

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2019

31 January 2020

ASX CODE

RWD
RWDOA

SHARE PRICE

\$0.14

ISSUED CAPITAL

162,596,057 RWD
13,167,866 RWDOA

MARKET CAPITALISATION

~\$23M (undiluted)

DIRECTORS

Colin McCavana
Chairman

Michael Ruane
Director

Rod Della Vedova
Non-Executive Director

MANAGEMENT

Greg Cochran
Chief Executive Officer

Bianca Taveira
Company Secretary

KEY PROJECT

Lake Disappointment Project

HEAD OFFICE

Reward Minerals Ltd
159 Stirling Highway
Nedlands WA 6009

PO Box 1104
Nedlands WA 6909

ACN 009 173 602
ABN 50 009 173 602

T: 08 9386 4699
F: 08 9386 9473
E: admin@rewardminerals.com

Highlights

- **LD SOP Project State Environmental Permitting – the WA EPA Board recommends environmental approval for Reward’s flagship Project to the Minister of the Environment.**
- **LD SOP Project Commonwealth Environmental Permitting – the Company is in the final stages of preparation of its response document to address questions raised by the Projects Assessment Section of the Commonwealth Department of the Environment and Energy.**
- **Reward continues to make progress on executing its Officer Basin exploration strategy in conjunction with Kesli Chemicals.**

Corporate

Expenditure by Reward during the December 2019 quarter was \$1.1 Million, reflecting the reduced level of activity on the LD Project during the final stages of the extended environmental permitting process. Cash on hand at the end of the period was approximately \$1.6 Million. Short term loan funding on arm’s length, commercial terms from Dr M. Ruane, Reward’s Executive Director, was accessed to accelerate the Officer Basin exploration strategy, which is covered elsewhere in this report.

LD SOP Project Environmental Permitting

As reported during the quarter, Reward representatives made a final presentation to the board of Western Australia’s Environmental Protection Authority (“EPA”) late in October. Subsequently, in early December the Company received notification that the EPA board had presented its recommendation to the Minister of the Environment to approve the development of the Project. Simultaneously, the Report and Recommendations of the EPA pertaining to the Project was released. The Report covered all the salient environmental factors considered by the EPA as well as the conditions it is recommending to be imposed should the Minister approve the Project.

This was one of the most significant milestones to date for Reward and its flagship Project. LD became only the second SOP Project to obtain a development approval recommendation, although it was a first for an SOP Project that has been assessed by public review in WA – a very high level of scrutiny.

Having devoted most of its resources to the state’s environmental assessment, Reward did not manage to complete the response document required by the Projects Assessment Section of the Commonwealth Department of the Environment and Energy by the end of the quarter. Significant progress was made however and it is expected that the Company will finalise and submit this documentation early in the New Year.

Officer Basin Exploration

Tenure

Reward holds nine exploration licences (five granted and four applications) located in the Officer Basin as well as exclusive rights to an additional five granted exploration licences held by Kesli Chemicals Ltd by meeting expenditure commitments (see ASX release dated 3 April 2019 titled “Reward Applies for Large Acreage of New Tenements...”). The granted exploration licences, covering approximately 8,700km² of highly prospective ground, lies to the east of Reward’s flagship Lake Disappointment project in Western Australia (see Figures 1 and 2).

Combined, the tenements provide a substantial coverage of the Officer Basin which is regarded as highly prospective for buried Potash mineralisation at shallow depth.

During the period exploration licences E45/5272, E69/3278-3579, E69/3642 (Kesli Chemicals Pty Ltd) and exploration licences E69/3585 - 3589 (Reward/Holocene) were granted (see Figure 2). Exploration licences E69/3685-3686 and E69/3688-3689 are pending applications.

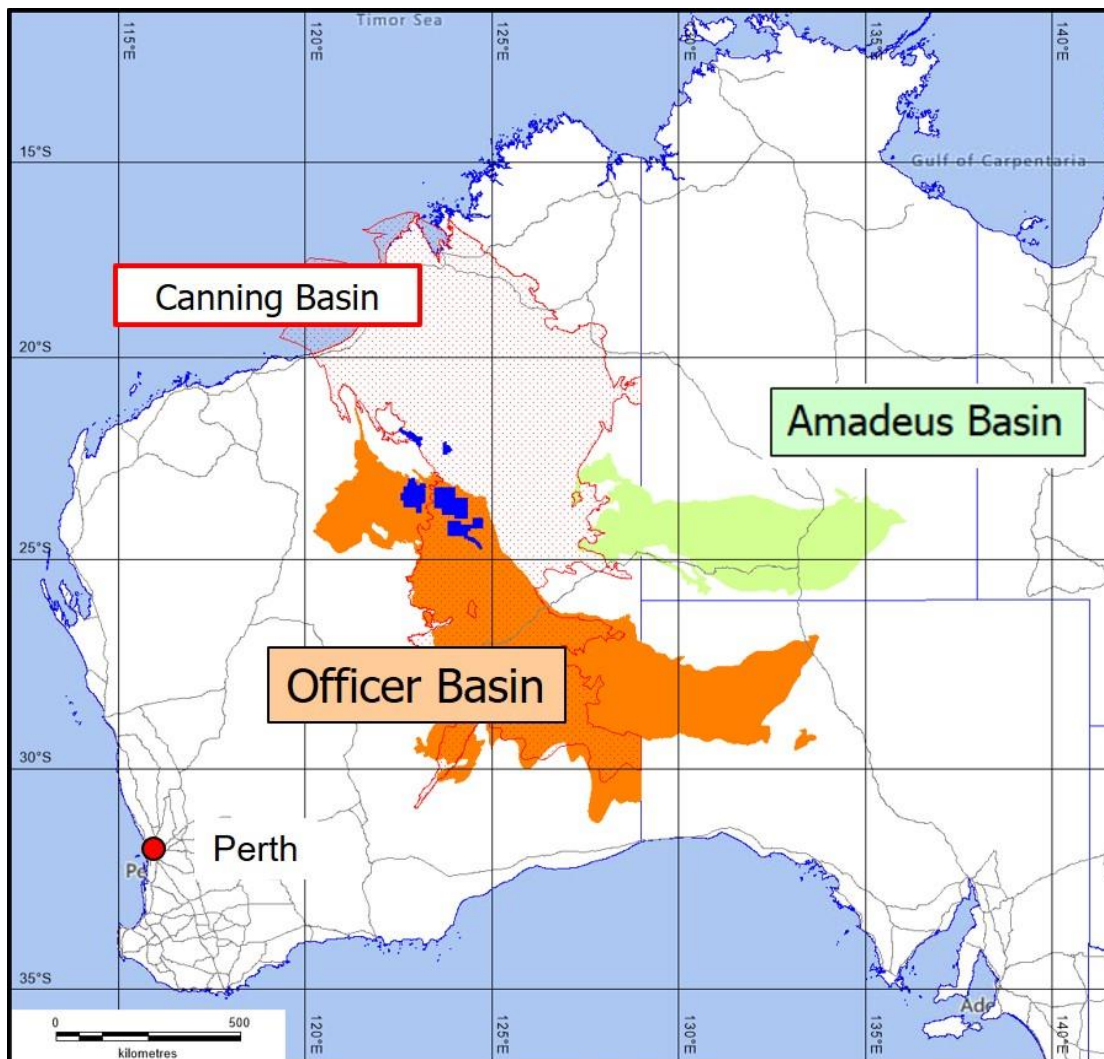


Figure 1 – Location of WA’s major evaporate basins. Reward’s and Kesli’s tenements are in blue.

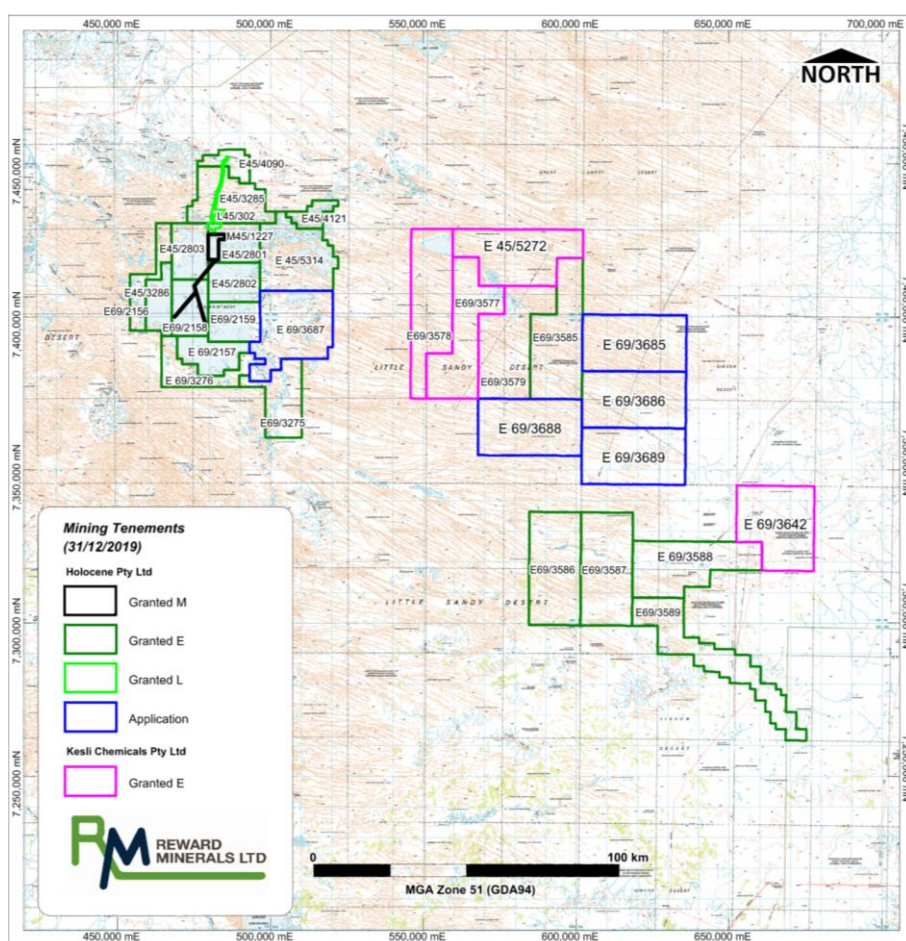


Figure 2 – Officer Basin Tenements (Kesli and Reward) Lake Disappointment Tenements (Reward)

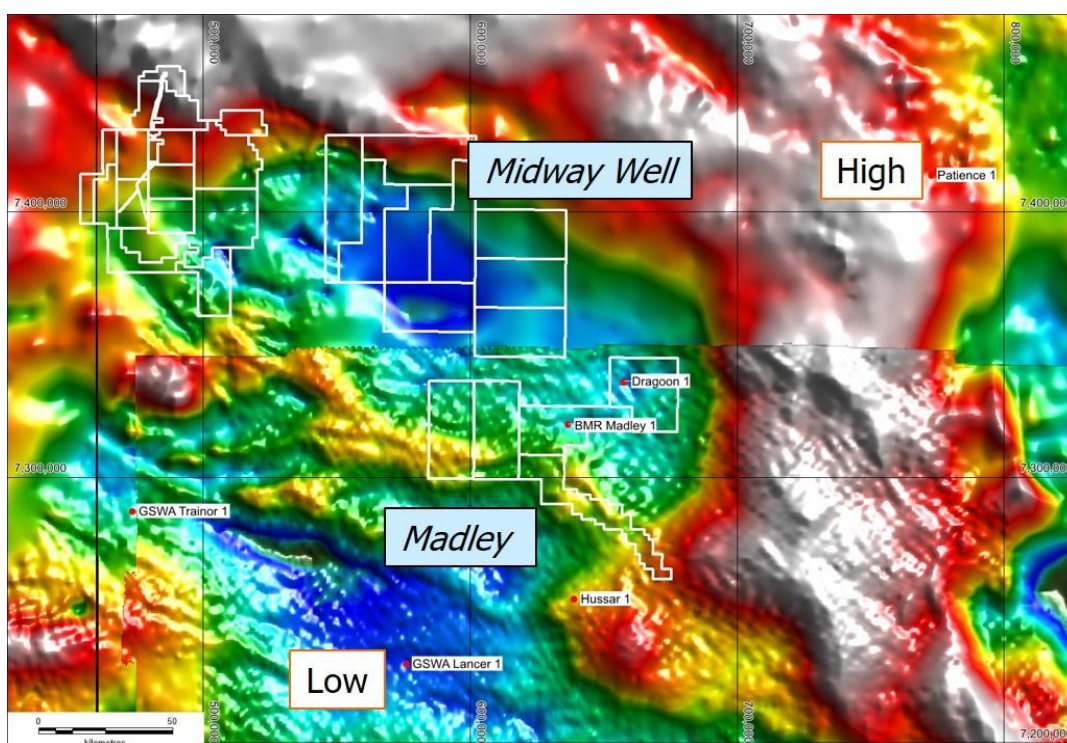


Figure 3 – Officer Basin Regional Gravity Imagery, Sieonova & laskey, 2005. GSWA Report 98.

Exploration Concept / Targets

Reward believes that the western Officer Basin (Gibson sub-basin) has potential to host significant potash mineralisation at shallow depth.

Reward's exploration strategy is based on the observation that the Browne Formation, which hosts extensive evaporites in the Officer Basin, outcrops over a large area (250,000 km²) in the western part of the basin, in particular in the Gibson area. The target area overlies a large gravity low which is consistent with an accumulation of low-density sedimentary formations including evaporites. This is in contrast to the adjacent relatively denser Broadhurst Formation which is currently subject of vigorous exploration for base metals and gold to the north and west (see Figure 3).

Numerous palaeovalley-hosted brine SOP deposits, such as Lake Disappointment, Lake Dora, Lake Auld etc., may have formed as a result of erosion of the outcropping Browne Formation in the Gibson area. Importantly, since the brines in the region's palaeovalley deposits are relatively high in Potassium and Sulphate, it may be concluded that the deposition of the Browne Formation reached the Potash crystallisation stage in the western Officer Basin.

Examination of the seismic data also suggests that, while some sections of the potentially potash rich horizons may have been eroded away, a substantial volume of Browne Formation evaporites remain buried below surficial sediment cover in the Gibson area.

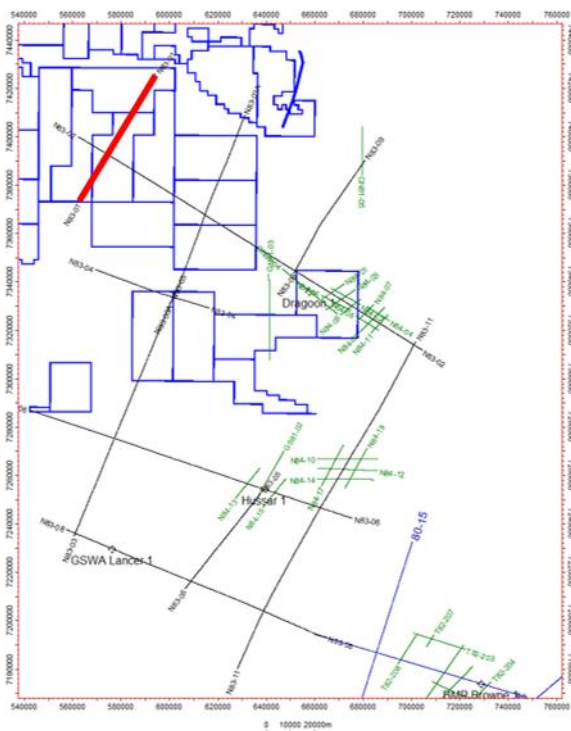


Figure 4(a) – Line N83-01 Position

Extent of Seismic Cross Section shown in Figure 5

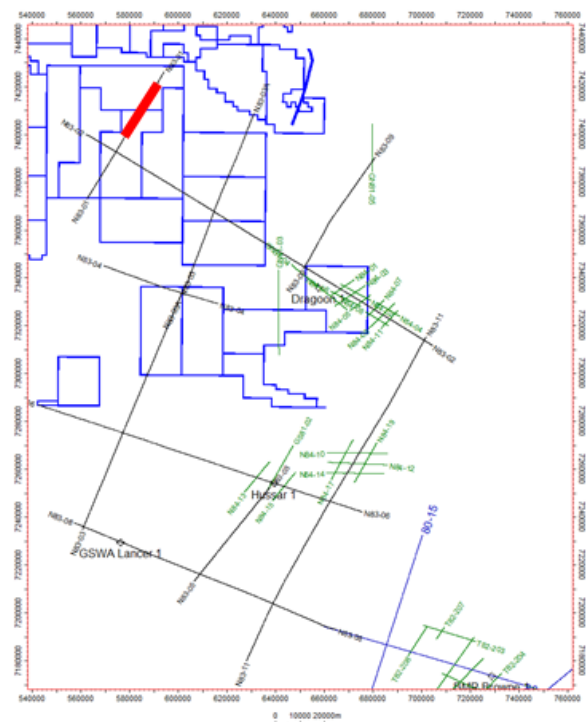


Figure 4(b) – Line N83-01

Extent of Seismic Cross Section shown in Figure 6

Diapiric salt flow has resulted in sub-surface evaporites breaching the surface in numerous locations throughout the western Officer Basin (See Figures 5 and 6). These breaches represent an exploration opportunity for intersection of potash mineralisation at relatively shallow depths.

During the quarter Internode Seismic were engaged to reprocess seismic data from seismic line N83-01. Historical processing undertaken by oil/gas explorers focussed on defining deeper sedimentary horizons and did not provide good resolution of the shallower strata that may contain potash bearing formations (see Figure 5).

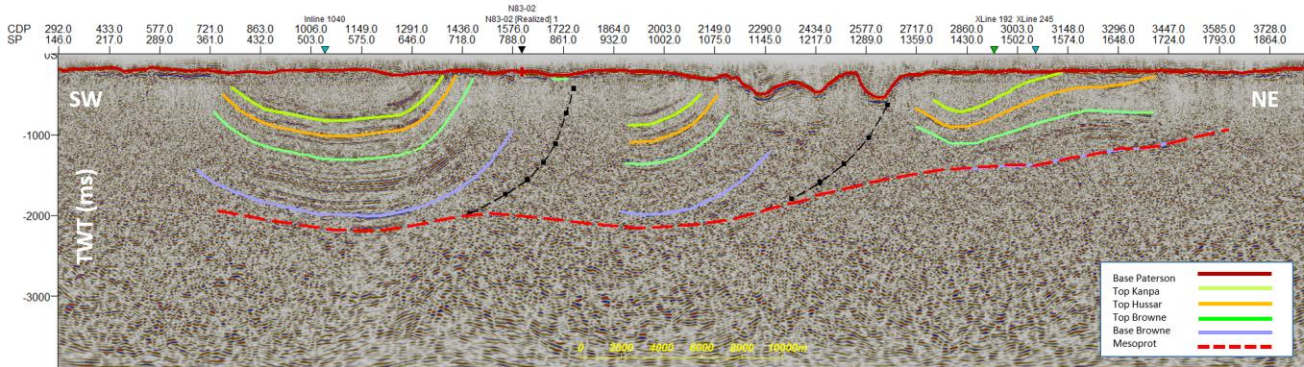


Figure 5 – Seismic Interpretation, Line N83-01

Re-examination of the time–depth reflectance data is represented in Figure 6, providing significant encouragement as to the presence of (top) Browne formation at shallow depth along seismic line N83-01 between Shot Points (SP) 1100 and 1340, a distance of approximately 8.5km.

Five Brown Formation targets lying between these two Shot Points have depths estimated between 130 to 212 metres from surface.

This zone of shallow Browne Formation occurs within a major up-faulted section (horst) caused by salt flow of the evaporites at depth. The zone also appears to be expressed at surface by several unnamed playas trending northwest-southeast in the location of line N83-01.

The recent interpretation (see Figure 6) also fits well with the concept of erosion of the top of Browne Formation with dispersion of Potash minerals in solution to the various palaeovalleys emanating from the Officer Basin region east of Lake Disappointment.

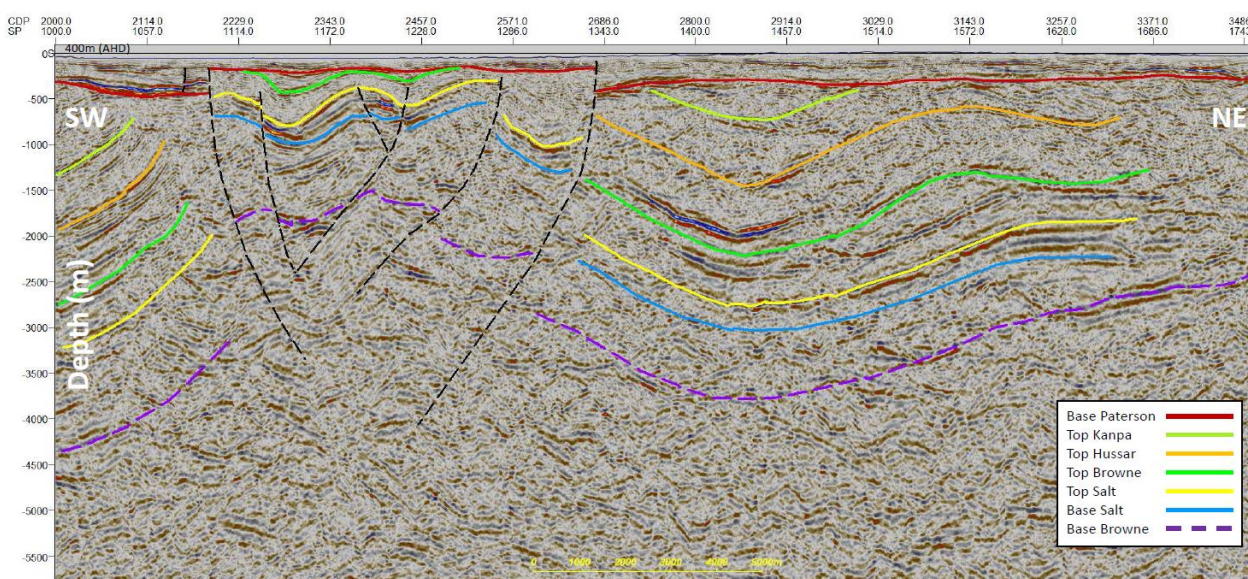


Figure 6 – Seismic Interpretation, Reprocessed Line N83-01

Site Clearances

During late-November, a Heritage Survey was conducted with Martu representatives via YMAC (the Yamatji Marlpa Aboriginal Corporation, the native title representative body for the Yamatji and Pilbara region) to clear a significant portion of Seismic Line N83-01 for drilling activities including camp site and access tracks associated with the initial drilling program within the Kesli exploration licences E45/5272 and E69/3579. A Preliminary Advice has been received from YMAC stating that all proposed activities are archaeologically and ethnographically cleared.

In early-December the Program of Works (POW) submitted for the proposed drilling along Seismic Line N83-01 was approved by the Department of Mines, Industry Regulation and Safety (DMIRS).

Drilling, Logistics and Equipment

The Company previously acquired a Hanjin D&B 35 Multi drilling rig (Figure 7) for drilling and establishment of the Lake Disappointment Project process water bore field. While the process water bores were less than 150 metre depth the Hanjin rig has capability to drill to >1,000m.



Figure 7. The Reward-owned Hanjin Rig in operation close to Lake Disappointment

During the period ancillary equipment was acquired for drilling to at least 500 metres vertical depth.

In view of the exploration site location over 70km east of the LD camp, additional camp and infrastructure items were acquired to establish a base camp and cater for 12-hour drilling shifts initially and 24 hour drilling later.

Also, because of the location and significant creek systems between LD and Midway Well, the drill rig, accommodation units and ancillaries have been moved to a lay down area near the first drill hole position prior to the summer/wet season, to enable an early commencement of drilling in the upcoming field season.

Subject to weather outcomes, Officer Basin drilling activities will commence mid-February 2020. Drilling of the first hole is expected to commence within 2 to 3 weeks of obtaining access to the drill site and will be located in the vicinity of Shot Point 1200 on N83-01 seismic line.

For further information please contact:

Greg Cochran
Chief Executive Officer
on behalf of the Board

About Reward

Reward Minerals Ltd (Reward) is a potash-focussed exploration and development company listed on the Australian Securities Exchange (ASX Code: RWD) with a portfolio of advanced exploration projects in Australia hosting significant Sulphate of Potassium (SOP) resources. The Company's tenements cover approximately 10,000 km² containing a series of highly prospective playa-style lakes and palaeovalleys known to host substantial volumes of high-density potassium rich brines.

Reward's flagship project is its 100% owned LD SOP Project, located 340 km east of Newman in the Little Sandy Desert of north-western Western Australia. The LD Project consists of a tenement package that covers over 3,000km² which hosts an Indicated and Inferred drainable Mineral Resource of 153 Mt of SOP grading approximately 11.3kg/m³ of SOP brine in sediments from surface to a depth of approximately 90m. The Project has a registered Indigenous Land Use Agreement with the Martu people, the traditional owners of the land, as well as a granted Mining Lease and associated Miscellaneous Licence. A Pre-Feasibility Study for the LD Project was completed at the end April 2018. Permitting is well advanced with state having recommended Project approval and the federal regulators currently conducting the Project's Environmental Assessment.

Exploration Results – Competent Persons Statement

The information in this report that relates to Exploration Results, Brine Assays and Analyses is based on information compiled by Dr Michael Ruane, a Competent Person who is a Member of The Royal Australian Chemical Institute. Dr Ruane is an Executive Director of Reward Minerals. Dr Ruane has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Ruane consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Forward-Looking Statements

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

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

Tenement Holdings as at 31 December 2019

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
Lake Disappointment, Western Australia				
E45/2801	Granted	100%	-	-
E45/2802	Granted	100%	-	-
E45/2803	Granted	100%	-	-
E45/3285	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090	Granted	100%	-	-
E45/4121	Granted	100%	-	-
E69/2156	Granted	100%	-	-
E69/2157	Granted	100%	-	-
E69/2158	Granted	100%	-	-
E69/2159	Granted	100%	-	-
E69/3275	Granted	100%	-	-
E69/3276	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
Runton, Western Australia				
E45/5314	Granted	100%	100%	-
E69/3687	Pending	100%	-	-
Gibson, Western Australia				
E69/3585	Granted	100%	100%	-
E69/3586	Granted	100%	100%	-
E69/3587	Granted	100%	100%	-
E69/3588	Granted	100%	100%	-
E69/3589	Granted	100%	100%	-
E69/3685	Pending	100%	-	-
E69/3686	Pending	100%	-	-
E69/3688	Pending	100%	-	-
E69/3689	Pending	100%	-	-
Balfour, Western Australia				
L46/128	Pending	100%	-	-
Dora, Western Australia				
E45/4321	Pending	100%	-	-
E45/4488	Pending	100%	-	-