focussed on the shallow section of LD's resource (0 – 6 m) and has a target of 80 core holes and 132 CPT's (Figure 1).

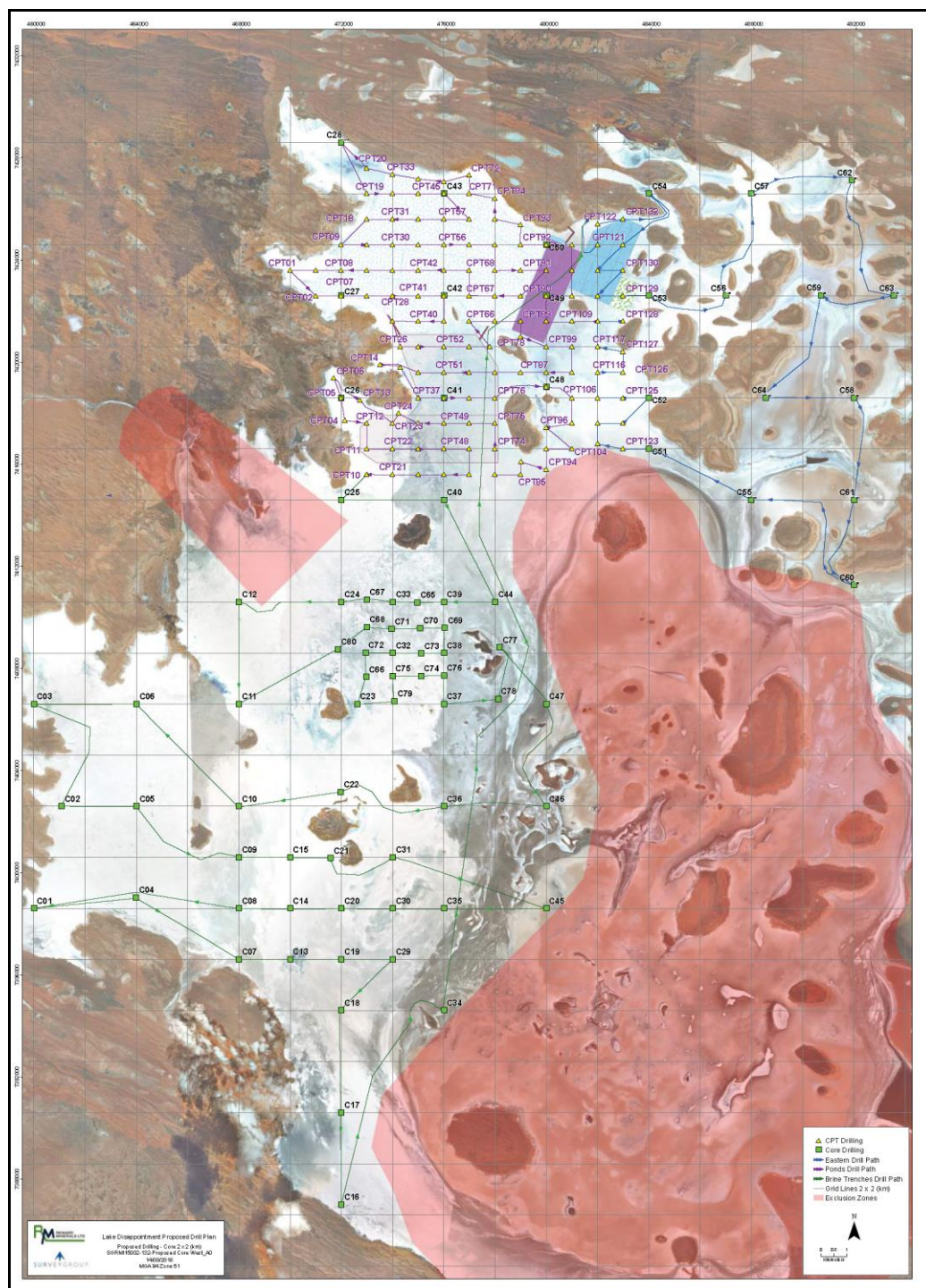


Figure 1. LD Project In-Fill Drilling and CPT Program

As a part of the program it was decided to trial a drill rig from ProbeDrill Geotechnical Survey, a West Australian based leader in geotechnical site investigation and assessment (Figure 2). The drilling program mobilised towards the end of August with the initial focus being the closely-spaced CPT's in and around the planned evaporation pond area and selected core holes. Progress was rapid in the first weeks but slowed as the drill rig moved closer to the middle of LD.

Bogging became a problem for the ProbeDrill towards the middle of LD where the brine is just below surface (Figure 3). After experiencing a few lost days where the excavator was required to continually assist the rig's progress it was decided to cut short the ProbeDrill program and complete the remaining holes with an auger mounted on the amphibious excavator. Almost half of the core holes were completed and approximately 80% of the CPT's.



Figure 2. ProbeDrill Rig and LD's Amphibious Excavator about to commence program



Figure 3. ProbeDrill Rig Working Hard

## LD Project Long Term Evaporation/Seepage Trials

Monitoring of the two pilot ponds being used in a program to assess long term evaporation rates and seepage losses continued during the September period with valuable data gathered. As in previous quarters brine input into the similarly-sized ponds (internal dimensions of approximately 560 m<sup>2</sup>) was controlled to maintain a steady head of brine. Control evaporation pans (with zero seepage) are located adjacent to the respective pilot ponds to establish control evaporation-only data for over the same period (Figure 4).



Figure 4. Trial evaporation pond and control pans

The data from Pilot Pond 2 (PP2) is of particular value as very little loss of brine to seepage has occurred from this pond over the course of the year-long evaporation trial.

In the previous quarter the brine evaporation rate was typically around the 4 mm per day mark but this increased to approximately 5.8 mm per day during September and 6.3 mm per day more recently in October. These evaporation rates were 1.7 – 2 mm per day less than the evaporation pan data indicating negligible seepage loss over these periods. Salt bed thickness in PP2 at the end of the period was approximately 350 mm (Figure 5).



Figure 5. Pilot evaporation pond PP2

The final brine addition was made on 23 September 2018 at which stage the Potassium content was approximately 23 grams per litre. It is anticipated that the brine will reach the target of approximately 35 g/l K and thus be ready to transfer to the Potash crystallisation ponds early in November 2018.

The Pilot Pond trials have provided excellent data on pond construction methods, evaporation and seepage rates which Reward believes can be translated into the commercial production scenario at LD. Small scale harvesting of Potash salts is expected during the December quarter.

## Flowsheet Research and Development Program

Reward has continued metallurgical testwork aimed at enhancing the economics of SOP production at LD. Important technical improvements have been demonstrated in testwork completed recently which have potential to significantly reduce the mass of the crude Potash salt harvest (per unit of SOP output).

Testwork results are currently being examined by Ercosplan to evaluate the technical aspects of the processes developed and assist with the evaluation of the potential cost benefits associated with these processes.

Results of the Ercosplan review are expected by the end of 2018.

## Environmental Permitting Update

Reward is continuing to update its Environmental Review Document ("ERD") in response to feedback from WA's Environmental Protection Agency ("EPA") and other Regulators. The Company was aiming to re-submit its ERD to the EPA by the end of September 2018, however additional reports were requested. These have subsequently been received and are being incorporated into the document with submission now anticipated within a matter of weeks. Assuming no further information requests by the EPA and once it has completed its final review a 6-week Public Environmental Review (PER) period will commence.

*For further information please contact:*

**Greg Cochran**  
Chief Executive Officer  
on behalf of the Board

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## About Reward

Reward Minerals Ltd (Reward) is a potash-focussed exploration and development company listed on the Australian Securities Exchange (ASX Code: RWD) with a portfolio of advanced exploration projects in Australia hosting significant sulphate of potassium (SOP) resources. The Company's tenements cover approximately 10,000 km<sup>2</sup> containing a series of highly prospective playa-style lakes and palaeovalleys known to host substantial volumes of high density potassium rich brines.

Reward's flagship project is its 100% owned LD SOP Project, located 340 km east of Newman in the Little Sandy Desert of north-western Western Australia. The LD Project consists of a tenement package that covers over 3,000 km<sup>2</sup> which hosts an Indicated and Inferred extractable Mineral Resource of 153 Mt of SOP grading approximately 11.3 kg/m<sup>3</sup> of SOP brine in sediments from surface to a depth of approximately 90 m. The Project has a registered Indigenous Land Use Agreement with the Martu people, the traditional owners of the land, as well as a granted Mining Lease and associated Miscellaneous Licence. A Pre-Feasibility Study for the LD Project was completed at the end April 2018 and the Project's Environmental Impact Assessment is under adjudication by the EPA.

## Tenement Holdings as at 30 September 2018

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
<b>Lake Disappointment, Western Australia</b>				
E45/2801	Granted	100%	-	-
E45/2802	Granted	100%	-	-
E45/2803	Granted	100%	-	-
E45/3285	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090	Granted	100%	-	-
E45/4121	Granted	100%	-	-
E69/2156	Granted	100%	-	-
E69/2157	Granted	100%	-	-
E69/2158	Granted	100%	-	-
E69/2159	Granted	100%	-	-
E69/3275	Granted	100%	-	-
E69/3276	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
<b>Runton, Western Australia</b>				
ELA45/5314	Application	100%	100%	-
<b>Gibson, Western Australia</b>				
ELA69/3585	Application	100%	100%	-
ELA69/3586	Application	100%	100%	-
ELA69/3587	Application	100%	100%	-
ELA69/3588	Application	100%	100%	-
ELA69/3589	Application	100%	100%	-
<b>Balfour, Western Australia</b>				
LA46/128	Application	100%	-	-
<b>Dora, Western Australia</b>				
E45/3246	Surrendered	0%	-	100%
E45/4292	Granted	100%	-	-
ELA45/4321	Application	100%	-	-
ELA45/4488	Application	100%	-	-

## APPENDIX A: JORC Table

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Pilot Evaporation Pond Sampling</p> <p>Brine (grab) samples were collected weekly from several positions within the ponds and composited to provide representative sample of brine for analysis.</p> <p>The composite samples were transferred to screw top samples containers, labelled and dispatched to Perth for analysis. Occasional top and bottom pond samples were collected to assess brine stratification in the ponds.</p> <p>Halite thickness in evaporation ponds was recorded via a brine/salt depth level indicator installed in the ponds prior to pumping brine into the ponds.</p>
<b>Drilling techniques</b>	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	Not applicable.
<b>Drill sample recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	Not applicable.
<b>Logging</b>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	Not applicable.
<b>Sub-sampling techniques and sample preparation</b>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Brine samples were collected over several hours and in some cases on consecutive days. Initial scan analyses (for Mg) were run in-house to establish consistency prior to dispatch to independent laboratories for analysis.</p> <p>Brine samples were stored in a cool place on site and then transported to Perth via courier or RWD staff. Initial scans for Mg and SG were run in-house to establish consistency and dilution requirements prior to dispatch to independent laboratories for analysis.</p>

Criteria	JORC Code explanation	Commentary
<b>Quality of assay data and laboratory tests</b>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>Elemental analyses of brine samples were performed by ALS Global at its Balcatta laboratory in Perth, WA. ALS is certified to QMS ISO 9001 standards. Brine analyses were performed by a combination inductively coupled plasma - optical emission ICP-OES and ICP Mass Spectrometry.</p> <p>Conductivity, pH and chloride are determined by ion selective electrode techniques. Chloride analyses were also undertaken in-house (RWD) by volumetric titration. Brine SGs were also determined in-house. Check samples and spiked samples were included in most sample batches.</p>
<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Regular inclusion of blanks, duplicates and spiked samples has verified the analytical techniques and reported values. Samples are also sent to alternative laboratories on a periodic basis.</p> <p>Laboratories include internal standards and spike additions as standard procedure or upon request by the client.</p>
<b>Location of data points</b>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>The pilot ponds are located at the northern end of trench PT12.</p>
<b>Data spacing and distribution</b>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>See above.</p>
<b>Orientation of data in relation to geological structure</b>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>Data provided does not relate to geological structure.</p>
<b>Sample security</b>	<p><i>The measures taken to ensure sample security.</i></p>	<p>Samples are labelled and transported in sealed containers by independent couriers or RWD staff to RWD office in Perth. They are sorted, relabelled if required and delivered to laboratories by RWD personnel.</p>
<b>Audits or reviews</b>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>No audits or reviews have been undertaken on the data provided.</p>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>The Lake Disappointment Potash Project is 100% owned by Reward Minerals Ltd with Project tenure via the following tenements granted under the Mining Act of Western Australia. E45/2801-2803, E45/3285-3286, E45/4090, E45/4121, E69/2156-2159, E69/3275-3276, L45/302, M45/1227 and L46/128 (Application).</p> <p>RWD has an Indigenous Land Use Agreement (ILUA) with the Western Desert Lands Aboriginal Corporation on behalf of the Martu Traditional Owners of the lands held under Native Title Determination WA (2002) FCA 2002 in respect of the Lake Disappointment Project.</p>
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	No previous exploration had been undertaken on the Lake Disappointment Potash Project prior to that of RWD.
<b>Geology</b>	Deposit type, geological setting and style of mineralisation.	The resource is a brine deposit containing potassium and sulphate ions that could form a potassium sulphate salt. The brine is contained within saturated sediments below the lake surface and in sediments adjacent to the lake. The lake sits within a broader palaeovalley system that extends over hundreds of kilometres.
<b>Drill hole Information</b>	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	<p>Not applicable.</p> <p>Pilot Pond locations provided above.</p>
<b>Data aggregation methods</b>	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>Not applicable due to exploration results being applicable to a brine and not a solid.</p> <p>No low- or high-grade cut-off grade has been implemented due to the consistent grade of the brine recovered.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	Not applicable due to results relating to brine only being extracted.
<b>Diagrams</b>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole	Not applicable.

Criteria	JORC Code explanation	Commentary
	<i>collar locations and appropriate sectional views.</i>	
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Preliminary data only. Testwork continuing.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Not applicable.
<b>Further work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).  Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Pilot Pond monitoring is continuing for definition of brine evaporation parameters and seepage losses. Evaporite salts will be sampled/harvested at the appropriate time.