REWARD MINERALS LTD

ANNUAL REPORT 2018

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Chairman's Letter

Dear Shareholders,

I am pleased to present to you the Company's 2018 Annual Report.

This time last year, we noted that it was a period during which we continued to make solid progress on development of the world class Lake Disappointment Sulphate of Potash (SOP) Project. Stepping forward twelve months, it is pleasing to see what our team has been able to deliver at Lake Disappointment (LD).

A detailed Pre-Feasibility Study (PFS) was completed early in the year which demonstrated that the LD Project is both technically sound and financially robust and has the potential to generate long-term attractive returns. These returns were enhanced a few months later with an improvement to the Project's product logistics costs.

Our team also completed its update of the LD Project Environmental Review Document (ERD), addressing feedback received from WA's Environmental Protection Agency (EPA) and other Regulators on the original draft submitted at the end of 2017. The final ERD was submitted to the EPA in November and was still under assessment at year end.

Post year-end the ERD was approved by the EPA for the purpose of enabling the 6-week public consultation period. This approval is a significant milestone as public consultation is a major critical step forward in the process of taking the LD Project closer to approval and ultimately development.

A major infill drilling program was launched in the latter half of the year at LD Project with the ultimate objective of enabling a resource update and conversion.

This work was carried out under very trying conditions of high daytime temperatures, boggy conditions on the lake and concerns about the looming monsoon season. Equipment was also put under stress in these conditions, necessitating a change in drilling methodology to obtain reliable geological and hydrological information and most importantly acquire brine samples. Thanks to the dedication and innovation of our site team we were able to come up with alternative strategies to complete this work.

In the end the program was largely completed before the year-end break with all augered holes drilled across the playa surface being qualitatively logged, properly cased, developed and pumped until sustainable flow rates were being achieved. These installations remain in place for any future required pump flow testwork.

Our team is currently reviewing the overall program and all historical results prior to returning to site for the next phase of the program.

We have also continued to conduct metallurgical testwork aimed at enhancing the economics of SOP production at LD and have engaged internationally recognised SOP engineers, Ercosplan, to carry out an assessment of an improved flowsheet.

The coming year will see management and staff continuing to diligently conduct programs and processes aimed at bringing the Lake Disappointment Project to production.

I would like to take this opportunity to thank our staff, consultants and contractors for their great work this year and our shareholders for their continuing support.

I would also like to thank our partners, the Martu People, for their continuing support, assistance and cooperation.

We are looking forward to making 2019 a successful year for your Company.

Colin McCavana
Chairman

29 March 2019

Operations Report

Corporate

During the 2018 year, Reward expended approximately $3.9 million on its project and related activities. The Company received $1.83 million during the year in rebate funds via the Australian Government Research and Development Incentive program. The rebate was on the back of the innovative metallurgical and pilot testwork activities undertaken during the 2017 tax year. The trials continued throughout 2018 both on site and at test facilities in Perth.

Reward's cash balance as at 31 December 2018 was a healthy $3.2 million, thanks in part to the rebate but more specifically to the successful non-renounceable rights issue completed in third quarter of the year. Gross proceeds of $4.684 million were raised in the rights issue, thanks to the support of many of the Company's longstanding shareholders.

Operations

Lake Disappointment Sulphate of Potash Project ("LD SOP Project")

Overview

The LD SOP Project is Reward's flagship Project. The Company's primary objective is to safely and successfully permit, fund and develop this Tier 1 deposit as soon as possible. To achieve this objective Reward completed numerous significant Project milestones during 2018. These milestones included:

- Completion of the Project Pre-Feasibility Study
- Finalisation and submission of the Environmental Review Document
- Independent peer review of the Project's Mass Balance and Flow Sheet Design
- Ongoing Evaporation Pond Pilot Trial and Trench Pumping Trials
- Submission of Groundwater Licence Applications

Completion of Prefeasibility Study ("PFS")

The completion of the PFS at the end of April 2018 was one of the biggest milestones achieved by Reward to date. The PFS, conducted to a high level of detail by respected Perth-based engineering consultants CPC Project Design, demonstrated that the LD Project is both technically sound and financially robust and is forecast to generate attractive returns.

Reward took a conservative approach to the PFS in respect of a number of key operating parameters, such as potassium grade, flow rate and overall recovery which implies the potential for significant upside as the Company progresses the Project towards a Definitive Feasibility Study ("DFS"). The Company also ensured that the PFS included only assumptions that are believed to be currently deliverable which therefore could be accurately costed within the PFS accuracy limits of +/-20%, the tightest limits within the Western Australian SOP industry at the time of release. These included items such as the use of brine abstraction from trenches only, dry harvesting of the crude potash salts and the product logistics solution to Port Hedland.

Some of the key outcomes of the PFS were as follows:

- LD has the potential to be one of the world's largest SOP brine projects outside of China;
- Compelling economics were delivered from a conservative, fully-costed 27-year mine life;
- Shallow, trench-only operation with only a small portion of the current drainable resource extracted;
- Production rate in excess of 400,000 tonnes per annum;
- Initial capital of A$345M including indirects and owners' costs;
- Total capital A$451M including A$60M contingency and A$46M in pre-production working capital;
- Lowest quartile LOM All-in Sustaining Cost ("AISC") FOB Port Hedland (using quad road trains to transport product from site);
- The Project's economic assessment was based on a US$500/tonne SOP FOB Port Hedland sales price and a A$/US$0.75 exchange rate;
- Over 200 direct jobs are expected to be created, excluding the product haulage and ship loading component.

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

In addition, Reward commissioned an independent peer review of LD's flowsheet by leading German potash processing consultants *ERCOSPLAN Ingenieurbüro Anlagentechnik GmbH* ("Ercosplan") who concluded that the design was state of the art and that a high purity product of around 98% K_2SO_4 could be produced.

Also, multiple value improvement opportunities were identified that could potentially enhance the Project's economics and there is excellent potential to substantially increase the production rate and extend mine life.

PFS Enhancement

After the completion of the PFS, Reward identified an opportunity to improve the Project's product logistics costs by proposing to integrate the trucking of LD's high-quality SOP product from site with the ship loading component using a single service provider. A critical factor that enabled this approach was the availability of detailed survey data (with positional accuracy of +/-100 mm) over most of unsealed portion of LD's existing access road which allowed accurate capital cost estimates of the required upgrade of the road to RAV10 standard (Figure 1). This also ensures a level of confidence in the quality of the road surface and the estimated annual cost of road maintenance, without which trucking cost estimates are likely to be unreliable.

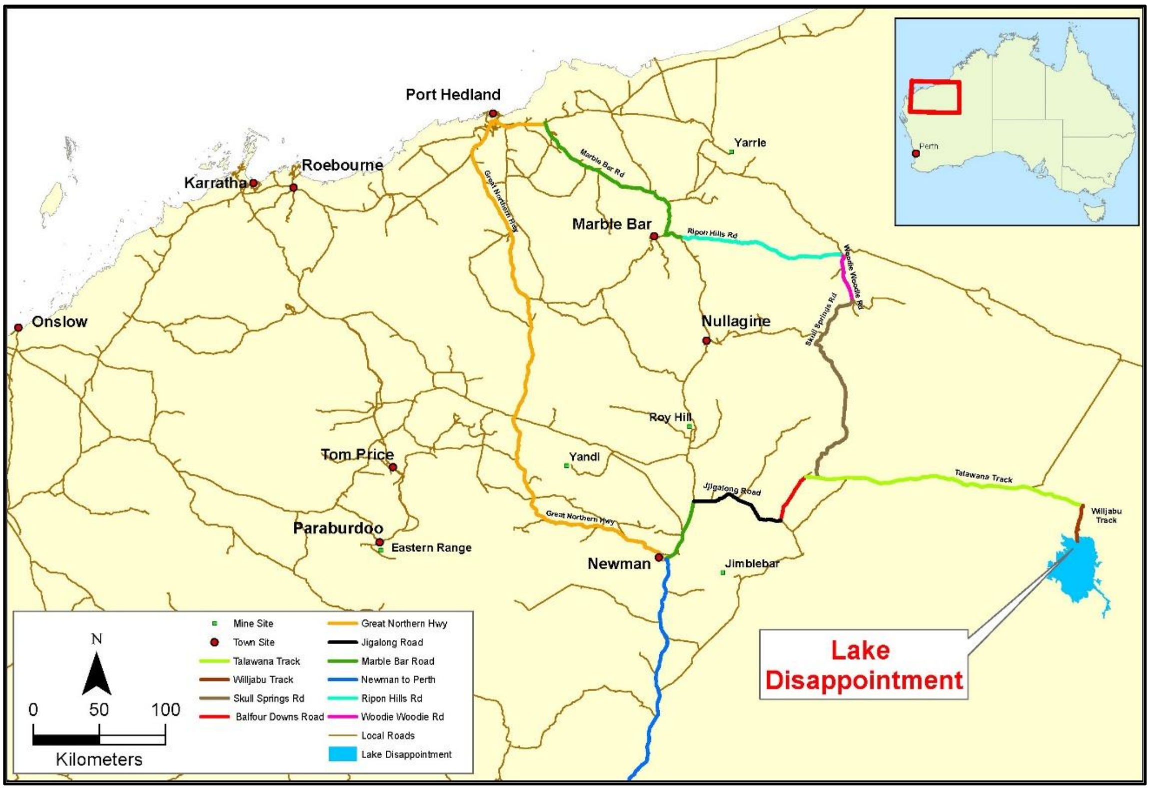

Figure 1. LD Project – Locality Map/Access Roads

The total original FOB cash operating cost in the PFS was A$353/tonne SOP (FOB Port Hedland), but with the new approach Reward was able to reduce the cost by 18.5% to A$335/tonne SOP (Table 1). The reduction in trucking cost led to a significant Project value uplift, for example:

- Pre-tax $NPV_{8\%\ Real}$ up by A$57.4M to A$517.6M (12.5% increase);
- Post-tax $NPV_{8\%\ Real}$ up by A$40.2M to A$292.8M (15.9% increase;)
- EBITDA margin up from 41.9% to 44.6% (6.4% increase);
- Estimated average annual EBITDA now $118M.

The Project's Capital Cost estimate (which remained unchanged) is shown in Table 2, with revised economic assessment shown in Table 3.

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

Table 1. FOB Cash Operating Cost Breakdown

Operating Cost Category	Unit Cost (A$/t SOP)	Unit cost (%)
Evaporation Ponds & Harvesting	91	27.2
Process Plant	102	30.4
Product Logistics	105	31.3
Road Maintenance	15	4.5
Site Services/Overheads	22	6.6
Total Unit Operating Cost	**335**	**100**

Table 2. LD SOP Project Capital Cost Estimate

Initial and Sustaining Capital Costs (LOM Real)	AUD M
Production - Trenches and Ponds	57.6
Process Plant	73.2
Infrastructure	108.8
Site Support Temporary Services	2.9
Construction Costs	59.2
Subtotal	**301.7**
Indirect Costs (EPC, Consultants, Commissioning)	20.0
Owners Costs	23.4
Subtotal	**43.4**
Total Capital Costs before Contingency	**345.1**
Contingency	59.9
Total Initial Capital Cost	**405.0**
Working Capital (Pre-Production Operating Expenses)	45.6
Total Development Capital Cost	**450.6**

In the Capital Cost estimate, direct costs are those expenditures that include supply of the equipment and materials, freight to site and project site labour to construct plant and assemble equipment, supporting facilities and services.

Indirect costs cover temporary construction facilities plus engineering, procurement and project management services, and consultants (e.g. geotech), contractors and EPCM indirect costs and vendor support during commissioning. EPCM costs have been factored based on a percentage of the direct costs in a range between 5% and 15%.

Owner's costs were factored, based on 5% of the project direct costs and cover costs associated with the owner's team and related expenses, insurances, and site works. These include:

- flights, accommodation and fuel (costs excluded by the contractors for fuel, flights and accommodation have been estimated by CPC and included in the owner's costs);
- owner's team costs – factored based on 5% of the project direct costs to make provision for owner's project management team labour and expenses, commissioning labour and expenses, approvals and licenses and training of personnel;
- spares – the cost for initial commissioning, operating and capital spares stock was factored using a percentage established from industry experience of 5% of equipment supply costs; and
- first fill reagents and consumables – included in the estimate, developed from the quantities and costs in the operating cost estimate and process design criteria. Nominally based on 30 days storage, however in this instance they are based on one full charge for the ball mill and first fill of the fuel farm (which is two weeks supply of diesel). In most cases, equipment suppliers will supply required first-fill lubricants with the supplied equipment. However, a provisional cost for first-fill lubricants was included in the estimate to allow for any potential omission.

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

The Contingency allowance is not a function of the estimate accuracy, it is to cover unforeseen risk items and contingent events over which the Project team and/or Reward have no control but which could affect the financial outcomes of the Project. It does not cover scope changes nor design growth. The Contingency is over and above the capital cost estimate to make up the total project development capital cost estimate for the Project. It has been applied to the estimate by assessing the level of confidence in the estimate inputs including engineering, estimate basis and vendor or contractor information.

Reward remains cautiously optimistic that further enhancements can be made to the LD Project prior to the commencement of the DFS. Operationally, these are likely to be in areas like recovered grade, brine flow rates and contractor consolidation as well as different operating methodologies, such as wet as opposed to dry harvesting.

Table 3. LD Project – Revised Economics*

	AUD			USD	
Project Financials (Ungeared): Real unless stated	Unit	LOM		Unit	LOM
SOP Spot Price Average (LOM)	USD / t SOP	500		USD / t SOP	500
Exchange Rate (LOM)	AUDUSD	0.75		AUDUSD	0.75
SOP Spot Price Average	AUD / t SOP	666.67		AUD / t SOP	666.67
Initial Capex	AUD M	(450.6)		USD M	(337.9)
Sustaining Capex	AUD M	(68.7)		USD M	(51.6)
Total Capital	AUD M	(519.3)		USD M	(389.5)
FOB Cash Cost (SOP/t basis): Real	AUD / t SOP	335 / t SOP		USD / t SOP	251 / t SOP
All-in-Sustaining Cost (AISC): SOP/t Basis: Real	AUD / t SOP	376 / t SOP		USD / t SOP	282 / t SOP
Cash Cost Margin	%	48.4%		%	48.4%
AISC Margin	%	43.7%		%	43.7%
EBITDA Margin	%	44.6%		%	44.6%
Project NPV (Pre-Tax)	AUD M	517.6		USD M	388.2
Project NPV (Post Tax)	AUD M	292.8		USD M	219.6
Project IRR (Pre-Tax): Real	%	18.8%		%	18.8%
Project IRR (Post Tax): Real	%	14.9%		%	14.9%
Project Payback Period from Production Start	Years	5.7 Yr(s)		Years	5.7 Yr(s)
Discount Rate	%	8.0%		%	8.0%
Per Average Operating Year					
Revenue from Sales of SOP	AUD M	263.7		USD M	197.8
Logistics, Other Offsite Costs / Royalties	AUD M	(54.2)		USD M	(40.6)
Site Operating Expenses (incl Closure)	AUD M	(91.8)		USD M	(68.9)
EBITDA	AUD M	117.7		USD M	88.3

Note*: Based on a WA State ad valorem royalty rate of 3.75% FOB Port Hedland

Independent Flowsheet Review and Ongoing Research and Development

Reward engaged Ercosplan, one of Germany's leading potash processing consultants, to conduct an independent review of LD's process design. LD's flowsheet was developed in-house over many years with some 45 different phases of metallurgical testwork. In its report, Ercosplan concluded that the design was state of the art and that the flowsheet had the potential to produce a comparatively high purity SOP product of approximately 98%. Ercosplan also noted in its report that often SOP products of 96% purity or less are commonly produced depending on specific market requirements and that producing a slightly lower quality product would increase overall recovery.

Ercosplan identified other opportunities to enhance the flowsheet and process design, specifically to optimise water demand and recovery. Reward continued its in-house research and development activities aimed at capturing some of the potential benefits identified by Ercosplan which could enhance the flow sheet, improve overall resource utilisation and possibly generate saleable by-products.

Reward continued its research until the end of the year into improving the flow sheet design to enhance the economics of SOP production at LD. Important technical improvements were demonstrated in development testwork which have the potential to significantly reduce the mass of the crude Potash salt harvest (per unit of SOP output).

Once again, Ercosplan was requested to review these testwork results, work that was still underway at year-end.

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

Ercosplan is not only evaluating the technical aspects of the updated process, it is also assisting with the evaluation of the potential cost benefits associated with the processes.

Environmental Impact Assessment

Reward submitted its Environmental Review Document ("ERD") to the EPA Services ("EPA") branch of WA's Department of Water and Environmental Regulation at the end of 2017.

During the first quarter of 2018 feedback was received from the EPA in response to the Company's ERD submission and Reward's Environmental team immediately commenced additional work to address the questions raised and provide additional information sought by the EPA. This included additional field studies and a successful two-day site visit to LD by representatives from the various regulatory bodies involved in LD's environmental assessment.

Towards the middle of the year Reward received notification from the Australian Department of the Environment and Energy (DotEE) that it had decided under sections 75 and 87 of the EPBC Act the LD Project is a Controlled Action, meaning that it would require assessment and approval under the Act prior to commencement. Reward had anticipated this outcome, specifically in regard to the assessment of LD's potential impacts on migratory birds and other threatened species. Detailed studies by the Company's environmental consultants over the four-year period leading up to the completion of the final report have enabled any potential risks to these species to be carefully assessed.

Ultimately, the completion of the ERD took longer than anticipated as a result of the additional studies. In the end, the ERD was completed and submitted just prior to the end of 2018. Subsequent to the end of the financial year Reward was notified by the EPA that it had completed its final review and that the ERD had been approved for the purposes of the 6-week Public Environmental Review (i.e. public consultation) period.

Long-Term Pilot Pond Evaporation/Seepage Trial

The long-term evaporation and seepage trial of two pilot scale evaporation ponds, each of similar internal dimensions of approximately 560 m^2, commenced in the October of 2017 and continued throughout 2018. The objective of the trial was to assess long term evaporation rates and comparative seepage losses and to produce intermediate products for further process-related testwork. Throughout the trial, the concentration of potassium (K), Magnesium (Mg) and other ions was consistently monitored as was the rate of growth of the halite (salt) bed as it crystallised on the floor of both ponds.

During the trial, brine input to the ponds (PP1 and PP2) was controlled and monitored to maintain a steady head of brine. Control evaporation pans (that had zero seepage) were placed adjacent to the pilot ponds and were also monitored to establish control evaporation only data for the site over the same period.

Two different construction methods were used for the ponds so that the difference in seepage rates between the two approaches could be assessed (Figure 2).

Figure 2. Pond PP2 soon after construction and towards the end of the trial

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

Valuable insights were obtained throughout the period of the trial. The results in the first half of the year were particularly interesting in the context of evaporation rates in the period prior to and during a heavy summer rainfall period. Prior to the rainfall (November-December 2017) pond evaporation rates were in excess of 10 mm per day.

In the wet season LD received approximately 400 mm of rain which mostly fell between the last week of December 2017 and the first week of February 2018. The results from Pond PP2 (effectively a pond fully lined with a thin membrane) were particularly encouraging as the average pond evaporation rate for the whole period was 6.5 mm per day. The 400 mm rainfall equates to 2.3 mm per day for the period giving a total evaporation of approximately 8.8 mm per day. Reward believes that cloud cover and humidity factors also contributed to the lower evaporation rate recorded in the wet season from January to March. Reward concluded that the seepage from Pond PP2 was negligible, a successful result.

Pond PP1 was partially lined and significant seepage occurred from this pond initially. However, seepage decreased with time and thus valuable design data was derived from this part of the trial as well. In future, additional pilot ponds are planned to develop designs that can reliably limit brine seepage rates below 0.25 mm per day.

The trial also enabled the first detailed assessment of the impact of seasonal variation on evaporation, although the rate of evaporation also reduces as the concentrations of K, Mg and other ions increase.

With the onset of winter, evaporation rates were (as to expected) subdued but nevertheless provided useful diagnostic data. From late May to early June (days 214-234 of the trial) the brine evaporation rate measured in the adjacent control evaporation pans had dropped to just 3.9 mm/day, compared to those over 10 mm/day during the summer months.

As to be expected the brine evaporation rate gradually increased during the latter half the year, reaching levels of approximately 5.8 mm per day during September and 6.3 mm per day in October. The rates continued to increase towards the end of the year, despite the increased density of what had by then become potassium and magnesium rich brines.

Long-Term Crystallisation Trial

A key component of the evaporation and seepage trial was also the crystallisation of various potash salts. Fresh brine was consistently added to the two ponds throughout the trial until the end of September to mimic the planned production process for LD. Brine samples were taken consistently from both ponds and the salt bed thickness on the floor of both ponds was also monitored and recorded.

Due to the fact that the seepage trial conducted on Pond PP2 was the most successful the results for this pond are the most relevant for LD's future. For example, the salt bed thickness in Pond PP2 at the end of the of the first quarter was approximately 350 mm, compared to Pond PP1's 200mm. The inferior result at Pond PP1 was not only due to higher seepage but also flooding of the brine supply trench which resulted in additional dilution of the feed to that pond.

By mid-year the salt bed thickness had grown to approximately 415 mm and an analysis of the salt bed returned less than 0.25% K in the salt crystals (entrainment), a good result. In that time the K concentration had moved from an initial figure of some 5 grams per litre K to almost 16 grams per litre K (approximately 35 grams per litre SOP). The potassium salt crystallisation stage occurs in the range 38-40 grams per litre K.

By the time the final brine addition was made towards the end of September the K content in Pond PP2 was approximately 23 grams per litre. Reward forecast that the brine should reach the ~35 grams per litre K target, which is the threshold at which it would be ready to transfer to the Potash crystallisation ponds, sometime in November.

As the transfer point neared the Company established two new swimming pool size evaporation ponds (SP1 and SP2 – Figure 3) for the next phase of the trial, Stage 1 Potash crystallisation. By late November the content of the brine in Pond PP2 had reached approximately 40 grams per litre K and 45 grams per litre Mg and the transfer process was initiated.

Figure 3. Pool SP2 shortly after high density brine transfer

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

Brine was transferred to Pool SP1 and Pool SP2 with depth initially set at approximately 500 mm and allowed to evaporate further until the magnesium content reached approximately 67 grams per litre. Interestingly, the measured daily evaporation rates in Pool SP1 and Pool SP2 up to mid-December varied slightly, being 7.9mm and 9.6mm respectively.

Sub-samples of the crystallised potash salts harvest solids were taken during the period and while not regarded as fully representative they indicated a somewhat higher potassium content than anticipated at 7.19% and 7.22% respectively (Pool SPI *vs* Pool SP2).

The remaining brine from Pool SP1 and Pool SP2 was drained and transferred to a third swimming pool, Pool SP3, just prior to the end of the year for Stage 2 potassium crystallisation. It was anticipated that this cycle would be completed early in the new year at which time the residual brine (expected to be >90 grams per litre magnesium and <10 grams per litre potassium) would be drained and transferred to the magnesium chloride End Brine storage pond.

The final steps in the crystallisation trial will be to harvest the total crystallised solids mass in Pool SP1 and Pool SP2 to allow it to be weighed and analysed to obtain an estimate of the total potassium recovery for Stages 1 and 2 of the evaporation cycle.

Finally, the End Brine from Stage 2 will be recycled in a further evaporation trial, where it will be mixed with brine in Pond PP2 which will have been topped up to get the grade back to approximately 40 grams per litre K, to confirm the efficacy of Back Mixing of pond brines to produce high grade potassium harvestable solids low in sodium chloride. The objective of this step is to replicate results obtained in laboratory trials previously conducted by Reward.

Trench Pumping Trials

Late in 2017 Reward excavated two 1 kilometre long x 2 metre deep brine collection trenches in the northern sector of LD (where the Project's evaporation ponds will ultimately be located) to conduct extensive long-term trench pumping trials (Figure 4). The objective of the trials was to gather pumping data that could be used to update mine plan and surface water modelling (for environmental purposes).

Results from the first month's pumping from the eastern trench (up to the end of the year) had been encouraging with steady state brine flows averaging close to 10 litres/second/kilometre at a remarkably consistent grade of 13 grams/litre SOP with minimal drawdown in the surrounding shallow monitoring bores.

Figure 4. The 1 kilometre brine extraction trenches, September 2017

The Company aimed to recommence pumping early in 2018 but heavy rainfall prevented lake access until mid-March. The clean out of the two 1 kilometre trenches during the period took longer than anticipated due to equipment failures but once the second phase of pumping got under way (this time on the westerly trench) similar results were achieved in terms of flow rates and grade. Draw down of 0.3 metres (from initial static water level) was detected in the trench whilst barely measurable drawdown was found in the shallow monitoring bores some 220 metres from the trench (Figure 5).

An encouraging feature of the trench pumping trials was the rapid recharge of brine into the trenches once pumping ceased.

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

Figure 5. Close-ups of the Eastern Trench and Pumping early in the program

Infill Drilling Program

In the latter half of the financial year Reward embarked on a major resource conversion program. 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 conducted for geotechnical purposes and to support resource conversion and hydrogeological dynamic flow modelling to enable Resource conversion. The program was designed to focus on the shallow section of LD's resource (0 – 6 metres) and had a target of 80 core holes and 132 CPT's.

Reward decided to trial a new drill rig from ProbeDrill Geotechnical Survey, a leading West Australian based geotechnical site investigation and assessment company, for the program which was mobilised towards the end of August. The initial focus was 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 (Figure 6) towards the middle of the LD playa surface where brine is just below the surface. After experiencing downtime where the Company's AM315 amphibious 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 AM315. Almost half the program's core holes were completed and about 80% of the CPT's.

Figure 6. ProbeDrill Rig and Reward's AM315 Amphibious Excavator

For the second phase of the program the excavator was equipped with a 200 mm diameter flighted auger drill assembly to establish bores at 52 sampling sites across the lake on a 4km grid. At each location a short bore of 3 metres and a deeper bore of up to 7 metres would be drilled and cased with 100 mm uPVC casing which, once developed, would enable brine sampling and flow tests to be conducted on the two dominant horizons within LD's surficial zone.

Operations Report

Lake Disappointment Sulphate of Potash Project ("LD Project") continued

Auger-equipped AM315 Amphibious Excavator and a completed bore

The new program ran for the final two months of the year with 60% of the targets being drilled, qualitatively logged, the bores were properly cased, developed and pumped until sustainable flow rates were achieved. The southern extremity of LD was primarily targeted as the ProbeDrill program did not reach that area. This part of the lake also falls within the primary development envelope of the Project, hosting the main body of infiltration trenches needed to supply brine to the evaporation ponds.

Figure 7. Auger Drilling with Surface Casing

The remaining 40% of bores are evenly divided between the pond infrastructure area and the eastern flank to the north of the main exclusion area which historically has been largely untouched. A full assessment of the remaining components of the program was to be undertaken at the beginning of 2019 prior to the recommencement of any drilling.

Throughout the program Reward's team of qualified hydrologists and experienced operators, including a seasoned helicopter pilot, did an outstanding job in increasingly challenging conditions as temperatures rose to well in excess of 40°C. Importantly, twenty percent of the team was made up from local Martu people.

Operations Report

Competent Persons Statement

The information in this report that relates to Brine and Sediment Assays and Analyses is based on information compiled by Dr Geoff Browne, of SBL Browne Pty Ltd, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. SBL Browne Pty Ltd provides consulting services to Reward Minerals. Dr Browne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Browne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements & Disclaimer

This document may contain certain "forward-looking statements". When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Reward believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

For a more detailed discussion of such risks and uncertainties, see Reward's other ASX Releases, Presentations and Annual Reports. Readers should not place undue reliance on forward-looking statements. Reward does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this ASX Release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

This Release is provided on the basis that neither the Company nor its respective officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers, make any representation or warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in this Release and nothing contained in the Release is, or may be relied upon, as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

All persons should consider seeking appropriate professional advice in reviewing this Release and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Release nor any information contained herein or subsequently communicated to any person in connection with the Release is, or should be taken as, constituting the giving of investment advice to any person.

Tenement Schedule

Prospect Area	Tenement	Area	RWD Equity	Registered Holder/Applicant
Lake Disappointment, WA	E45/2801	70 blocks	100%	HOL
	E45/2802	70 blocks	100%	HOL
	E45/2803	70 blocks	100%	HOL
	E45/3285	120 blocks	100%	HOL
	E45/3286	56 blocks	100%	HOL
	E45/4090	34 blocks	100%	HOL
	E45/4121	47 blocks	100%	HOL
	E69/2156	53 blocks	100%	HOL
	E69/2157	70 blocks	100%	HOL
	E69/2158	70 blocks	100%	HOL
	E69/2159	70 blocks	100%	HOL
	E69/3275	97 blocks	100%	HOL
	E69/3276	75 blocks	100%	HOL
	E69/3277	191 blocks	100%	HOL
	L45/302	3,258 ha	100%	HOL
	M45/1227	3,437 ha	100%	HOL
Runton, WA	ELA45/5314	163 blocks	100%	HOL
Gibson, WA	ELA69/3585	200 blocks	100%	HOL
	ELA69/3586	200 blocks	100%	HOL
	ELA69/3587	200 blocks	100%	HOL
	ELA69/3588	190 blocks	100%	HOL
	ELA69/3589	187 blocks	100%	HOL
Balfour, WA	LA46/128	744 ha	100%	HOL
Dora, WA	E45/4292	73 blocks	100%	HOL
	ELA45/4321	165 blocks	100%	HOL
	ELA45/4488	61 blocks	100%	HOL

HOL Holocene Pty Ltd
E Exploration Licence
ELA Application for Exploration Licence
L Miscellaneous Licence
LA Application for Miscellaneous Licence
M Mining Lease

Directors' Report

Your Directors have pleasure in presenting their report together with the financial statements of the consolidated entity (hereafter referred to as the Group) for the year ended 31 December 2018 and the auditor's report thereon.

Directors

The names of the Directors of Reward Minerals Ltd during the financial year and to the date of this report are:

Colin McCavana (Chairman)
Michael Ruane (Executive Director)
Rod Della Vedova (Non-Executive Director)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Corporate Information

Reward Minerals Ltd is a Company limited by shares and is domiciled in Australia.

Principal Activities

During the year the Group was involved in mineral exploration.

Results of Operations

The net loss of the Group for the year ended 31 December 2018 was $154,719 (2017: Profit $711,582).

Dividends

No dividends were paid or declared since the end of the previous year. The Directors do not recommend the payment of a dividend.

Significant Changes in the State of Affairs

There were no significant changes to the state of the consolidated entity's affairs during the year.

Matters Subsequent to the End of the Financial Year

At the date of this report there are no other matters or circumstances which have arisen since 31 December 2018 that has significantly affected or may significantly affect:

(i) the operations of the Group;

(ii) the results of its operations; or

(iii) the state of affairs of the Group subsequent to 31 December 2018.

Likely Developments and Expected Results of Operations

Further information on the likely developments in the operations of the Group and the expected results of operations has been included in the Operations Report.

Directors Information

Colin McCavana - Non Executive Director and Chairman (appointed 24 February 2010 and Chairman on 30 November 2010)

Mr McCavana has over 30 years' experience in mining and earthmoving industries, including the management, acquisition, exploration and development of projects in Australia, USA, Tanzania, Mozambique and Indonesia.

Directorships held in other listed companies in the past 3 years:
- Northern Minerals Ltd, Director, appointed 22 June 2006

Dr Michael Ruane PhD MRACI – Executive Director (appointed 02 December 2004)

Dr Ruane holds a PhD in Chemistry and has over 40 years' experience as a Technical Consultant in the chemical and metallurgical fields.

Directorships held in other listed companies in the past 3 years:
- Intermin Resources Ltd, Director, appointed 29 May 1998, resigned 31 May 2016
- Metaliko Resources Ltd, Director, appointed 28 June 2012, resigned 12 January 2017
- Echo Resources Ltd, Director, appointed 8 February 2016, resigned 30 May 2016
- Empire Resources Ltd, Non-Executive Chairman, appointed 3 October 2018

Directors' Report

Directors Information (continued)

Rod Della Vedova, BSc - Non Executive Director (appointed 16 January 2013)

Mr Della Vedova holds a post graduate degree in Chemical Engineering and has over 30 years' experience in large scale commercial production of salt by solar evaporation techniques.

Directorships held in other listed companies in the past 3 years:
- Nil

Bianca Taveira - Company Secretary

Mrs Taveira was appointed as Company Secretary on 15 April 2010. Mrs Taveira is an experienced company administrator and manager who has acted as Company Secretary to a number of unlisted public and ASX listed natural resource companies for over 20 years.

Directors' Interests in Shares and Options

As at the date of this report the relevant interest of each Director in the shares and options of the Company are:

	Ordinary Shares		Options	
Directors	Direct Interest	Indirect Interest	Direct Interest	Indirect Interest
Colin McCavana	1,024,998	29,999	-	-
*Michael Ruane	9,206,415	50,002,525	766,368	7,558,919
Rod Della Vedova	74,000	-	2,000	-

*Michael Ruane is the Director of Tyson Resources Pty Ltd and Kesli Chemicals Pty Ltd. Michael Ruane is also a substantial shareholder of Intermin Resources Ltd which holds an additional 7,151,109 shares and 595,926 options in the Company.

Shares under Option

As at the date of this report, the unissued ordinary shares of the Company under option are as follows:

Date of Grant	Expiry Date	Exercise Price of Options	Number under Options
1 December 2017	1 December 2020	$0.443	2,000,000
15 August 2018	30 June 2021	$0.24	13,167,866

Option holders do not have any rights to participate in any issue of shares or interest of the Group.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

Indemnification and Insurance of Directors and Officers

During the financial year, the Group maintained an insurance policy which indemnifies the Directors and Officers of Reward Minerals Ltd in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Group. The Group's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

Directors' Meetings

The number of directors' meetings attended by each of the Directors of the Group during the year were:

Director	No. of Meetings while in office	No. of Meetings attended
Colin McCavana	4	3
Michael Ruane	4	4
Rod Della Vedova	4	3

Directors' Report

Environmental Issues

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. There are no bonds currently in place in respect of the Group's tenement holdings.

The Directors advise that during the year ended 31 December 2018, no claim has been made by any competent authority that any environmental issues, condition of license or notice of intent has been breached, and no claim has been made for increase of bond.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 January 2018 to 31 December 2018 the Directors have assessed that there are no current reporting requirements but may be required to do so in the future.

Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by section 300A of the *Corporations Act 2001*.

A Principles Used to Determine Amount and Nature of Remuneration

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using the Black-Scholes or Binomial methodologies.

The board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the annual general meeting (currently $150,000). Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in employee option plans.

The objective of the Group's executive reward framework is set to attract and retain the most qualified and experienced Directors and Senior Executives. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

Directors' Fees

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Performance Based Remuneration

The Group uses both short term and long term incentive programs to balance the short and long term aspects of business performance, to reflect market practice, to attract and retain key talent and to ensure a strong alignment between the incentive arrangements of Executives and the creation and delivery of shareholder return.

Executives are encouraged by the Board to hold shares in the company and it is therefore the Group's objective to provide incentives for participants to partake in the future growth of the group and, upon becoming shareholders in the Company, to participate in the group's profits and dividends that may be realised in future years. During the financial year ended 31 December 2017 the Company issued a total of 500,000 Shares, 2 million Options and 2 million Performance Rights to its CEO, Greg Cochran. Refer below and Note 16 of the financial statements for full terms of the incentives issued. The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

Directors’ Report

Company Performance, Shareholder Wealth and Directors’ and Executives’ Remuneration

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. This is facilitated through the issue of options or performance rights to Directors and Executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

Voting and comments made at the Group’s 2018 Annual General Meeting

The approval of the remuneration report was passed as indicated in the results of Annual General Meeting dated 30 May 2018. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The Group received 76.71% of “yes” votes on its resolutions to re-elect Mr Rodney Della Vedova as Director.

B Details of Remuneration of Key Management Personnel of the Group

The key management personnel (“KMP”) of the Group for the year ended 31 December 2018 are the Directors, Project Director (appointed in February 2012) and CEO (appointed 1 December 2017).

Details of the nature and amount of each element of remuneration of each Director and key management personnel of the Group for the financial year are as follows:-

2018	Short Term						
Name	Consulting Fees $	Salary $	Directors’ Fee $	Post Employment Superannuation $	Share Based Payments Expense $	Total $	Performance Related %
Directors							
Colin McCavana	-	-	36,000	-	-	**36,000**	-
Michael Ruane	-	-	-	-	-	-	-
Rod Della Vedova	-	-	30,000	-	-	**30,000**	-
Other KMP							
Greg Cochran - CEO	-	301,105	-	27,395	470,091	**798,591**	**59%**
Daniel Tenardi - Project Director	-	270,000	-	25,650	-	**295,650**	-
	-	**571,105**	**66,000**	**53,045**	**470,091**	**1,160,241**	**59%**

2017	Short Term						
Name	Consulting Fees $	Salary $	Directors’ Fee $	Post Employment Superannuation $	Share Based Payments Expense $	Total $	Performance Related %
Directors							
Colin McCavana	-	-	36,000	-	-	**36,000**	-
Michael Ruane	-	-	-	-	-	-	-
Rod Della Vedova	-	-	30,000	-	-	**30,000**	-
Gary Lethridge	16,500	-	33,000	-	-	**49,500**	-
Other KMP							
Greg Cochran - CEO	-	24,231	-	2,302	56,918	**83,451**	**68%**
Daniel Tenardi - Project Director	-	270,000	-	25,650	-	**295,650**	-
	16,500	**294,231**	**99,000**	**27,952**	**56,918**	**494,601**	**68%**

There were no termination benefits paid during the year to any Director or key management personnel.

Directors' Report

C Share-Based Compensation

(i) Shares

During the financial year, $146,666 was recognised as a share based payment made to Greg Cochran, the Chief Executive Officer of the Group. This is in accordance with his Employment Agreement dated in December 2017 which states that subject to 12 months of service, 500,000 shares will be issued to him.

Grant Date	No of Shares Granted	Vesting Date	Value per share at Grant Date	Vested at 31 December 2018	Total value of Shares	2017 Value of Shares Expensed	2018 Value of Shares Expensed
6 Dec 2017	500,000	1 Dec 2018	$0.12	100%	$160,000	$13,334	$146,666

(ii) Options

Greg Cochran was issued options by the Group as part of his employment agreement. The options are linked to future performance of the Group. The fair value of the incentive options is $367,009 as determined using the Black-Scholes valuation methodology. This amount is amortised over the respective vesting periods. An amount of $336,425 was recognised as a share based payment, included in the Statement of Financial Performance and Statement of Changes in Equity in the current financial year.

Grant Date	No of Options Granted	Vesting Date	Expiry Date	Exercise Price	Value per share at Grant Date	Vested at 31 December 2018	Total value of Options	2017 Value of Options Expensed	2018 Value of Options Expensed
1 Dec 2017	2,000,000	1 Dec 2018	1 Dec 2020	$0.443	$0.32	100%	$367,009	$30,584	$336,425

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(iii) Performance Rights

In December 2017, Greg Cochran was issued performance rights. The performance rights will vest and convert to one fully paid share subject to satisfaction of certain performance conditions, as follows:

Class A – 1,000,000 rights: Prior to 1 December 2020, a definitive feasibility study based on ±15% capital and operating costs on the LD SOP Project.

Class B – 1,000,000 rights: Prior to 1 December 2022, completion and availability of full funding for the development of the LD SOP Project.

Each right will entitle Greg to one fully paid share in RWD at no additional cost. The Performance Rights do not have an exercise price and where not vested, will automatically lapse.

The Directors have assessed the likelihood of reaching these milestones by the relevant dates to be 0%, and accordingly no value has been attributed to these rights as at 31 December 2018.

Performance Rights	Grant Date	No of Rights Granted	Vesting Date	Value per share at Grant Date	Vested at 31 December 2018	2017 Value of Rights Expensed	2018 Value of Rights Credited
A	1 Dec 2017	1,000,000	1 Dec 2020	$0.32	0%	$8,000	$8,000
B	1 Dec 2017	1,000,000	1 Dec 2022	$0.32	0%	$5,000	$5,000

Directors' Report

D Service Contracts

Directors are not employed under written contracts. Directors may be paid consulting fees at commercial rates calculated according to the amount of time spent on Group business. All Directors may receive consulting fees on an hourly basis which are paid from time to time for specialist services beyond normal duties. No Directors have received loans from the Group during the annual period.

Mr Daniel Tenardi, the Project Director, was appointed on 13 February 2012. His contract has no fixed term, and provides for a remuneration of $270,000 plus statutory superannuation. No termination benefits are included in the contract.

Mr Greg Cochran, the Chief Executive Officer, was appointed on 1 December 2017. His contract has no fixed term, and provides for a remuneration of $300,000 plus statutory superannuation and share based compensation as set out in Section C above. Refer to ASX announcement dated 1 December 2017 regarding Mr Cochran's employment benefits.

E KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel Interests in the Shares and Options of the Company

Shares

The number of shares in the Company held during the financial year by each Key Management Personnel ("KMP") of Reward Minerals Ltd, including their personally related parties, are set out below. There were no shares granted as compensation during the year.

2018	Balance at the start of the year	Received during the year on the exercise of options	Shares sold	Shares acquired	Balance at the end of the year
Directors					
C McCavana	1,054,997	-	-	-	1,054,997
M Ruane**	40,222,226	-	-	18,986,714	59,208,940
R Della Vedova	20,000	-	-	54,000	74,000
Other KMP					
G Cochran*	-	-	-	950,000	950,000
D Tenardi	-	-	-	-	-
	41,297,223	**-**	**-**	**19,990,714**	**61,287,937**

*G Cochran was granted 500,000 shares on 6 December 2018 upon completion of his 12 months employment on 1 December 2018. Refer Note C(i) above.

2017	Balance at the start of the year	Received during the year on the exercise of options	Shares sold	Shares acquired	Balance at the end of the year
Directors					
C McCavana	1,054,997	-	-	-	1,054,997
M Ruane**	39,505,676	-	-	716,550	40,222,226
R Della Vedova	20,000	-	-	-	20,000
G Lethridge	-	-	-	-	-
Other KMP					
G Cochran*	-	-	-	-	-
D Tenardi	-	-	-	-	-
	40,580,673	**-**	**-**	**716,550**	**41,297,223**

*G Cochran is also entitled to 500,000 shares upon completion of 12 months employment on 1 December 2018. Refer Note C(i) above.

Directors' Report

E KEY MANAGEMENT PERSONNEL DISCLOSURES continued

Key Management Personnel Interests in the Shares and Options of the Company continued

Options

The number of options over ordinary shares in the Company held during the financial year by each Key Management Personnel of Reward Minerals Ltd including their personally related parties are set out below:

2018	Balance at start of the year	Options issue through Rights Issue	Options expired during the year	Exercised during the year	Options sold	Balance at the end of the year	Vested and exercisable at the end of the year*
Directors							
C McCavana	-	-	-	-	-	-	-
M Ruane	-	8,325,287	-	-	-	8,325,287	8,325,287
R Della Vedova	-	2,000	-	-	-	2,000	2,000
Other KMP							
G Cochran	2,000,000	35,000	-	-	-	2,035,000	2,035,000*
D Tenardi	-	-	-	-	-	-	-
	2,000,000	**8,362,287**	**-**	**-**	**-**	**10,362,287**	**10,362,287**

*2,000,000 options were vested on 1 December 2018

2017	Balance at start of the year	Options granted as remuneration	Options expired during the year	Exercised during the year	Options sold	Balance at the end of the year	Vested and exercisable at the end of the year*
Directors							
C McCavana	-	-	-	-	-	-	-
M Ruane	-	-	-	-	-	-	-
R Della Vedova	-	-	-	-	-	-	-
G Lethridge	-	-	-	-	-	-	-
Other KMP							
G Cochran	-	2,000,000	-	-	-	2,000,000	- *
D Tenardi	-	-	-	-	-	-	-
	-	**2,000,000**	**-**	**-**	**-**	**2,000,000**	**-**

*The options vest on 1 December 2018

Performance Rights

Year ended 31 December 2018

2018	Balance at the start of the year	Granted as remuneration during the year	Performance Rights Vested	Balance at the end of the year	% Vested
Directors					
C McCavana	-	-	-	-	-
M Ruane	-	-	-	-	-
R Della Vedova	-	-	-	-	-
Other KMP					
G Cochran	2,000,000	-	-	2,000,000	0%
D Tenardi	-	-	-	-	-

Directors' Report

E KEY MANAGEMENT PERSONNEL DISCLOSURES continued

Key Management Personnel Interests in the Shares and Options of the Company continued

Performance Rights continued

Year ended 31 December 2017

2017	Balance at the start of the year	Granted as remuneration during the year	Performance Rights Vested	Balance at the end of the year	% Vested
Directors					
C McCavana	-	-	-	-	-
M Ruane	-	-	-	-	-
R Della Vedova	-	-	-	-	-
G Lethridge	-	-	-	-	-
Other KMP					
G Cochran	-	2,000,000	-	2,000,000	0%
D Tenardi	-	-	-	-	-

[End of remuneration report]

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervened in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-Audit Services

The auditors have not provided any non-audit services to the Group in the current or prior financial years.

Auditors Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a Declaration of Independence from Rothsay Chartered Accountants, the Group's auditors, as presented on page 22 of this Annual Financial Report.

Dated this 29th day of March 2019 in accordance with a resolution of the Directors and signed for on behalf of the Board. by:

Michael Ruane
Director

Declaration of Independence

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Reward Minerals Limited
159 Stirling Highway
Nedlands WA 6009

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2018 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rolf Garda (Lead auditor)

Rothsay Auditing

Dated 29 March 2019

Independent Auditor's Report

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF REWARD MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Reward Minerals Limited ("the Company") and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Exploration and evaluation expenditure and Mine development expenditure

The group has incurred significant exploration and evaluation expenditure and mine development expenditure which has been capitalised. As the carrying value of exploration and evaluation expenditure and mine development expenditure represents a significant asset of the Group we considered it necessary to assess whether facts and circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.

Independent Auditor's Report

In doing so we carried out the following work in accordance with the guidelines set out in AASB 6 *Exploration for and Evaluation of Mineral Resources.* Our procedures included but were not limited to the following:

- We obtained evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure and mine development expenditure by obtaining searches of a sample of the Group's tenement holdings;
- We enquired of management and reviewed work programs to ensure that further expenditure on exploration on the mineral resources in the Group's areas of interest was planned and cross referenced these discussions to ASX announcements and where applicable minutes of directors' meetings;
- We tested a sample of current year expenditure on exploration and mine properties to source documents;
- We substantiated post 31 December 2018 expenditure on the mineral resources in the Group's areas of interest;
- We obtained an understanding of the key processes associated with management's review of the carrying values of capitalised exploration and evaluation expenditure and mine development expenditure and challenged management's assertion that the carrying amount of the capitalised expenditure was likely to be recovered in full from successful development or sale.

We have also assessed the appropriateness of the disclosures included in Notes 11, 12, 21, 24 and 25 to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatementt, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2018.

In our opinion the remuneration report of Reward Minerals Limited for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay

Rothsay Auditing

Dated 29 March 2019

Rgarda

Rolf Garda FCA
Partner

Directors' Declaration

The Directors of the Company declare that, in the opinion of the Directors:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position and performance of the consolidated entity; and

(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

(b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.

(c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

(d) There are reasonable grounds to believe that Reward Minerals Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Dated this 29th day of March 2019

Michael Ruane
Director

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018

	Note	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Continuing Operations			
Revenue	2	46,855	44,291
Other income	2	1,905,982	2,628,267
		1,952,837	**2,672,558**
Depreciation	10	(170,574)	(205,173)
Audit fees		(23,000)	(29,000)
Consulting fees		(43,704)	(38,472)
Exploration expenses	3	(216,975)	(36,417)
Finance costs	19c	(44,795)	-
Legal expense		(2,600)	(5,827)
Employee benefits expense		(530,785)	(349,864)
Administration expenses		(605,032)	(427,910)
Capitalised exploration expenditure written off	11	-	(811,395)
Share based payments	16	(470,091)	(56,918)
Profit/(Loss) from continuing operations before income tax		(154,719)	711,582
Income tax benefit	5	-	-
Profit/(Loss) from continuing operations for the year		(154,719)	711,582
Other Comprehensive Income for the year		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total Comprehensive Profit/(Loss) Attributable to Members of Reward Minerals Ltd		**(154,719)**	**711,582**
Profit/(Loss) per share attributable to the ordinary equity holders of the company:			
Basic and diluted earnings/(loss) per share	6	(0.11) cents	0.52 cents

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 December 2018

	Note	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Current Assets			
Cash and cash equivalents	7	3,201,496	1,647,403
Trade and other receivables	9	130,489	142,042
Total Current Assets		3,331,985	1,789,445
Non-Current Assets			
Other assets		50,000	40,000
Property, plant and equipment	10	602,975	760,822
Exploration and evaluation expenditure	11	23,019,568	19,420,888
Mine development expenditure	12	13,645,113	13,645,113
Total Non-Current Assets		37,317,656	33,866,823
Total Assets		**40,649,641**	**35,656,268**
Current Liabilities			
Trade and other payables	13	829,509	684,900
Total Current Liabilities		829,509	684,900
Total Liabilities		**829,509**	**684,900**
Net Assets		**39,820,132**	**34,971,368**
Equity			
Contributed equity	14(a)	39,957,900	35,844,508
Reserves	15(b)	11,234,355	10,344,264
Accumulated losses	15(a)	(11,372,123)	(11,217,404)
Total Equity		**39,820,132**	**34,971,368**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 31 December 2018

Consolidated Entity	Contributed Equity $	Share-Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2017	**35,844,508**	**10,287,346**	**(11,928,986)**	**34,202,868**
Comprehensive income for the year				
Profit/(Loss) for the year	-	-	711,582	711,582
Total Comprehensive Income for the Year	**-**	**-**	**711,582**	**711,582**
Transactions with owners in their capacity as owners:				
Share issue	-	-	-	-
Unlisted options granted	-	30,584	-	30,584
Performance rights	-	13,000	-	13,000
Shares granted	-	13,334	-	13,334
Balance at 31 December 2017	**35,844,508**	**10,344,264**	**(11,217,404)**	**34,971,368**
Balance at 1 January 2018	**35,844,508**	**10,344,264**	**(11,217,404)**	**34,971,368**
Comprehensive income for the year				
Profit/(Loss) for the year	-	-	(154,719)	(154,719)
Total Comprehensive Income for the Year	**-**	**-**	**(154,719)**	**(154,719)**
Transactions with owners in their capacity as owners:				
Share issue	4,900,420	(160,000)	-	4,740,420
Options issue – share issue costs (Note 16b)	(580,000)	580,000	-	-
Share issue costs	(207,028)	-	-	(207,028)
Unlisted options granted (Note 16a)	-	336,425	-	336,425
Performance rights (Note 16a)	-	(13,000)	-	(13,000)
Shares granted (Note 16a)	-	146,666	-	146,666
Balance at 31 December 2018	**39,957,900**	**11,234,355**	**(11,372,123)**	**39,820,132**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 31 December 2018

	Note	Consolidated Entity 2018 $	2017 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(851,497)	(936,317)
Interest received		46,855	79,613
Research and development tax rebate received (net of professional costs)		1,830,306	2,592,320
Net Cash Provided/(Used) in Operating Activities	7b	1,025,664	1,735,616
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(12,727)	(80,721)
Payments for exploration and evaluation expenditure		(3,947,441)	(4,964,527)
Net Cash Used In Investing Activities		(3,960,168)	(5,045,248)
Cash Flows from Financing Activities			
Proceeds from borrowings	19c	1,000,000	-
Repayment of borrowings	19c	(1,044,795)	
Proceeds from the issue of ordinary shares and options	14a	4,740,420	-
Share issue costs	14a	(207,028)	-
Net Cash Provided by Financing Activities		4,488,597	-
Net Increase/ (Decrease) in Cash Held		1,554,093	(3,309,632)
Cash and Cash Equivalent at the Beginning of the Financial Year		1,647,403	4,957,035
Cash and Cash Equivalents at the End of the Financial Year	7a	**3,201,496**	**1,647,403**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 ABOUT THIS FINANCIAL REPORT

Reporting Entity

This financial report of Reward Minerals Ltd ('the Company') for the year ended 31 December 2018 comprises the Company and its subsidiary (collectively referred to as 'the consolidated entity' or 'Group'). Reward Minerals Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report was authorised for issue in accordance with a resolution of Directors dated 29 March 2019.

The notes to the financial statements are organised into the following sections:

(a) **Key Performance:** Provides a breakdown of the key individual line items in the statement of comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes

2 Revenue from continuing operations
3 Profit/(Loss) for the year
4 Segment information
5 Income tax expense
6 Profit/(Loss) per share

(b) **Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

7 Cash and cash equivalents
8 Financial risk management

(c) **Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

9 Trade and other receivables
10 Property, plant and equipment
11 Exploration and evaluation expenditure
12 Mine development expenditure
13 Trade and other payables

(d) **Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

14 Contributed equity
15 Reserves and accumulated losses
16 Share-based payments

(e) **Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes

17 Parent entity information
18 Investment in controlled entities
19 Key Management Personnel Disclosures & Related party transactions

(f) **Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

20 Remuneration of Auditors
21 Commitments for expenditure
22 Contingencies
23 Events occurring after reporting period
24 Summary of significant accounting policies
25 Critical accounting estimates and judgements
26 Company details

Notes to the Financial Statements

1 ABOUT THIS FINANCIAL REPORT continued

1a Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Reward Minerals Ltd is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRSs

The financial statements of Reward Minerals Ltd also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

New, revised or amending Accounting Standards and Interpretations adopted

Standards and Interpretations applicable to 31 December 2018

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2018.

As a result of this review, the Group initially applied AASB 9 and ASSB 15 from 1 July 2018.

Due to the transition methods chosen by the Group in applying AASB 9 and AASB 15, comparative information throughout the financial statements has not been restated to reflect the requirements of the new standards.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Group.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 31 December 2018.

There is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

1b Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 31 December 2018 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Reward or the Consolidated Entity.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1c GST

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated as inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Notes to the Financial Statements

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
2 REVENUE FROM CONTINUING OPERATIONS		
Interest income	46,855	44,291
Other income	75,676	35,947
Research and development tax rebate received (see Note 5(d))	1,830,306	2,592,320
	1,952,837	**2,672,558**
3 PROFIT/(LOSS) FOR THE YEAR		
Rental expense on operating leases	110,240	109,694
Exploration expenditure not capitalised	216,975	36,417
Capitalised exploration expenditure written off	-	811,395

4 SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity operates predominantly in one business segment which is Potash mineral exploration and predominantly in one geographical area which is Western Australia.

The company is domiciled in Australia. All revenue from external parties is generated from Australia only. All the assets are located in Australia.

5 INCOME TAX EXPENSE

	2018 $	2017 $
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable:		
Profit/(Loss) before income tax	(154,719)	711,582
Prima facie income tax at 27.5% (2017: 27.5%)	(42,548)	195,685
Tax-effect of exploration expenditure claimed	(989,637)	(1,342,363)
Other timing differences	60,604	15,510
Permanent differences	84,614	183,089
Tax loss not recognised	1,390,301	1,660,967
Research & development rebate not assessable	(503,334)	(712,888)
Income tax expense/(benefit)	-	-

(c) Unrecognised temporary differences

Deferred tax assets and liabilities (at 27.5%) not recognised relate to the following:

	2018 $	2017 $
Deferred tax assets	-	-
Tax losses	9,305,102	9,074,826
Deferred tax liabilities - Capitalised exploration expenditure	(9,388,756)	(8,674,119)
Other temporary differences	120,485	63,555
Net Deferred Tax Assets / (Liabilities)	**36,831**	**464,262**

Notes to the Financial Statements

5 INCOME TAX EXPENSE continued

The deferred tax assets arising from these balances have not been recognised as an asset because recovery of tax losses is not probable at this point in time.

The potential tax benefit will only be obtained if the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised; and

i. the relevant company continues to comply with the conditions for deductibility imposed by the law; and
ii. no changes in tax legislation adversely affect the relevant company in realising the benefit.

(d) Research & Development tax rebate

During the year ended 31 December 2018, the Group applied for and received rebates from the Australian Taxation Office of $1,830,306, representing the tax value of research and development costs for the year ended 31 December 2017. These have been included as other income, refer Note 2.

6 PROFIT/(LOSS) PER SHARE

	2018 Cents Per Share	2017 Cents Per Share
Basic profit/(loss) per share	(0.11)	0.52

	2018 $	2017 $
The profit/(loss) for the year and the weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit/loss) for the year after income tax	(154,719)	711,582

Diluted earnings per share is not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Group.

	2018 No.	2017 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	145,176,069	135,760,396

7 CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2018 $	2017 $
7a Reconciliation of Cash		
For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and short term deposits	3,201,496	1,647,403
7b Reconciliation of Net Cash used In Operating Activities to Operating Profit/(Loss) after Income Tax		
Profit/(Loss) for the year	(154,719)	711,582
Depreciation	170,574	205,173
Impairment of assets/exploration costs expensed included in investing activities	216,975	847,813
Share based payment (refer Note 16)	470,092	56,918
Change in assets and liabilities during the financial year:		
Receivables	11,552	45,916
Payables	321,190	(91,786)
Other	(10,000)	(40,000)
Net cash inflow/(outflow) from operating activities	**1,025,664**	**1,735,616**

Notes to the Financial Statements

8 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

	Note	Consolidated Entity	
		2018 $	2017 $
Financial Assets			
Cash and cash equivalents	7a	3,201,496	1,647,403
Loans and receivables	9	130,489	142,042
Total Financial Assets		**3,331,985**	**1,789,445**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	13	829,509	684,900
Total Financial Liabilities		**829,509**	**684,900**

Risk management is carried out by the Board of Directors, who identify, evaluate and manage financial risks as they consider appropriate.

8a Market Risk

(i) Cash Flow Interest Rate Risk

Refer to (d) below.

8b Credit Risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this, the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 8.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Financial assets that are neither past due and not impaired are as follows:

	Consolidated Entity	
	2018 $	2017 $
Cash and cash equivalents		
'AA' S&P rating	3,201,496	1,647,403

8c Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and, the availability of funding through the ability to raise further equity or through related party entities. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources. The Group has no financial liabilities at the year-end other than normal trade and other payables incurred in the general course of business. All financial liabilities mature in less than 6 months.

Notes to the Financial Statements

8 FINANCIAL RISK MANAGEMENT continued

8d Cash Flow Risk

As the Group has significant interest-bearing assets in the form of cash, the Group's income and operating cash flows are exposed to changes in market interest rates.

Based on the year-end balances, a 1% increase in interest rates would have increased the consolidated profit by $32,015 (2017: $16,474) and increased the cash balances by a corresponding amount. There were no other amounts included in Net Assets subject to material interest rate risks.

	Note	Consolidated Entity 2018 $	Consolidated Entity 2017 $
9 TRADE AND OTHER RECEIVABLES			
Prepayments		19,160	36,262
GST assets		99,149	82,381
Trade and other receivables		12,180	23,399
		130,489	**142,042**
No receivables are impaired or past due but not impaired. Refer to Note 8 for Financial Risk considerations. The carrying value of all receivables approximates their fair value.			
10 PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment at cost		1,613,863	1,601,136
Less provision for depreciation		(1,010,888)	(840,314)
		602,975	**760,822**
Reconciliations:			
Plant and Equipment			
Carrying amount at the beginning of the year		760,822	885,273
Additions		12,727	80,722
Depreciation		(170,574)	(205,173)
Carrying amount at the end of the year		**602,975**	**760,822**
11 EXPLORATION AND EVALUATION EXPENDITURE			
Mining tenements at cost		23,019,568	19,420,888
		23,019,568	**19,420,888**
Tenements			
Carrying amount at the beginning of the year		19,420,888	15,350,960
Additions		3,598,680	4,881,323
Amounts written off		-	(811,395)
Carrying amount at the end of the year		**23,019,568**	**19,420,888**

The future realisation of these non-current assets is dependent on the granting of native title rights and obtaining funding necessary to commercialise the resources or realisation through sale.

Notes to the Financial Statements

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
12 MINE DEVELOPMENT EXPENDITURE		
Mine development expenditure at beginning of year	13,645,113	13,645,113
Carrying amount at the end of the year	**13,645,113**	**13,645,113**

Amounts capitalised relate to the Lake Disappointment Potash Project in Western Australia. The project is currently ongoing and amortisation will be charged when production commences.

	2018 $	2017 $
13 TRADE AND OTHER PAYABLES		
Trade Payables	518,833	596,150
Accrued Expenses	310,676	88,750
	829,509	**684,900**
14 CONTRIBUTED EQUITY		
14a Share capital		
At the beginning of the financial year	35,844,508	35,844,508
Issue of shares – rights issue at $0.18 each	4,740,420	-
Issue of shares – transfer from share based payment reserve	160,000	-
Share issue costs	(207,028)	-
Share issue costs – issue of options (Note 16b)	(580,000)	-
At the End of the Financial Year	**39,957,900**	**35,844,508**

	2018 No. Shares	2017 No. Shares
At the beginning of the financial year	135,760,396	135,760,396
Shares issued during the year – rights issue	26,335,661	-
Shares issued during the year – share based payment	500,000	
At the End of the Financial Year	**162,596,057**	**135,760,396**

14b Terms and Condition of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	2018 Options	2017 Options
14c Movement in Options		
Balance at beginning of year	2,000,000	4,500,000
Options expired during the year	-	(4,500,000)
Options issued during the year	13,167,866	2,000,000
Options exercised during the year	-	-
Balance at End of Year	**15,167,866**	**2,000,000**

Notes to the Financial Statements

14 CONTRIBUTED EQUITY continued

14c Movement in Options continued

Closing balance is represented as follows:

Nature	Expiry Date	Exercise Price of Options	2018 Options	2017 Options
Employee options	1 December 2020	$0.443	2,000,000	2,000,000
New Listed Options	30 June 2021	$0.24	13,167,866	-
			15,167,866	**2,000,000**

14d Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares, pay dividends or return to capital to shareholders.

Capital is calculated as 'equity' as shown in the Statement of Financial Position, and is monitored on the basis of funding exploration activities.

	Consolidated Entity	
	2018 $	2017 $
15 RESERVES AND ACCUMULATED LOSSES		
15a Accumulated Losses		
Accumulated losses at the beginning of the year	(11,217,404)	(11,928,986)
Net profit/(loss) for the year	(154,719)	711,582
Accumulated Losses at the end of the year	**(11,372,123)**	**(11,217,404)**
15b Reserves		
Share based payments reserve (i)	11,234,355	10,344,264
	11,234,355	**10,344,264**
(i) Share-Based Payments Reserve		
The share-based payments reserve is used to recognise the fair value of shares, options and performance rights issued.		
Balance at beginning of the year	10,344,264	10,287,346
Fair value of options granted to shareholders participating in rights issue (refer Note 16b)	580,000	-
Fair value of employee benefits expensed during the year (refer Note 16a):		
- Shares	146,666	13,334
- Unlisted options	336,425	30,584
- Performance rights	(13,000)	13,000
Transfer to issued capital upon vesting of shares	(160,000)	-
Balance at the End of the Year	**11,234,355**	**10,344,264**

Notes to the Financial Statements

16 SHARE-BASED PAYMENTS

16a Employee share based payments

In the year ended 31 December 2017, Greg Cochran, the Chief Executive Officer of Reward Minerals Ltd was granted the following as part of his employment agreement:

- 500,000 RWD shares – these shares were vested on 1 December 2018
- 2,000,000 options – these options were vested on 1 December 2018
- Performance Rights – where each right will entitle Greg to one fully paid share in RWD at no additional cost. The Performance Rights do not have an exercise price and where not vested, will automatically lapse.
  - A – 1,000,000 rights – to vest on completion of a definitive feasibility study based on ±15% capital and operating costs on the LD SOP Project with a 3 year term to expiry from grant date.
  - B – 1,000,000 rights – to vest on completion and availability of full funding for the development of the LD SOP Project with a 5 year term to expiry from grant date.

As at 31 December 2018, the fair value and model inputs for the share based payments granted and expensed are as follows:

	Shares	Options	Performance Rights – A	Performance Rights – B
Number granted	500,000	2,000,000	1,000,000	1,000,000
Exercise price	-	$0.443	-	-
Grant date	1 December 2017	1 December 2017	1 December 2017	1 December 2017
Vesting date	1 December 2018	1 December 2018	Completion of milestones[1]	Completion of milestones[1]
Expiry date - options	-	1 December 2020	-	-
Expiry date of milestone achievements	-	-	1 December 2020	1 December 2022
Share price at grant date	$0.32	$0.32	$0.32	$0.32
Expected price volatility of the company's shares	N/A	100%	N/A	N/A
Expected dividend yield	N/A	0%	N/A	N/A
Risk-free interest rate	N/A	4.00%	N/A	N/A
% vested as at 31 December 2018	100%	100%	0%	0%
Fair value of share based payments	$160,000	$367,009	$310,000	$310,000
Vesting period (days)	365	365	1,096	1,826
Amount expensed in prior year	$13,334	$30,584	$8,000	$5,000
Amount expensed/(credited) in current year	$146,666	$336,425	($8,000)[1]	($5,000)[1]
Amount to be expensed in future years if all performance conditions are met	-	-	$310,000	$310,000

[1] The directors have assessed the likelihood of the conditions for vesting, for the class A and B Performance Rights, being met by the expiry date to be 0%. Therefore, the amounts previously expensed in respect of these rights were reversed as at 31 December 2018.

Notes to the Financial Statements

16 SHARE-BASED PAYMENTS continued

16b Option issue

In August 2018, 13,167,866 listed options were issued to participating shareholders as part of a rights issue, pursuant to the Company's prospectus dated 16 July 2018.

During the year ended 31 December 2018, $580,000 was charged to share issue costs.

The fair value of these options granted was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	24
Weighted average life of the options (years)	2.87
Weighted average underlying share price (cents)	17
Expected share price volatility	100%
Risk-free interest rate	2.60%
Grant date	15 August 2018
Expiry date	30 June 2021
Value per option	$0.0445
Total value granted	$580,000

17 PARENT ENTITY INFORMATION

17a Summary Financial Information

	Parent	
	2018 $	2017 $
Financial Position		
Assets		
Current assets	39,976,031	34,841,579
Non-current assets	564,628	712,864
Total assets	**40,540,659**	**35,554,443**
Liabilities		
Current liabilities	730,360	602,520
Total liabilities	**730,360**	**602,520**
Equity		
Issued capital	39,957,899	35,844,507
Reserves	4,175,569	3,285,478
Accumulated losses	(4,323,169)	(4,178,062)
Total equity	**39,810,299**	**34,951,923**
Financial Performance		
Profit/(Loss) for the year	(145,108)	1,535,030
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	**(145,108)**	**1,535,030**

17b Guarantees

Reward Minerals Ltd has not entered into any guarantees in relation to the debts of its subsidiary.

Notes to the Financial Statements

17 PARENT ENTITY INFORMATION continued

17c Other Commitments and Contingencies

Reward Minerals Ltd has no commitments to acquire property, plant and equipment. Refer to Note 22 for the Company's contingent liabilities.

18 INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2018 %	Equity Holding 2017 %
Holocene Pty Ltd	Australia	Ordinary	100	100

19 KEY MANAGEMENT PERSONNEL DISCLOSURES & RELATED PARTY TRANSACTIONS

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
19a Details of Remuneration of Key Management Personnel		
Short-term benefits	637,105	409,731
Post-employment benefits	53,045	27,952
Share based payments (refer to Note 16)	470,091	56,918
	1,160,241	494,601
19b Aggregate Amount Payable to Directors and their Director Related Entities at Balance Date		
Current liabilities		
Accrued expenses	130,725	130,725

19c Other Transactions with Director Related Entities

During the year ended 31 December 2018, the Company's Managing Director, Michael Ruane, loaned funds to the Company. The loan was unsecured for the period of 12 months, carrying an interest rate of 7.5% interest payable quarterly in arrears. The Company repaid the loan in full during the same financial year.

Movements for the year are as follows:	2018 $	2017 $
Funds received	1,000,000	-
Accrued interest	44,795	-
Funds repaid	(1,044,795)	-
Closing balance	**-**	**-**

There were no other transactions with Directors or Director related entities during the year.

Detailed remuneration disclosures are provided in the remuneration report on pages 16 – 21.

20 REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the Group:	2018 $	2017 $
For auditing the financial statements	23,000	23,000

No non-audit services have been provided to the Group by the auditor.

Notes to the Financial Statements

21 COMMITMENTS FOR EXPENDITURE

21a Mining Agreements

Upon making a 'Decision to Mine' on the Lake Disappointment Potash Project, the Company will issue 3.0 million options to WDLAC as per the 2011 Mining and Indigenous Land Use Agreement.

'Decision to Mine' is defined and means the date the Group has both completed feasibility studies on the Project, and made a formal decision to proceed with procurement and infrastructure development for the mine. A further 7.5 million options will be issued upon commencement of mining as per the above agreement. All options issued to WLDAC have an exercise price of $0.50 and will expire four years from the date of issue.

Per the 2011 Mining and Indigenous Land Use Agreement in regards to the Lake Disappointment Potash Project, the Company is committed to reimburse the WDLAC for Martu law and culture matters in the sum of $300,000 per year for the first five years, and after that when mining is occurring.

22 CONTINGENCIES

22a Contingent Liabilities

Upon commencement of mining of the Lake Disappointment Potash Project, the Company is liable to pay WDLAC $500,000 as per the December 2011 Mining and Indigenous Land Use Agreement. There are no other contingent liabilities at reporting date.

23 EVENTS OCCURRING AFTER REPORTING DATE

There have been no other events subsequent to reporting date.

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

24a Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 25.

24b Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Reward Minerals Ltd and its wholly-owned Australian subsidiary formed an income tax consolidated Group under the Tax Consolidation Regime, effective 1 January 2015.

Notes to the Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

24c Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) **Interest Income**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) **Other Services**

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

24d Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

Where independent valuations of areas of interest have been obtained, these are brought to account. Subsequent expenditure on re-valued areas of interest is accounted for in accordance with the above principles. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

At 31 December 2018 the Directors considered that the carrying value of the mineral tenement interests of the consolidated entity was as shown in the Statement of Financial Position and no further impairments arises other than that already recognised.

24e Mine Development

Development expenditure incurred by or on behalf of the company is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine, the related infrastructure and capitalised exploration and evaluation expenditure transferred from capitalised exploration and evaluation expenditure account.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of proved and probable reserves.

Mine properties are tested for impairment in accordance with the policy in note 24(m).

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs from that stage. Site restoration costs include obligations relating to dismantling and removing mining plant, reclamation, waste dump rehabilitation and other costs associated with restoration and rehabilitation of the site. Such costs have been determined using estimates of the future costs and current legal requirements and technology, discounted to present value. Any changes in the estimates for the costs are accounted for on a prospective basis.

Notes to the Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

24f Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a diminishing value over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10-66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

24g Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance for bad debts is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the Statement of Comprehensive Income. They are recognised initially at fair value and subsequently at amortised cost.

Deposits with maturity periods in excess of three months but less than twelve months are included in receivables and not discounted if the effect of discounting is immaterial.

24h Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

24i Employee Entitlements

(i) Wages, salaries and annual and sick leave

A liability for wages, salaries and annual leave expected to be settled within 12 months of the reporting date is recognised in other payables and is measured as the amount unpaid at balance date at current pay rates in respect of employees' services up to that date. No liability exists for sick leave.

(ii) Long service leave

A liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees' up to balance date.

Notes to the Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

24j Share-Based Payments

Share-based compensation benefits are provided to employees via the Group's Employee Incentive Plans. The incentive plans consist of the short term and long term incentive plans for Executive Directors and other Executives and the employee share scheme for all other employees.

The fair value of rights granted under the short term and long term incentive plans is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions and the impact of service conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of comprehensive income, with a corresponding adjustment to equity.

The initial estimate of fair value for market based and non-vesting conditions is not subsequently adjusted for differences between the number of rights granted and number of rights that vest.

When the rights are exercised, the appropriate amount of shares are transferred to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

The fair value of deferred shares granted to employees for nil consideration under the employee share scheme is recognised as an expense over the relevant service period, being the year to which the incentive relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserve.

24k Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

24l Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the steering committee that makes strategic decisions.

The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

24l Segment Reporting continued

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

24m Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

24n Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

24o Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

24p Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

24q Comparative Figure

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

24r Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Consolidated Statement of Profit or Loss and other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to other income in the Consolidated Statement of Profit or Loss and other Comprehensive Income in the year of receipt.

Notes to the Financial Statements

25 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. As at 31 December 2018, the carrying value of capitalised exploration expenditure is $23,019,568.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Valuation of share based payments

The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

Where options are issued to consultants, the Group values the service provided based on market rates. In the absence of market rates the share based payments are valued as above.

26 COMPANY DETAILS

The registered office of the Company is:

Reward Minerals Limited
159 Stirling Highway
NEDLANDS WA 6009

Shareholder Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 26 March 2019.

DISTRIBUTION OF SHAREHOLDERS Spread of Holdings			Number of Holders	Number of Shares	Percentage of Issued Capital
1	-	1,000	202	73,791	0.05%
1,001	-	5,000	336	981,540	0.60%
5,001	-	10,000	176	1,427,539	0.88%
10,001	-	100,000	410	15,495,562	9.53%
100,001	-	and over	184	144,617,625	88.94%
			1,308	**162,596,057**	**100.00%**

There were 488 holders of ordinary shares holding less than a marketable parcel.

Substantial Shareholders	Number of Shares	Percentage of Issued Capital
*Tyson Resources Ltd	18,741,479	11.53%
*Kesli Chemicals Pty Ltd	17,003,650	10.46%
*Dr Michael Ruane	9,206,415	5.66%

**Denotes unmerged data*

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All ordinary shares carry one vote per share without restriction.

	Top Twenty Shareholders - RWD	Number of Ordinary Shares Held	%
1	Tyson Resources Pty Ltd	18,741,479	11.53
2	Kesli Chemicals Pty Ltd	17,003,650	10.46
3	Dr Michael Ruane	9,206,415	5.66
4	Kesli Chemicals Pty Ltd <Ruane S/F A/C>	7,236,287	4.45
5	Intermin Resources Ltd	7,151,109	4.40
6	Hillboi Nominees Pty Ltd	4,255,000	2.62
7	Bill Brooks Pty Ltd <Bill Brooks Family A/c>	3,812,102	2.34
8	Gasmere Pty Ltd	3,713,888	2.28
9	Franway Pty Limited <Kennedy Family S/F A/c>	3,250,000	2.00
10	Mr Prashant Kumar Newnaha	2,970,000	1.83
11	Spar Nominees Pty Ltd	1,790,000	1.10
12	Citicorp Nominees Pty Limited	1,697,034	1.04
13	McCusker Holdings Pty Ltd	1,440,000	0.89
14	Nickyboy Super Pty Ltd <Nickyboy S/F A/c>	1,434,441	0.88
15	RPM Super Pty Ltd <RPM S/F A/c>	1,423,970	0.88
16	Goldfire Enterprises Pty Ltd	1,389,333	0.85
17	Hornet Computer Systems Pty Ltd	1,374,863	0.85
18	Warawong Pty Ltd <Warawong S/F A/c>	1,344,000	0.83
19	Careitha Pty Ltd <Bannister S/F A/c>	1,230,556	0.76
20	Mr John A Newton & Mrs Wanda G Newton <Drawone S/F A/C>	1,100,000	0.68
		91,564,127	**56.33**

Shareholder Information

	Top Twenty Optionholders - RWDOA	Number of Options Held	%
1	Tyson Resources Pty Ltd	2,666,698	20.25
2	Kesli Chemicals Pty Ltd	2,498,363	18.97
3	Kesli Chemicals Pty Ltd <Ruane S/F A/C>	1,797,932	13.65
4	Dr Michael Ruane	766,368	5.82
5	Intermin Resources Ltd	595,926	4.53
6	Mr Prashant Kumar Newnaha	412,770	3.13
7	Hillboi Nominees Pty Ltd	332,440	2.52
8	Bill Brooks Pty Ltd <Bill Brooks Family A/c>	317,676	2.41
9	Mr Edward Keith Hawkins & Mrs Barbara Jean Hawkins	313,959	2.38
10	Dr Mark Bannister	190,389	1.45
11	First Investment Partners Pty Ltd	148,141	1.13
12	Nickyboy Super Pty Ltd <Nickyboy S/F A/c>	138,889	1.05
13	Levark Pty Ltd <Melon Super Fund A/C>	126,627	0.96
14	McCusker Holdings Pty Ltd	120,000	0.91
15	Michael Harry Underdown	114,029	0.87
16	Warawong Pty Ltd <Warawong S/F A/c>	112,000	0.85
17	Mac Equity Partners (International) Pty Ltd	81,038	0.62
18	Tiverton Nominees Pty Ltd <Tiverton Super Fund A/c>	75,000	0.57
19	Michael Alan Oddy	71,039	0.54
20	Careitha Pty Ltd <Bannister S/F A/c>	69,444	0.53
		10,948,728	**83.14**

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