

## REVISED INVESTOR PRESENTATION 2 OCTOBER 2019

**ASX CODE**  
RWD

**DIRECTORS & MANAGEMENT**

Colin McCavana  
*Chairman*

Rod Della Vedova  
*Non-Executive Director*

Michael Ruane  
*Executive Director*

Greg Cochran  
*Chief Executive Officer*

Bianca Taveira  
*Company Secretary*

**KEY PROJECTS**

LD SOP Project

**HEAD OFFICE**

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Reward Minerals Ltd (ASX: RWD) advises that the revised Investor Presentation attached hereto replaces the Investor Presentation lodged with ASX on 1 October 2019.

For further information, please contact:

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**Company Secretary**  
**Direct: +61 8 9386 4699**

# REWARD MINERALS LIMITED



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

***ResourceStocks Sydney***

***30 September – 1 October 2019***



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



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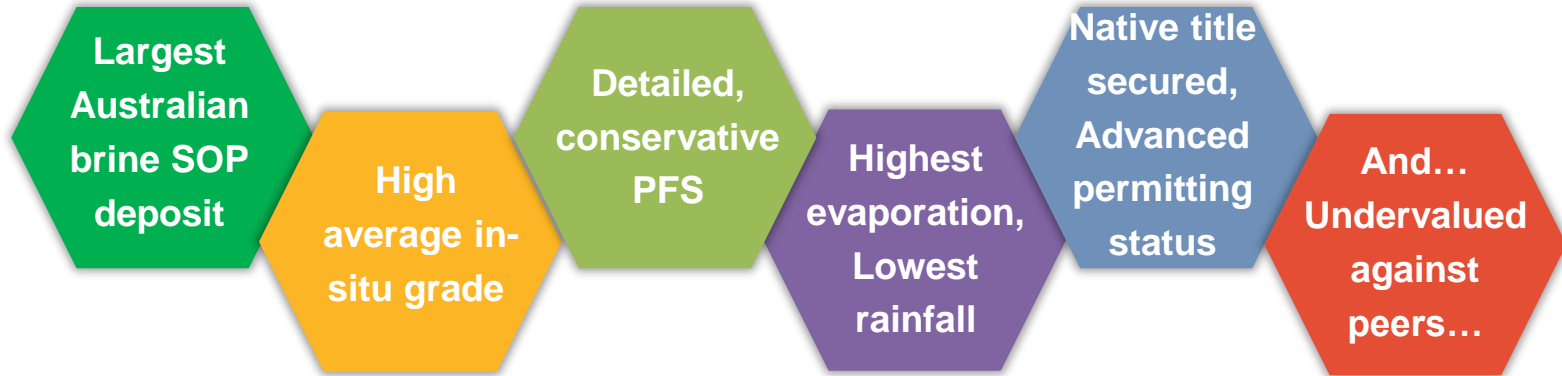
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# INVESTMENT RATIONALE



## *Reward Minerals is the developer of the Lake Disappointment Brine Sulphate of Potash Project*



***An attractive project underpinned by a key global long-term investment theme: Feed the world!***



- ▶ **Corporate Snapshot**
- ▶ **SOP Market Basics**
- ▶ **LD Project Overview & Metrics**
- ▶ **LD Upside**
- ▶ **Current Activities**
- ▶ **Conclusions**

# REWARD CORPORATE SNAPSHOT



## Capital Structure 25 Sept 2019 ASX:RWD

Ordinary Shares on Issue	162.6m
Rights and Options on Issue	17.6m
Share Price	\$0.081
Undiluted Market Capitalisation	\$13.2m
Cash & Equivalents	~A\$1.6m
Undiluted Enterprise Value	A\$11.6m

## Major Shareholders

Name	Shares (m)	%
Michael Ruane	54.1	33.3
Horizon Minerals	7.2	4.4
Top 20 Shareholders	98.2	60.4

### Colin McCavana – Non-Executive Chairman

- 30+ years experience in mining and earthmoving industries
- Ops and development management of Australian and international projects
- Founder and Managing Director of Haddington Resources Ltd
- Also Chairman of Northern Minerals Ltd

### Michael Ruane – Executive Director

- 40+ years experience in chemical and metallurgical fields
- Previously senior technical advisor and manager at Lake McLeod Potash, WA
- Manager of mining operations in WA and the Northern Territory
- PhD (Chemistry), MRACI

### Rod Della Vedova – Non-Executive Director

- 30+ years in the Solar Salt industry with Dampier Salt Ltd (Rio Tinto)
- 11 years as Chief Chemist and 24 years as Process Superintendent
- BSc. Chemistry, Post Graduate Diploma Chemical Engineering

### Greg Cochran – Chief Executive Officer

- Highly experienced, international C-suite mining executive
- Previously MD of Deep Yellow Ltd, CEO of Terramin, EVP Uranium One
- M Sc. Mining Eng. & Mineral Economics, MBA (Cranfield), FAusIMM, GAICD

# WHAT IS SOP? SULPHATE OF POTASH



The Premium source of potassium fertiliser –  $K_2SO_4$

- ▶ A low-chloride source of potassium and sulphur
- ▶ Potassium is an essential plant macronutrient
- ▶ Sulphur is also an important nutrient
- ▶ Applied to speciality and/or chloride sensitive crops
- ▶ SOP supplies less than 10% of the potash market
- ▶ “MOP” (Muriate of Potash, KCl) is the world’s major source of K
- ▶ MOP can contribute to increases in soil salinity
- ▶ SOP trades at a significant premium to MOP



*MOP is a volume business, SOP is a value business*

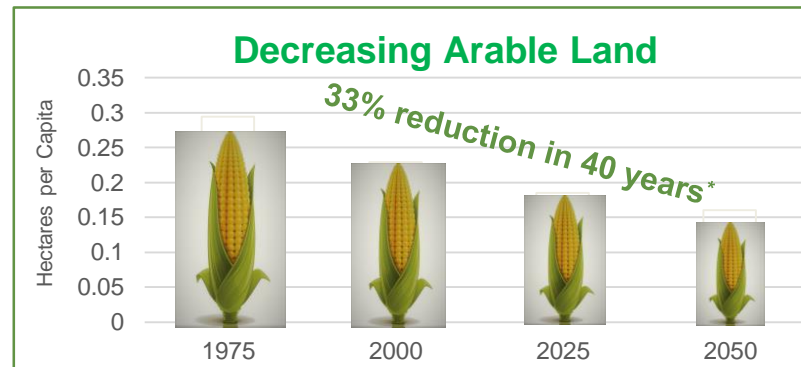
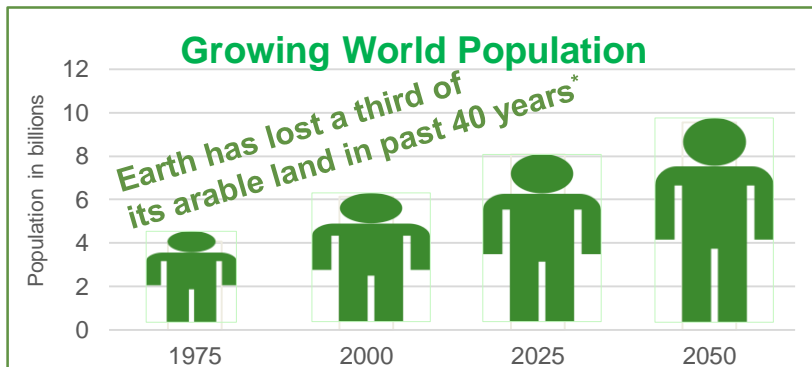
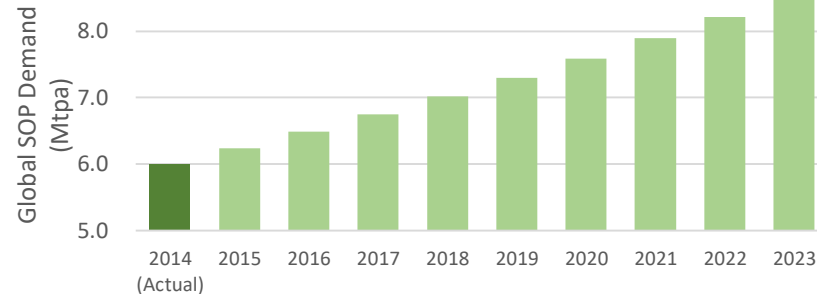
# WHAT IS DRIVING SOP GROWTH?



## SOP Demand drivers

- ▶ Increasing population, decreasing arable land
- ▶ Increasing soil salinity
- ▶ Need for improved water efficiency
- ▶ China prompted major growth
- ▶ Could India be next?
- ▶ Changing demographics – improved diet

## SOP Growth forecast: ~4% pa





# LD BRINE SOP PROJECT – LOCATION



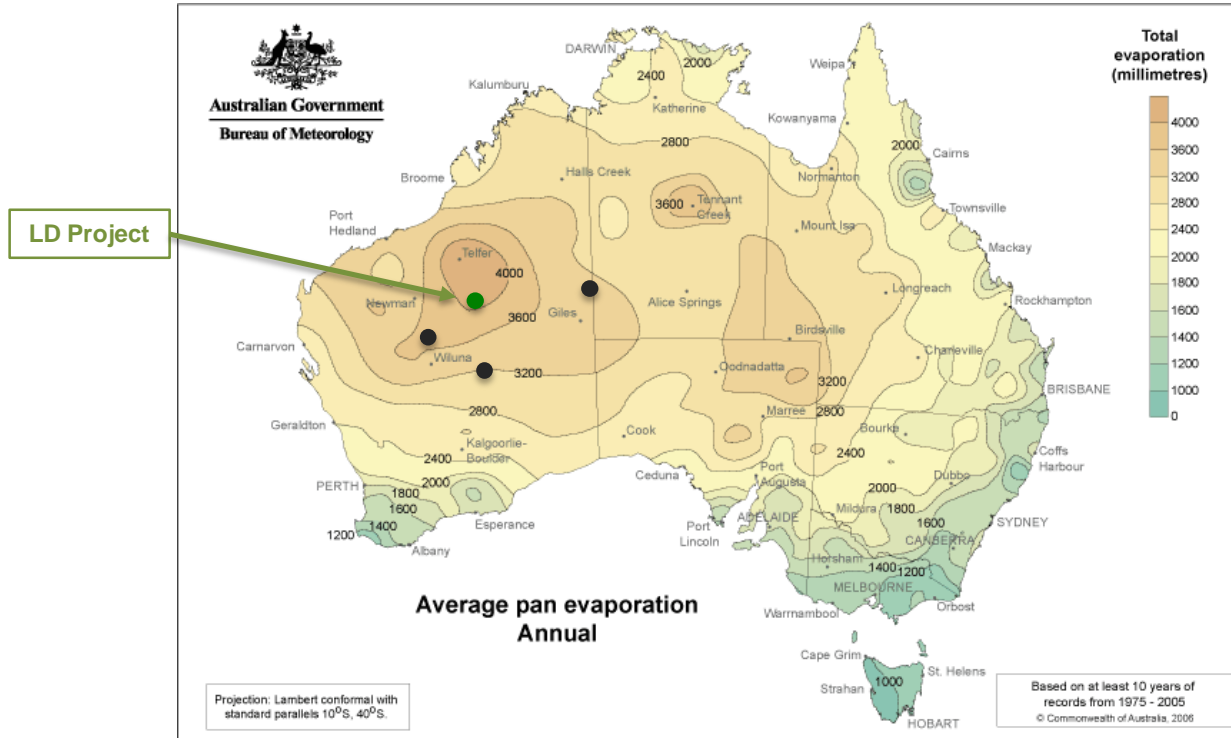
- ▶ 866km to Port Hedland, class-leading bulk export terminal
- ▶ 511km sealed road – Great Northern Highway
- ▶ 355km of existing, frequently used dirt roads



# HIGHEST EVAPORATION RATE



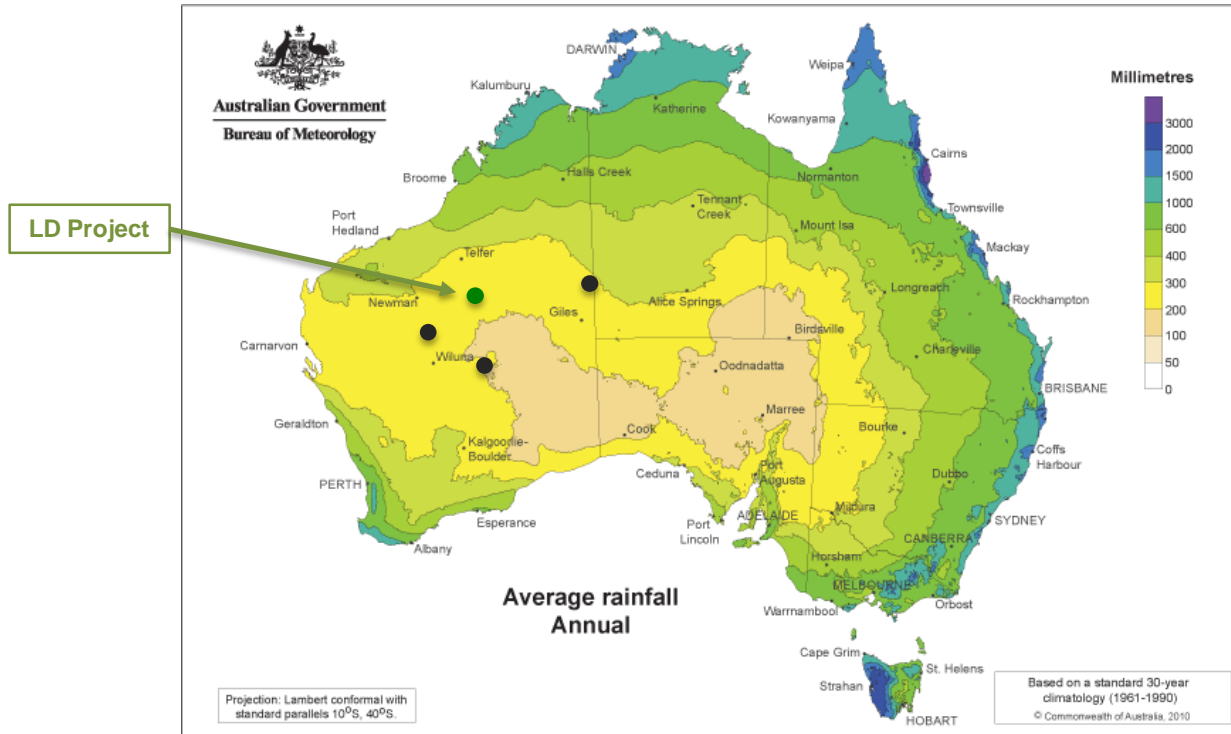
*No better location for a brine evaporation operation in Australia*



# LOW RAINFALL



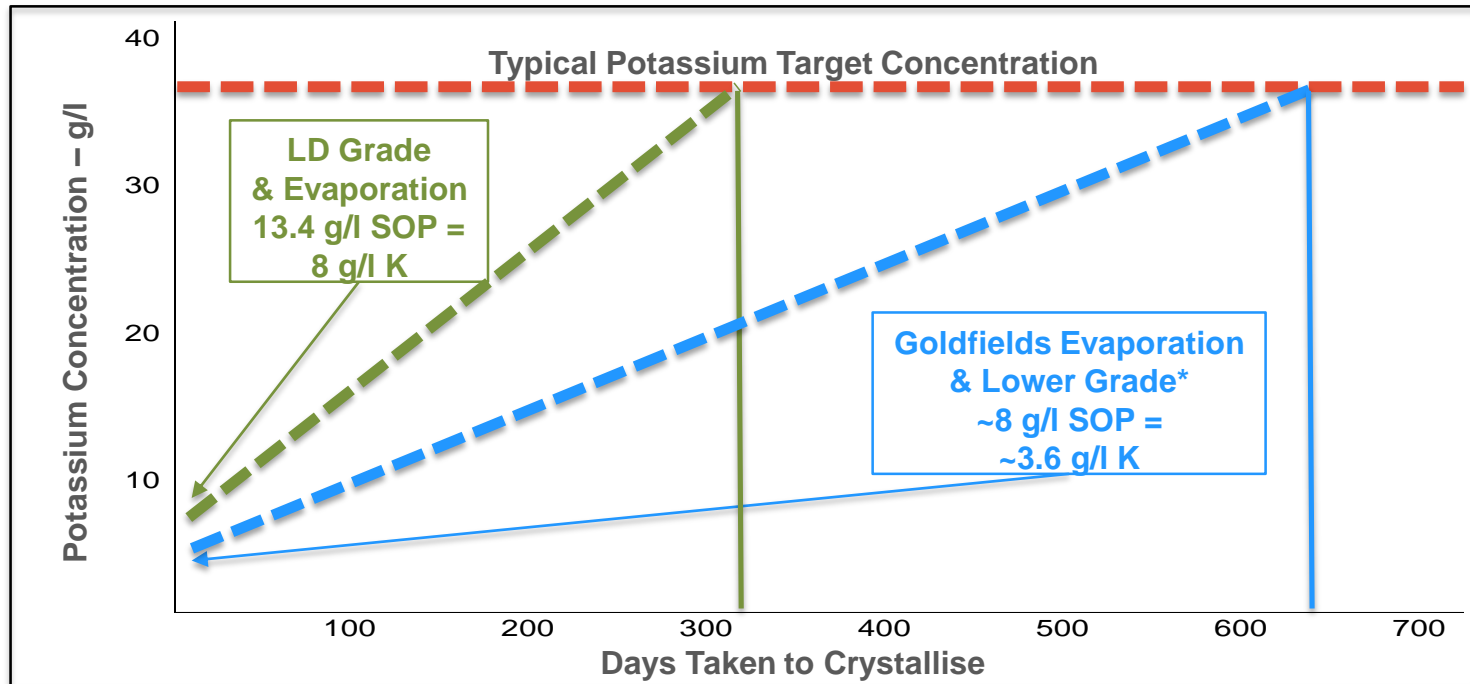
*No better location for a brine evaporation operation in Australia*



# SUPERIOR GRADE AND EVAPORATION



*Grade and evaporation have a direct impact on production*



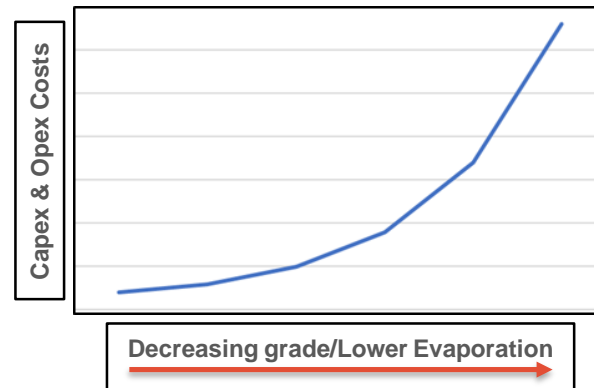
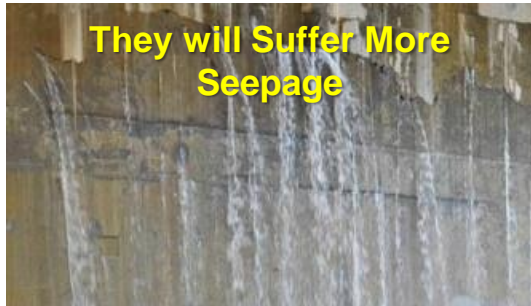
# OPERATIONAL AND COST IMPLICATIONS



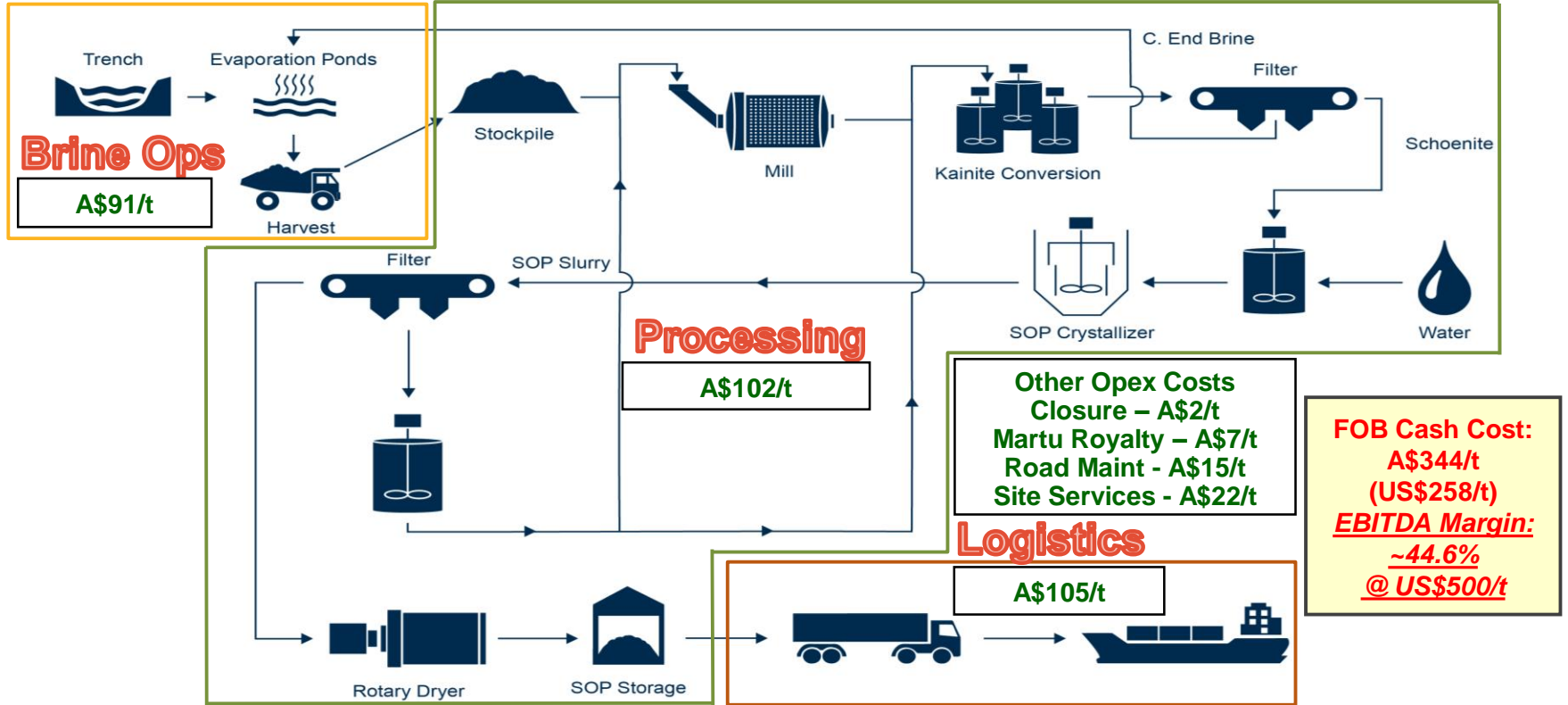
*To match output, lower grade operations need to:*



*Bigger ponds, more seepage, with lower evaporation making it worse:*



# STANDARD SOLAR EVAPORATION PROCESS



# REALISTIC AND DELIVERABLE LOGISTICS



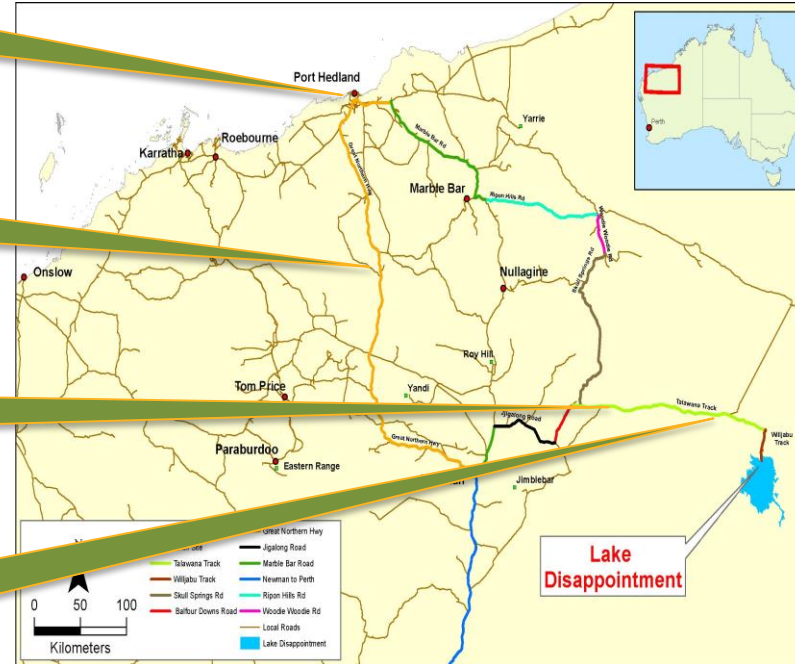
**866 km from site to Port Hedland**

A world class port exporting millions of tonnes per year

511 km sealed road to Port Hedland

355 km of existing, frequently used track

First 250 km designed in detail from terrain models at +/-100mm accuracy



**Logistics cost per tonne SOP:  
A\$105 (FOB Port Hedland) (US\$79/t)**

# PERMITTING: UPDATED WA EPA SCHEDULE



	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Public exhibition of ERD	■	■												
DWER provided final comments to Reward			■	■										
Reward submits response to submissions					■									
DWER reviews responses to submissions and publishes the responses						■								
DWER/EPA Board site visit							◆							
DWER final review of ERD and prepares briefing notes for EPA Board Meeting								■	■					
Reward presentation to EPA Board									◆					
DWER consults with Decision Making Authorities and Reward about draft conditions										■				
DWER prepares & publishes report to Minister										■	◆			
Public appeals can be lodged											■			
Resolution of appeals											■	■	■	
Minister issues Statement														◆

*The most thorough, extraordinarily long process.....*





## Capital cost

- A\$345 M, includes indirects and owners costs (+/-20%)
- A\$451 M, includes contingency & pre-production costs

## Production

- At least 400,000 tpa
- ~9 Mt SOP produced over ~25 years
- Less than 10% of the resource

## Operating cost

- Cash cost – A\$335/tonne (FOB Port Hedland)
- AISC – A\$376/tonne (FOB Port Hedland)



## Assumptions

- Price: US\$500/tonne, FX: AUD/USD: 0.75
- Discount Rate: 8% Real
- Royalty: State: 3.75%, Martu: 1.25%

## Margins

- Average EBITDA – 45% (~\$118 M/year)
- Average Cash – 48% (~\$122 M/year)

## Returns

- Pre-tax: NPV8% – \$518 M, IRR – 19%
- Post-tax: NPV8% – \$293 M, IRR – 15%
- State & Martu Royalties: ~\$286 M

# BRINGING LD INTO LINE WITH ITS PEERS



## The LD PFS has the most conservative assumptions

Name	Study	Discount Rate	Pricing	Exchange Rate	Effective SOP Price	Royalty
Australian Potash	DFS	8% Nominal (Pre- and Post-Tax). Inflation 2%. Implies 5.88% Real.	Independent Argus Report. US\$614/t (Real) LOM.	AUDUSD: 0.67 average derived from forward Curve (Suggests Curve Nominal).	A\$916/t	A\$0.73/t SOP
Kalium Lakes	BFS	8% Nominal Post-Tax. Inflation 2%. Implies 5.88% Real.	US \$606/t SOP (nominal average LOM)	AUDUSD: 0.73 Appears flat with same USD & AUD underlying inflation assumption	A\$830/t	A\$0.73/t SOP
Agrimin	PFS	8% Post-Tax Real	Flat real US\$555/t SOP (US\$520/t FOB plus 13% for granular)	AUDUSD: 0.75 Flat Real	A\$740/t	A\$0.73/t SOP
Reward	PFS	8% Post-Tax Real.	Flat Real US\$500/t SOP	AUDUSD 0.75 Flat Real	A\$667/t	3.75% on FOB revenue (A\$25/t SOP)
Salt Lake Potash	Scoping Study	Post-Tax 8%, assumed to be real.	US\$550/t LOM (assumed real)	AUDUSD: 0.70 (assumed LOM)	A\$785/t	2.50% on FOB revenue (A\$19.64/t SOP)

# CURRENT/UPCOMING ACTIVITIES\*



- ▶ Environmental Permitting:
  - Final stages at state level
  - Well advanced at federal level
- ▶ Resource Conversion:
  - Infill drilling program completed
  - Grade upside
- ▶ Flowsheet Improvements:
  - Ongoing R&D (focused on enhancing recovery)
  - Targeting cost reductions & operational efficiencies
- ▶ Pond Trials:
  - Crystallisation: Crude potash harvested for next phase





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

### Is technically robust

- ▶ Conservative PFS *conducted to exacting standards*
- ▶ *Independently reviewed* Flowsheet

### ... and economically attractive, with

- ▶ Scope to improve economics on multiple fronts

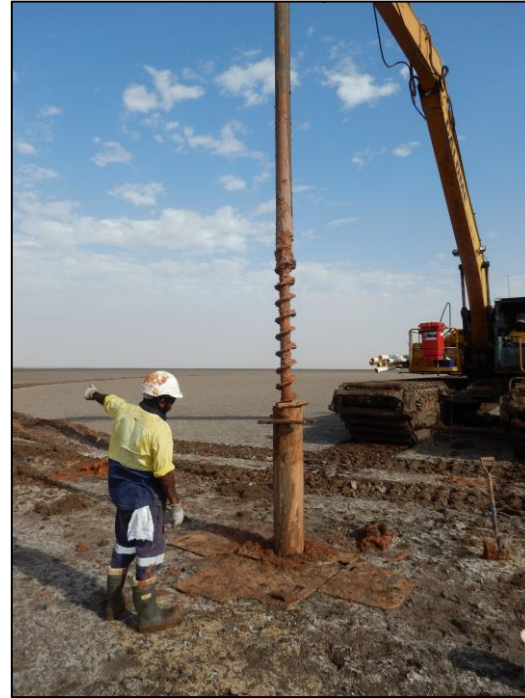
### ... and at 407,500 tonnes SOP/annum

- ▶ One of the world's largest, longest-life brine SOP Projects
- ▶ In the best operating environment & a leading mining jurisdiction

*Anything but disappointing*



# APPENDICES



# GLOBALLY SIGNIFICANT TIER 1 RESOURCE



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

	Hydrostratigraphic Unit	Unit Symbol	Nominal Dimensions (m)			Volume (m <sup>3</sup> x 10 <sup>6</sup> )	Area (m <sup>2</sup> x 10 <sup>6</sup> )	Assigned Specific Yield Effective Porosity (%)	SOP Brine Grade (kg/m <sup>3</sup> )	Drainable SOP (Mt)
			Top	Base	Thick.					
Accessible Zone (Indicated)	Upper lake bed sequence	Qhs & Qhl	0.5	2	1.5	1,123.5	749.0	15	13.4	2.26
	Lower lake bed sequence	Qpl	2	6	4	2,996.0	749.0	13	13.4	5.22
	Subtotal									13.4
Exclusion Zone (Indicated)	Upper lake bed sequence	Qhs & Qhl	0.5	2	1.5	738.0	492.0	15	13.4	1.48
	Lower lake bed sequence	Qpl	2	6	4	1,968.0	492.0	13	13.4	3.43
	Subtotal									13.4
<b>Total - Shallow Resource (Indicated)</b>									<b>13.4</b>	<b>12.39</b>
Accessible Zone (Inferred)	Weathered basement	PUw	6	80	74	55,426.0	749.0	12	11.2	74.49
	Weathered basement (sandy sections)	PUw	80	90	10	6,987.0	698.7	22	11.2	17.20
	Subtotal									11.2
Exclusion Zone (Inferred)	Weathered basement	PUw	6	80	74	36,408.0	492.0	12	11.2	48.93
	Subtotal									11.2
<b>Total - Deep Resource (Inferred)</b>									<b>11.2</b>	<b>140.62</b>
<b>Total Resource (Indicated &amp; Inferred)</b>									<b>11.35</b>	<b>153.01</b>

Notes:

1. Total area of the lake: 1,241km<sup>2</sup>
2. Total area of the accessible zone: 749km<sup>2</sup>
3. Total area of the exclusion zone: 492km<sup>2</sup>
4. Figures have been rounded to 2 significant numbers
5. Resource compliant with JORC, CIMM and draft AMEC guidelines

# PFS RESULTS – CAPITAL COSTS



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





The information contained in Slide 18 of this presentation was sourced from the following company reports:

1. Australian Potash Ltd: AUSTRALIAN POTASH LTD ANNOUNCES DEFINITIVE FEASIBILITY STUDY OUTSTANDING OUTCOMES OVER 30 YEAR MINE LIFE, 28 August 2019.
2. Kalium Lakes Limited. Bankable Feasibility Study Completed with Exceptional Financial Outcomes, 18 September 2018.
3. Agrimin Limited: PRE-FEASIBILITY STUDY COMPLETED FOR MACKAY SOP PROJECT, 7 May 2018.
4. Salt Lake Potash Limited. EXCEPTIONAL ECONOMICS OF COMMERCIAL SCALE DEVELOPMENT AT LAKE WAY, 13 June 2019.

# COMPLIANCE STATEMENTS



## **Competent person statements:**

The information in this report that relates to the existing Lake Disappointment Project Mineral Resource Estimate and hydrogeology, is extracted from the report titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" which was published in an ASX announcement dated 7 February 2017 and is available to view on [www.rewardminerals.com](http://www.rewardminerals.com). The information in the original report was based on information compiled by Mr Robert Kinnell, a hydrogeologist and Competent Person who is a Member of The Australian Institute of Mining and Metallurgy and a Fellow of the Geological Society of London. Mr Kinnell was employed by Strategic Water Management and was a consultant to Reward Minerals. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the 2017 mineral resource announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.

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

## **Notes:**

1. Refer to ASX announcement dated 7 February 2017 titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" for full details of the Mineral Resource. The Company confirms that it is not aware of any new information or data that materially affects the information included in the 2017 announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented in the original ASX announcement have not been materially modified.
2. Refer to the assumptions, sensitivities, risk factors and cautionary statements contained in ASX Announcement dated 1 May 2018, titled "PFS Confirms LD Project as a Globally Significant SOP Project" for details disclosed respectively in Table 2 (pages 4-6), Table 3 (pages 7-8) and on pages 12 and 13 of that announcement, as well the details included in the PFS Executive Summary appended thereto, which may adversely impact upon the information and forecasts in this announcement.
3. Refer to ASX announcement dated 13 July 2018 titled "LD SOP Project PFS Enhancements" for full details of the improvement in product logistics costs for the LD Project and the associated improvement in the Project's economics.
4. The Company confirms that all material assumptions and technical parameters underpinning the Lake Disappointment Project PFS and its enhancements continue to apply and have not materially changed nor been materially modified.
5. Additional information in relation to trench pumping trials, including volumes abstracted, flow rates and grades have been reported in the Company's quarterly reports published subsequent to the PFS Announcements.