REWARD MINERALS LTD

ANNUAL REPORT 2019

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Chairman's Letter

Dear Shareholders,

Despite the challenges we all currently face due to the global COVID-19 pandemic I am pleased to present your Company's 2019 Annual Report.

In a number of respects 2019 was a frustrating year and I suspect that at times you have shared that frustration. Perhaps no more so than at the slow progress we have made in the permitting of our flagship asset, the wholly owned, world-class, Lake Disappointment SOP Project.

I said in my letter to you last year that Reward was in a strong position and was gathering momentum on the back of its achievements in 2018. Our expectations were high given that we had delivered such a promising pre-feasibility study and had also made improvements, specifically with product logistics, that indicated even better economic returns for Lake Disappointment.

Our optimism for 2019 continued into the first quarter when we received and published the final assay results from the major infill drilling program we had completed at the end of 2018. As experienced miners we know that grade is of paramount importance – it forms the foundation for the success for most mining projects.

In this regard, brine operations are not materially different although there is admittedly added complexity due to issues relating to porosity, permeability, flow rates, recharge and therefore drainability. Having obtained mean SOP grades in excess of 14.4 kg/m^3, I suggest this reinforces Lake Disappointment's claim of being the largest high-grade brine SOP deposit in Australia.

The latest results are almost eight percent higher than the deposit's Indicated Resource grade of 13.4 kg/m^3 but more importantly 44.5% higher than the 10 kg/m^3 SOP used in Reward's highly conservative pre-feasibility study.

However, despite these excellent results, concern was mounting that the environmental permitting process was still going to continue for some time. Whilst we have always believed that we would successfully permit Lake Disappointment, we recognised the Project was being assessed at a level far in excess of its peers, possibly due to its scale, or the fact that it was the first SOP Project to be lodged in the system.

This meant that for the State environmental approval process the Project had to endure a six-week public review, despite the fact that it has a smaller vegetation clearing extent than most of its peers in the sector. During the public review, the Project attracted a very large number of public (and regulator) submissions.

Recognising the amount of additional work required to address these submissions, we made the difficult decision to slow down Project activities to preserve cash.

Not all activity stopped however, as you will see in the Operations report. Reward continued with evaporation and crystallisation trials at Lake Disappointment to prove up the back-mix process and improve the flow sheet. Those trials generated extremely useful data on the Project's operating parameters.

In the meantime, our team of environmental consultants continued to work on the response document for the EPA. We also hosted an EPA site visit after which the approval process moved into its final phase.

In this context your small executive team and selected environmental consultants met with the EPA board to present the Project's key issues, impacts and Reward's proposed mitigation and management actions. We were pleased that shortly thereafter the EPA published its Lake Disappointment assessment report and the EPA board made its recommendation to the Minister to approve the Project's development.

Thus, Lake Disappointment became the first SOP Project to reach this milestone via the onerous public review process – a testimony to management and the Company's experienced and highly credentialed environmental consultants.

As I write this letter the Project is going through the statutory appeals period and we are confident of an imminent positive outcome.

Of course, Lake Disappointment, like most though not all of its peers, is also being assessed under the Commonwealth EPBC Act. Our focus on achieving WA environmental approval delayed our EPBC progress but I am pleased to note that Reward is back on track in that regard. We believe we are now making encouraging progress with the newly named Commonwealth Department of Agriculture, Water and the Environment.

Reward is looking forward to achieving EPBC approval relatively soon as well, particularly in these challenging times which demand that we all work together to preserve, as much as possible, prospects for employment, investment and development in Australia.

After all, Australia's largest high-grade SOP deposit, fully permitted, is an attractive and valuable strategic asset capable of producing a large volume of organically certifiable SOP for decades to come. Lake Disappointment, once developed, can provide training, development, jobs and uplift to remote, disadvantaged communities as well as generate substantial royalties for WA and income taxes for the Commonwealth.

As always, I would like to thank our staff, consultants and contractors for their tireless effort throughout 2019 and I thank you, our shareholders for your patience and continuing support.

I would also like to thank our partners, the Martu People, for their continuing support, assistance and cooperation – together we hope to make Lake Disappointment a game-changer in the region.

Despite the current global COVID-19 crisis and the knock-on effects that is having (and will continue to have) on the global economy, we are still hoping to make 2020 a seminal year for your Company.

Colin McCavana
Chairman

31 March 2020

Operations Report

Corporate

During the 2019 year, Reward expended approximately $2.6 million on its project and related activities. The Company received $1.3 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 2018 tax year. The trials continued throughout 2019 both on site and at test facilities in Perth.

Operations

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

Overview

The Lake Disappointment ("LD") brine Sulphate of Potash ("SOP") Project is the Company's flagship asset. The LD deposit is Australia's largest high-grade SOP deposit, situated within the Little Sandy Desert region of the northwest of Western Australia, a location ideally suited to a brine operation with the country's highest evaporation rate and low average annual rainfall. The Project has the potential to be the longest life and largest brine SOP operation outside of China. It comprises of over 1,500km^2 of granted Exploration, Miscellaneous and Mining Licences. The Project has an executed Indigenous Land Use Agreement with the Martu people, the traditional owners of the land upon which LD is situated, and its environmental permitting process is nearing conclusion.

Reward completed a Pre-Feasibility Study ("PFS") on the LD SOP Project in 2018 (see RWD ASX Announcements dated 1 May 2018[1] and updated on 13 July 2018[2]). 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.

The total capital expenditure required to develop the Project was estimated at $450.6M, including Indirects, Owners' Costs, a $59.9M Contingency and Pre-Production expenses. Highlights of the Project's economics (using a conservative price assumption of US$500/tonne SOP FOB Port Hedland and a 0.75 USD/AUD exchange rate) include:

- Pre-tax $NPV_{8\%\ Real}$ $517.6M
- Post-tax $NPV_{8\%\ Real}$ $292.8M
- Pre-tax IRR 18.8%
- Post-tax IRR 14.9%
- EBITDA margin 44.6%
- Average annual EBITDA $118M

In 2019 Reward's Project activities focused primarily on Crystallisation Trials at site and finalising environmental approvals. Early in 2019 the Company also received excellent assay results from brine samples taken during the infill drilling program completed at the end of 2018.

Infill Drilling Program: High-grade Assay Results

As part of ongoing resource development work at LD, an infill auger drilling program was undertaken towards the end of 2018. A total of 61 large diameter shallow auger holes were completed over the LD playa, with drilling targeting the shallow lakebed aquifer over the area of the proposed brine extraction trenches as modelled in the PFS.

The main objectives of the auger drilling program were to:

- Infill previously completed 2006 Geoprobe and 2015 diamond core resource drilling to provide additional geological, hydrogeological and brine chemistry data to improve the confidence in the geological and hydrogeological model;
- Install properly constructed bores to facilitate pump testing to obtain additional hydraulic data and allow ongoing monitoring in support of numerical ground water modelling and a preliminary mine schedule; and
- Provide an additional network of suitable environmental monitoring sites for the ongoing collection of baseline information.

Operations Report

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

Drilling was completed on a nominal 4 x 4km grid that infilled the 5 x 5km 2006 shallow Geoprobe drilling to bring the average spacing to within 3km in the shallow lakebed aquifer.

At each drill site both a shallow vertical (4-5m depth) and deeper vertical (6-7m depth) auger hole was drilled and these were used to construct bores in accordance with Australian Guidelines (i.e. National Uniform Drillers Licensing Committee 2001, Minimum Requirements for Water Bores in Australia, Third Edition, February 2012). Screened sections of the bores were completed as follows:

- Shallow bores – between the standing water table (SWL) and nominally 3.0 metres below ground level (mbgl);
- Deeper bores – nominally between 3.0 and 6.0 metres below ground level (mbgl).

A total of 30 shallow holes and 31 deeper holes were completed with bores successfully constructed for all holes.

Following completion of the auger drilling and bore construction phase of the program, development of bores was undertaken. Bores were initially pumped an equivalent of 1-3 times their volume in order to promote brine flow through the aquifer into the gravel pack and screened section of the PVC casing. The pump's discharge was then adjusted until a stable flow rate had been achieved.

A total of 40 bores were successfully developed whilst eight bores were only partially developed due to low flow rates and slow recharge. Ten bores were not developed as a result of low flow and recovery rates and limitations of the pumps. In addition, due to cement blocking the slotted PVC casing and obstructing insertion of the pump suction hose, development of another three bores could not be achieved.

In addition to brine sampling of bore holes a total of 46 shallow pits were excavated across the playa surface and brine samples were taken to allow the near surface variability in brine chemistry to be assessed and comparisons made with sampling programs conducted in 2005 and 2006.

All bore hole and pit brine samples were dispatched to ALS Metallurgy in Perth for chemical analysis of K, Ca, Na, Mg and S by induced coupled plasma mass spectrometry (ICP-OES). Analysis of chloride and specific gravity was completed in-house by Reward's chemist using Mohr Titration and liquid pycnometry respectively.

Bore sampling results confirmed the exceptional grade profile of the shallow lakebed sequence with SOP grades averaging 14.45kg/m^3 and 14.62kg/m^3 from the shallow and deeper bores respectively. The brine chemistry of the upper portion (~0-3mbgl) and lower portion (~3-6mbgl) of the saturated sediments is very consistent as shown in Table 1.

Table 1. Bore Hole Brine Sampling Results

	K	Ca	Mg	Na	SO_4	Cl	SOP (kg/m^3)
	(kg/m^3)						
Shallow Bore Hole Brine Sampling Results							
Min	4.65	0.15	3.76	85.30	24.45	126.30	10.36
Max	9.75	0.63	11.80	109.85	47.10	179.48	21.72
Mean	6.48	0.38	6.84	102.24	31.42	165.40	14.45
Deeper Bore Hole Brine Sampling Results							
Min	5.10	0.15	3.74	92.20	21.00	146.24	11.36
Max	9.85	0.55	12.00	109.10	43.95	181.70	21.95
Mean	6.56	0.38	6.79	102.30	30.78	166.43	14.62

Reward used a conservative average SOP grade assumption of 10 kg/m^3 in the LD PFS, compared to the existing Indicated Mineral Resource which has an average SOP grade of 13.4 kg/m^3 and the even higher average grades achieved in the infill program. Trench pumping trials also consistently produced grades close to the Resource average (as per ASX Announcement dated 7 February 2017, "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" and Reward's Quarterly reports dated 31 March and 30 June 2018 for detail on the pumping trials).

These results bode well for the potential to recover higher grade brines from the LD Resource which could result in increased annual production and revenue (at the same brine abstraction rate and similar cost) or the same, PFS-level output, at a lower brine abstraction rate and therefore reduced cost.

Operations Report

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

Crystallisation Trials: Back-Mix Process Success

A long-term evaporation and crystallisation trial was conducted at LD which commenced in 2018 and continued throughout 2019. The trial involved multiple stages which provided essential data for recovery of SOP under conditions specific to the proposed LD operation.

The first stage, which involved only raw brine evaporation, was completed in 2018 whilst the second stage, crystallising crude potash salts, also commenced in 2018.

Stage 1 Initial/Conventional Evaporation

Initially LD surface brine was concentrated by solar evaporation from typical starting grades of Potassium (K) and Magnesium (Mg) of approximately 5.9 kg/m^3 and 5.3 kg/m^3 respectively to approximately 40 kg/m^3 K and 38 kg/m^3 Mg.

Then, during the 2018 winter period, concentration continued taking the Mg content to 70 kg/m^3 Mg, which gave an evaporite harvest grading 6.9% K and 46% Halite ("NaCl"). This harvest would require upgrading (flotation) to provide material suitable for conversion to Schoenite which would then be used to produce SOP.

The K distribution in this harvest was 81% of the K recovered in harvest solids, meaning that 81% of the harvested salts would require beneficiation prior to further processing to recover SOP.

Stage 2 Additional Evaporation and Crude Potash Salts Crystallisation

The Stage 1 end brine was further concentrated to approximately 129 kg/m^3 Mg which contained less than 5 kg/m^3 K delivering a second crude salts harvest grading 10.7% K and 20.9% NaCl. This harvest is suitable for direct processing to Schoenite / Leonite and SOP without beneficiation. The content of the second harvest was 19% of the total K harvested.

The end brine from this stage, consisting of concentrated Magnesium Chloride ("$MgCl_2$") and called Evaporation End Brine ('EEB'), was retained so that it could be recycled for a modified Stage 2 evaporation cycle.

As to be expected there was a significant amount of Halite crystallised in the brine Feeder Ponds in these initial stages. A decision was taken not to harvest the Halite to avoid damaging the Pilot Ponds, which meant that the overall K recovery via this conventional evaporation route could not be accurately estimated for the trial.

However, the Halite deposited in the Feeder Ponds was assayed and importantly was found to be low in K (0.17%) and drained well. Hence it appears that losses of K to crystallisation and entrainment in the halite ponds can be kept reasonably low at LD with effective pond operational management.

Stage 3 Back-Mixing

This stage involved recycling the EEB to an earlier stage of the conventional concentration/evaporation sequence, with the aim being to delay the crystallisation of K while deposition of NaCl continues in the evaporation pond. This process leads to a harvest lower in NaCl (relative to K) which can be used directly for SOP production without further beneficiation.

Results from the Back-Mix phase confirmed the potential of the method for LD brine. Although the K yield to the harvest product of 51.2% was lower than desired, the harvest product (primarily Kainite) was readily converted to high grade Schoenite grading 16.9% K, 0.83% Na and 2.9% Cl by treatment with exit brine from the SOP crystalliser.

It is anticipated that with closer control, the method will produce an evaporation harvest of >8% K with a Halite content well below 20%w/w at LD – in keeping with laboratory trials conducted earlier by Reward.

Importantly from an overall process perspective, the rate of evaporation of the dense back-mixed feed brine was between 2-3 mm per day in the June – July winter period and increased to over 7 mm per day in the summer months.

Operations Report

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

The harvested mixed salts from stages 2 and 3 were submitted to ALS for XRD analyses and these results are presented in Table 2 below.

Table 2. Harvest Solids XRD Analyses

Mineral or mineral group	Formula	Stage 2		Stage 3	
		A	B	A	B
		Mass (%)			
Kainite	$KMgSO_4Cl{\cdot}3H_2O$	5	12	54	45
Carnallite	$KMgCl_3{\cdot}6H_2O$	0	0	0	7
Leonite	$K_2Mg(SO_4)_2{\cdot}4H_2O$	18	6	0	0
Blödite (Astrakanite)	$Na_2Mg(SO_4)_2{\cdot}4H_2O$	22	17	0	0
Hexahydrite	$MgSO_4{\cdot}6H_2O$	0	1	0	0
Halite	$NaCl$	56	63	46	47

The results from the XRD analysis shown in the table above confirm that, for the early stage harvest solids from Stage 2, the 'Potash' is in the form of Leonite whereas for the Stage 3 harvest solids, the 'Potash' is almost exclusively in the form of Kainite. The results are as expected from the brine analyses that were obtained as the evaporation cycle progressed.

Stage 4 Kainite – Schoenite Conversion of Harvest Solids

To confirm that the harvest solids were of adequate quality to progress to the next production phase, a sample of the Stage 3 harvest solids was processed to convert the Kainite ($KMgSO_4Cl.3H_2O$) present to Schoenite ($K_2Mg(SO_4)_2{\cdot}6H_2O$). (Schoenite is the mineral that will be fed into LD's SOP crystalliser circuit.) In this conversion step, the harvest solids were contacted (under agitation) with end brine from the SOP crystalliser circuit (PEB50) at room temperature for 45 minutes. The reactor slurry was then filtered to recover the Schoenite product.

Assay details for this test are provided in Table 3 below.

The trial conversion performed well with the conversion solids produced containing 16.9% K and only 0.83% Na. Recovery of K to Schoenite solids was over 78% (see Table 3 footnote), compared to the 65% used in the PFS. Reward believes that this product will make an ideal feed for SOP crystallisation. It is also worth noting that K recovery can be further improved by cooling the process stream in the "Conversion" step.

Table 3 – Conversion Test on Back Mix Harvest Solids

Sample Description	Mass (g)	SG	Vol	K	Mg	Na	SO_4	Cl
PEB50 (g/l)	806.0	1.3521	596.1	94.5	48.0	7.1	320.9	0.0
LD Harvest Solids (g/kg)	450.0			76.5	86.7	44.4	123.6	299.9
Conversion Filtrate (g/l)	845.1	1.3118	644.2	29.5	66.7	32.2	102.4	195.4
Conversion Solids (g/kg)	407.5			169.2	59.7	8.3	423.0	28.6
Element Recovery to Schoenite filter cake*				78.4%	36.2%	14.0%	72.3%	8.5%

* Recoveries reported in Table 3 are % of each element reporting to the Schoenite product vs the total element input via Harvest solids plus the Process End Brine (PEB50).

Operations Report

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

Environmental Approvals: Excellent Progress Made

Reward made significant and consistent progress throughout the year with the permitting of the LD SOP Project. Early in the year it received notification from the Department of Water and Environmental Regulation of Western Australia (EPA Services Division) that the Project's Environmental Review Document ("ERD") had been approved for public review.

The public review ran for a period of six weeks and closed in mid-March 2019, after which the EPA Services Division provided the Company with a summary of the all the submissions. Reward's detailed response document, which comprehensively addressed all of the questions raised in the public submissions, was submitted to the EPA early in July.

The EPA Services Division completed its review of Reward's "Response to Submissions" document and commenced preparation of its final assessment report. After a brief period of consultation with Reward the Company then hosted an EPA site visit at LD.

A final presentation to the board of the EPA was made late in October and 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 EPA Report and Recommendations pertaining to the Project were released. The Report covered all the salient environmental factors considered by the EPA as well as its recommended conditions 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 assessed by public review in WA – a very high level of scrutiny.

At year-end the Project had entered the statutorily required Appeals Process which was proceeding in accordance with expectations.

Having devoted most of its resources to the state's environmental assessment, Reward did not complete the response document required by the Projects Assessment Section of the Commonwealth Department of the Environment and Energy (now named the Department of Agriculture, Water and the Environment) before the end of the year. Significant progress was made however and it was expected that the Company would finalise and submit this documentation in the first quarter of the New Year.

Operations Report

Officer Basin Exploration Program

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 in the Officer Basin Highly Prospective for Sulphate of Potash"). The granted exploration licences, covering approximately 8,700km^2 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.

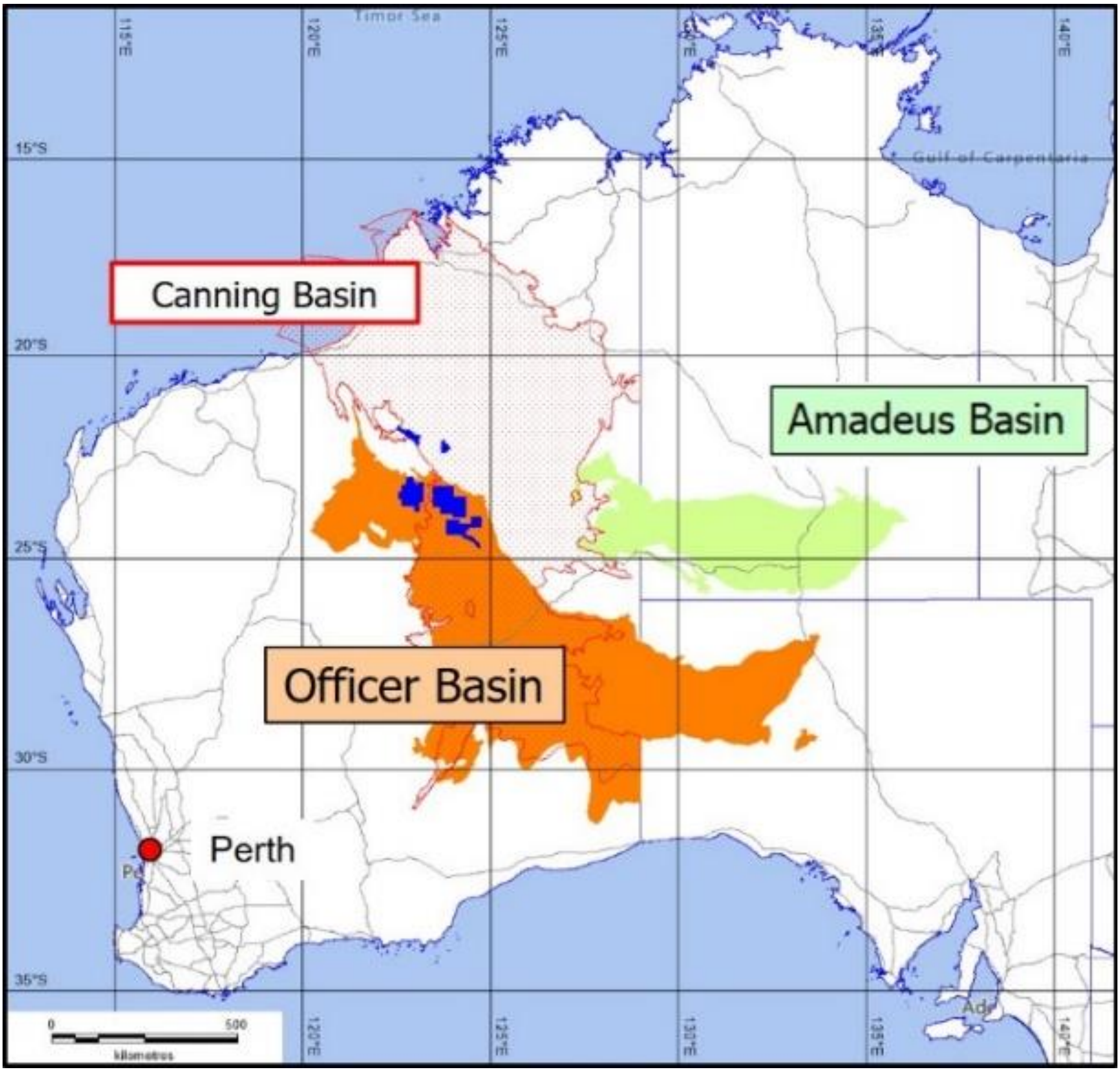

Figure 1 – Location of WA's major evaporate basins.

Reward's and Kesli's tenements are in blue.

Operations Report

Officer Basin Exploration Program continued

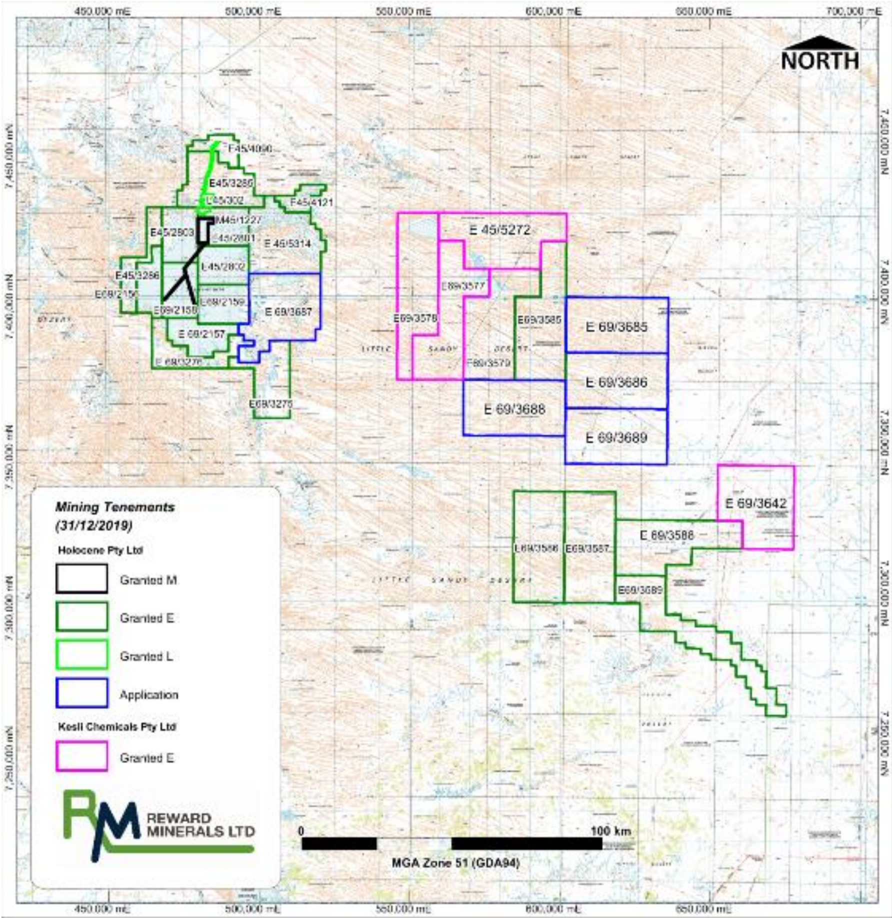

Figure 2 – Officer Basin Tenements (Kesli and Reward)
Lake Disappointment Tenements (Reward)

Exploration Concept/Targets

Reward believes that the western Officer 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 km^2) 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 (Figure 3).

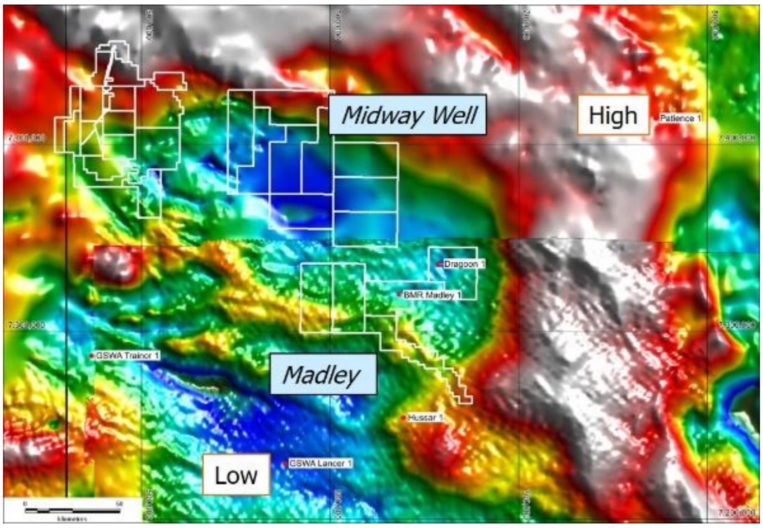

Figure 3 – Officer Basin Regional Gravity Imagery, Sieonova & Iaskey, 2005. GSWA Report 98.

Operations Report

Officer Basin Exploration Program continued

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.

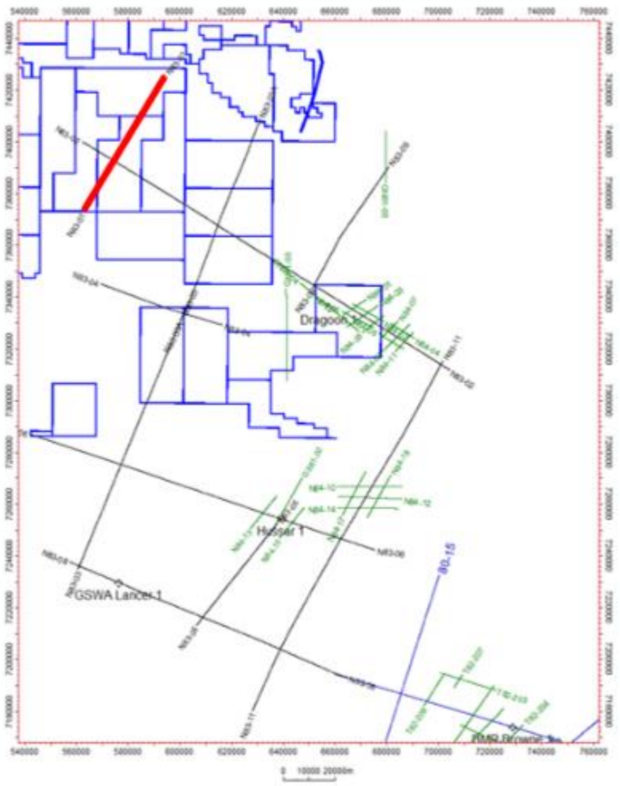

Figure 4(a) – Line N83-01 Position

Extent of Seismic Cross Section shown in Figure 5

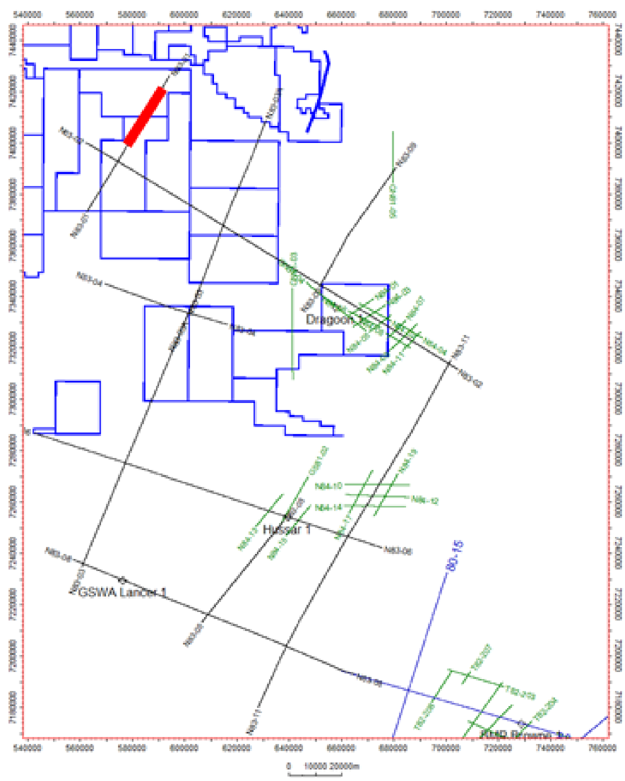

Figure 4(b) – Line N83-01

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 (Figures 4, 5 and 6). These breaches represent an exploration opportunity for intersection of potash mineralisation at relatively shallow depths.

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

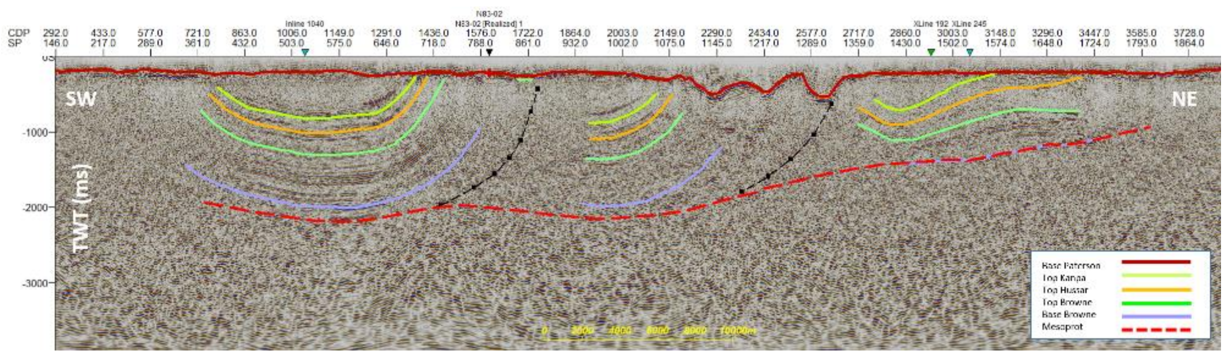

Figure 5 – Seismic Interpretation, Line N83-01

Operations Report

Officer Basin Exploration Program continued

Re-examination of the data provided 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 (Figure 6).

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 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.

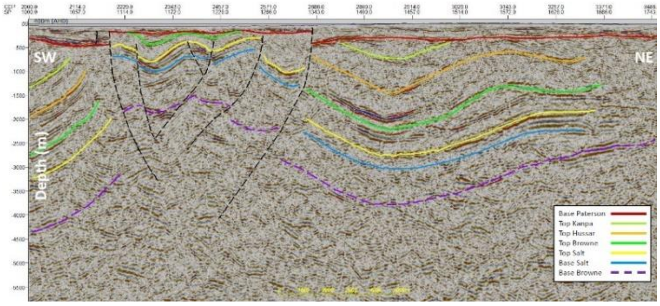

Figure 6(a).
Seismic Interpretation
Reprocessed Line N83-01

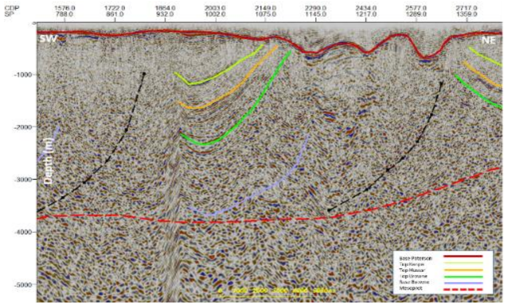

Figure 6(b).
Seismic Interpretation, central portion of Line N83-01
(Depth section: VE=3)

Land Access

A Land Access and Mineral Exploration Agreement in respect of the four Kesli Chemicals' tenements (ELA's 45/5272 and 69/3577-3579) has been executed with the Western Desert Lands Aboriginal Corporation (WDLAC – the body corporate for the region's Martu Traditional Owners).

Initial exploration activities will focus on the four granted tenements which cover significant topographical and gravity lows in the Gibson area, as shown in Figure 3. A program of core holes to depths of 400 – 500 metres has been designed to test this concept. The discovery of much shallower Potash mineralisation remains a distinct possibility.

Heritage Surveys

Towards the end of the year, 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.

Also, Programmes of Work (POWs) lodged with the Department of Mines, Industry Regulation and Safety for the drilling of several holes up to 450 metres deep in the target areas along Seismic Line N83-01 was approved by the Department of Mines, Industry Regulation and Safety.

Drilling, Logistics and Equipment

The Company owns a Hanjin D&B 35 Multi drilling rig (Figure 7) which has capability to drill to depths greater than 1,000m. Ancillary equipment has been acquired for drilling to the depths required by the program.

Additional camp and infrastructure items were also acquired to establish a base camp and cater for 12-hour drilling shifts initially and 24-hour drilling later, given that the exploration site is located over 70km east of the LD camp.

Also, because of the location and significant creek systems between LD and Midway Well, the drill rig, accommodation units and ancillaries were 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, it is expected that Officer Basin drilling activities will commence at the end of the first quarter of 2020. Drilling of the first hole will be located in the vicinity of Shot Point 1200 on N83-01 seismic line.

Operations Report

Officer Basin Exploration Program continued

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

Notes, Cautionary Statements and No New Information or Data

1. Please refer to the assumptions, sensitivities, risk factors and cautionary statements disclosed respectively in Table 2 (pages 4-6), Table 3 (pages 7-8) and on pages 12 and 13 of Reward's ASX release dated 1 May 2018 entitled "PFS confirms LD Project as a globally significant SOP Project", as well the details included in the PFS Executive Summary appended thereto, which may adversely impact upon the information and forecasts in this report.

Apart from the enhancement described in (2) below all other material assumptions and technical parameters underpinning the PFS continue to apply and have not materially changed. The Company confirms that the form and context in which the results of the PFS were presented in the original ASX announcement have not been materially modified.

2. Refer to ASX announcement dated 13 July 2018 titled "LD SOP Project PFS Enhancements" which presented the full details of an improvement in product logistics costs for the LD Project. Apart from the improvement in trucking cost presented in that release all other material assumptions and technical parameters underpinning the PFS continue to apply and have not materially changed.

3. The Company has concluded that it has a reasonable basis for providing the forward-looking statements in this report. However, the Pre-Feasibility referred to in this report does not provide certainty that the conclusions of the said study will be realised. Furthermore, Reward cautions that there is no certainty that the forecast financial information derived from the production targets quoted in this report, in the Pre-Feasibility Study or in subsequent announcements, will be realised.

4. The estimated mineral resources underpinning the Pre-Feasibility Study production targets have been prepared by competent persons in accordance with the current JORC Code 2012 Edition, the Canadian Institute of Mining and Metallurgy and Petroleum Best Practice Guidelines for Resource and Reserve Estimation for Brines, the JORC-approved AMEC Brine Resource Estimation guidelines and the current ASX Listing Rules.

Operations Report

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Matthew Wheeler, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Wheeler is contracted to Reward Minerals Ltd. Mr Wheeler 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 Wheeler consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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. 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'. Mr Kinnell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to 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.

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.

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 Quarterly 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 Annual Report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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[1]	120 blocks	100%	HOL
	E45/3286	56 blocks	100%	HOL
	E45/4090[1]	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
	L45/302	3,258 ha	100%	HOL
	M45/1227	3,437 ha	100%	HOL
Runton, WA	E45/5314	163 blocks	100%	HOL
	ELA69/3687	188 blocks	100%	HOL
Gibson, WA	E69/3585	200 blocks	100%	HOL
	E69/3586	200 blocks	100%	HOL
	E69/3587	200 blocks	100%	HOL
	E69/3588	190 blocks	100%	HOL
	E69/3589	187 blocks	100%	HOL
	ELA69/3685	200 blocks	100%	HOL
	ELA69/3686	200 blocks	100%	HOL
	ELA69/3688	200 blocks	100%	HOL
	ELA69/3689	200 blocks	100%	HOL
Balfour, WA	LA46/128	744 ha	100%	HOL
Dora, WA	ELA45/4321	165 blocks	100%	HOL
	ELA45/4488	61 blocks	100%	HOL

Notes

1. Farm-in and Joint Venture Agreement with FMG Resources Pty Ltd

HOL	Holocene Pty Ltd	**L**	Miscellaneous Licence
E	Exploration Licence	**LA**	Application for Miscellaneous Licence
ELA	Application for Exploration 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 2019 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 profit of the Group for the year ended 31 December 2019 was $619,843 (2018: Loss $154,719).

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 matters or circumstances which have arisen since 31 December 2019 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 2019.

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:
- Metaliko Resources Ltd, Director, appointed 28 June 2012, resigned 12 January 2017
- 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	8,186,638	54,126,638	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 Horizon Minerals Limited (formerly 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	4
Michael Ruane	4	4
Rod Della Vedova	4	4

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 2019, 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 2019 to 31 December 2019 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 17 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 2019 Annual General Meeting

The approval of the remuneration report was passed as indicated in the results of Annual General Meeting dated 29 May 2019. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The Group received 99.86% of "yes" votes on its resolutions to re-elect Mr Colin McCavana 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 2019 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:-

2019	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	75,075	-	-	-	-	**75,075**	-
Rod Della Vedova	-	-	30,000	-	-	**30,000**	-
Other KMP							
Greg Cochran - CEO	-	304,145	-	24,355	-	**328,500**	-
Daniel Tenardi - Project Director (resigned 08 March 2019)	-	181,498*	-	14,222	-	**195,720**	-
	75,075	**485,643**	**66,000**	**38,577**	**-**	**665,295**	**-**

*Included in Mr Tenardi's salary is approximately $98,000 in annual leave and $32,000 in long service leave; paid to him on resignation.

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%**

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

Directors' Report

C Share-Based Compensation

(i) Shares

In December 2018, a total of $160,000 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.

There were no shares issued to employees during the year ended 31 December 2019.

(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 $367,009 has been recognised as a share based payment, included in the Statement of Financial Performance and Statement of Changes in Equity in prior financial years.

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	2018 Value of Options Expensed	2019 Value of Options Expensed
1 Dec 2017	2,000,000	1 Dec 2018	1 Dec 2020	$0.443	$0.32	100%	$367,009	$367,009	-

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 2019.

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	2019 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 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.

2019	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	59,208,940	-	-	3,009,113	62,218,053
R Della Vedova	74,000	-	-	-	74,000
Other KMP					
G Cochran	950,000	-	-	-	950,000
D Tenardi (resigned 08 March 2019)	-	-	-	-	-
	61,287,937	**-**	**-**	**3,009,113**	**64,297,050**

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.

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:

2019	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	2,035,000		-	-	-	2,035,000	2,035,000
D Tenardi (resigned 08 March 2019)	-	-	-	-	-	-	-
	10,362,287	**-**	**-**	**-**	**-**	**10,362,287**	**10,362,287**

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

Performance Rights

Year ended 31 December 2019	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 (resigned 08 March 2019)	-	-	-	-	-

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 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	-	-	-	-	-

[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 Auditing, the Group's auditors, as presented on page 23 of this Annual Financial Report.

Dated this 31st day of March 2020 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 2019 financial statements; and

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

Graham R Swan FCA (Lead auditor)

Rothsay Auditing

Dated 31 March 2020

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 2019, 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 2019 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 2019 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, 22, 23 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 2019, 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 2019.

In our opinion the remuneration report of Reward Minerals Limited for the year ended 31 December 2019 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

Graham R Swan FCA
Partner

Dated 31 March 2020

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 31st day of March 2020

Michael Ruane
Director

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019

	Note	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Continuing Operations			
Revenue	2	40,809	46,855
Other income	2	1,639,837	1,905,982
		1,680,646	**1,952,837**
Depreciation	10	(249,901)	(170,574)
Audit fees		(30,050)	(23,000)
Consulting fees		(42,711)	(43,704)
Exploration expenses	3	(12,525)	(216,975)
Finance costs	14/20c	(7,459)	(44,795)
Legal expense		(9,711)	(2,600)
Employee benefits expense		(317,535)	(530,785)
Administration expenses		(390,911)	(605,032)
Share based payments	17a	-	(470,091)
Profit/(Loss) from continuing operations before income tax		619,843	(154,719)
Income tax benefit	5	-	-
Profit/(Loss) from continuing operations for the year		619,843	(154,719)
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		**619,843**	**(154,719)**
Profit/(Loss) per share attributable to the ordinary equity holders of the company:			
Basic and diluted earnings/(loss) per share	6	0.38 cents	(0.11) 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 2019

	Note	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Current Assets			
Cash and cash equivalents	7	1,646,884	3,201,496
Trade and other receivables	9	85,693	130,489
Total Current Assets		1,732,577	3,331,985
Non-Current Assets			
Other assets		50,000	50,000
Property, plant and equipment	10	524,414	602,975
Exploration and evaluation expenditure	11	25,437,522	23,019,568
Mine development expenditure	12	13,645,113	13,645,113
Total Non-Current Assets		39,657,049	37,317,656
Total Assets		**41,389,626**	**40,649,641**
Current Liabilities			
Trade and other payables	13	442,192	829,509
Borrowings	14	507,459	-
Total Current Liabilities		949,651	829,509
Total Liabilities		**949,651**	**829,509**
Net Assets		**40,439,975**	**39,820,132**
Equity			
Contributed equity	15(a)	39,957,900	39,957,900
Reserves	16(b)	11,234,355	11,234,355
Accumulated losses	16(a)	(10,752,280)	(11,372,123)
Total Equity		**40,439,975**	**39,820,132**

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 2019

Consolidated Entity	Contributed Equity $	Share-Based Payment Reserve $	Accumulated Losses $	Total Equity $
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 17b(ii))	(580,000)	580,000	-	-
Share issue costs	(207,028)	-	-	(207,028)
Unlisted options granted (Note 17a)	-	336,425	-	336,425
Performance rights (Note 17a)	-	(13,000)	-	(13,000)
Shares granted (Note 17a)	-	146,666	-	146,666
Balance at 31 December 2018	**39,957,900**	**11,234,355**	**(11,372,123)**	**39,820,132**
Balance at 1 January 2019	**39,957,900**	**11,234,355**	**(11,372,123)**	**39,820,132**
Comprehensive income for the year				
Profit/(Loss) for the year	-	-	619,843	619,843
Total Comprehensive Income for the Year	**-**	**-**	**619,843**	**619,843**
Balance at 31 December 2019	**39,957,900**	**11,234,355**	**(10,752,280)**	**40,439,975**

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 2019

	Note	Consolidated Entity 2019 $	2018 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(764,398)	(851,497)
Interest received		40,737	46,855
Research and development tax rebate received (net of professional costs)		1,304,254	1,830,306
Net Cash Provided by Operating Activities	7b	580,593	1,025,664
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(171,340)	(12,727)
Payments for exploration and evaluation expenditure		(2,463,865)	(3,947,441)
Net Cash Used in Investing Activities		(2,635,205)	(3,960,168)
Cash Flows from Financing Activities			
Proceeds from borrowings	20c	500,000	1,000,000
Repayment of borrowings	20c	-	(1,044,795)
Proceeds from the issue of ordinary shares and options	15a	-	4,740,420
Share issue costs	15a	-	(207,028)
Net Cash Provided by Financing Activities		500,000	4,488,597
Net Increase/ (Decrease) in Cash Held		(1,554,612)	1,554,093
Cash and Cash Equivalent at the Beginning of the Financial Year		3,201,496	1,647,403
Cash and Cash Equivalents at the End of the Financial Year	7a	**1,646,884**	**3,201,496**

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 2019 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 30th March 2020.

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
14 Borrowings

(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

15 Contributed equity
16 Reserves and accumulated losses
17 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

18 Parent entity information
19 Investment in controlled entities
20 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

21 Remuneration of Auditors
22 Commitments for expenditure
23 Contingencies
24 Events occurring after reporting period
25 Summary of significant accounting policies
26 Critical accounting estimates and judgements
27 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 2019

In the period ended 31 December 2019, 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 has adopted AASB 16 from 1 January 2019.

AASB 16 replaces the existing guidance in AASB 117 Leases. For lessees, all leases other than short term leases and low value leases will be recognised on the balance sheet. The new standard is effective for annual reporting periods commencing on or after 1 January 2019. The standard will see all leases, held by a lessee, record obligations as a liability and a corresponding right of use asset, both current and non-current, for the term of the lease.

Due to the transition methods chosen by the Group in applying AASB 16, comparative information throughout the financial statements has not been restated to reflect the requirements of the new standards. Below is the Group's application of AASB 16 on its leases:

Lease	Impact on the Group's Financial Position or Performance
Office space	Lease term is due to expire 30 June 2020. At 1 January 2019, the Group has determined that the value of the lease asset is immaterial and therefore has no impact on the Group.
Office equipment/photocopiers	Lease agreement is > 12 months however equipment is determined to be a low value asset, therefore exempt and no impact.

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 2019.

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 2019 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.

Notes to the Financial Statements

1 ABOUT THIS FINANCIAL REPORT continued

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.

	Consolidated Entity	
	2019 $	2018 $
2 REVENUE FROM CONTINUING OPERATIONS		
Interest income	40,809	46,855
Other income	335,583	75,676
Research and development tax rebate received (see Note 5(d))	1,304,254	1,830,306
	1,680,646	**1,952,837**
3 PROFIT/(LOSS) FOR THE YEAR		
Rental expense on operating leases	113,321	110,240
Exploration expenditure not capitalised	12,525	216,975

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.

Notes to the Financial Statements

5 INCOME TAX EXPENSE

	Consolidated Entity	
	2019 $	2018 $
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable:		
Profit/(Loss) before income tax	619,843	(154,719)
Prima facie income tax at 27.5% (2018: 27.5%)	170,457	(42,548)
Tax-effect of exploration expenditure claimed	(664,937)	(989,637)
Other timing differences	(60,710)	60,604
Permanent differences	(23,704)	84,614
Tax loss not recognised	937,564	1,390,301
Research & development rebate not assessable	(358,670)	(503,334)
Income tax expense/(benefit)	**-**	**-**
(c) Unrecognised temporary differences		
Deferred tax assets and liabilities (at 27.5%) not recognised relate to the following:		
Deferred tax assets	-	-
Tax losses	9,459,290	9,305,102
Deferred tax liabilities - Capitalised exploration expenditure	(10,053,694)	(9,388,756)
Other temporary differences	57,595	120,485
Net Deferred Tax Assets / (Liabilities)	**(536,809)**	**36,831**

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 2019, the Group applied for and received rebates from the Australian Taxation Office of $1,304,254, representing the tax value of research and development costs for the year ended 31 December 2018. These have been included as other income, refer Note 2.

Notes to the Financial Statements

6 PROFIT/(LOSS) PER SHARE	2019 Cents Per Share	2018 Cents Per Share
Basic profit/(loss) per share	0.38	(0.11)

	2019 $	2018 $
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	619,843	(154,719)

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.

	2019 No.	2018 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	162,596,057	145,176,069

	Consolidated Entity	
7 CASH AND CASH EQUIVALENTS	2019 $	2018 $
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	1,646,884	3,201,496
7b Reconciliation of Net Cash used In Operating Activities to Operating Profit/(Loss) after Income Tax		
Profit/(Loss) for the year	619,843	(154,719)
Depreciation	249,901	170,574
Impairment of assets/exploration costs expensed included in investing activities	12,525	216,975
Share based payment (refer Note 17)	-	470,091
Change in assets and liabilities during the financial year:		
Receivables	44,796	11,552
Payables	(346,472)	321,191
Other	-	(10,000)
Net cash inflow/(outflow) from operating activities	**580,593**	**1,025,664**

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 2019 $	Consolidated Entity 2018 $
Financial Assets			
Cash and cash equivalents	7a	1,646,884	3,201,496
Loans and receivables	9	85,693	130,489
Total Financial Assets		**1,732,577**	**3,331,985**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	13	442,192	829,509
Borrowings	14	507,459	-
Total Financial Liabilities		**949,651**	**829,509**

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 2019 $	Consolidated Entity 2018 $
Cash and cash equivalents		
'AA' S&P rating	1,646,884	3,201,496

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 $16,469 (2018: $32,015) 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 2019 $	Consolidated Entity 2018 $
9 TRADE AND OTHER RECEIVABLES			
Prepayments		11,509	19,160
GST assets		56,745	99,149
Trade and other receivables		17,439	12,180
		85,693	**130,489**
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	1,613,863
Less provision for depreciation		(1,089,449)	(1,010,888)
		524,414	**602,975**
Reconciliations:			
Plant and Equipment			
Carrying amount at the beginning of the year		602,975	760,822
Additions		171,340	12,727
Depreciation		(249,901)	(170,574)
Carrying amount at the end of the year		**524,414**	**602,975**
11 EXPLORATION AND EVALUATION EXPENDITURE			
Mining tenements at cost		25,437,522	23,019,568
		25,437,522	**23,019,568**
Tenements			
Carrying amount at the beginning of the year		23,019,568	19,420,888
Additions		2,417,954	3,598,680
Amounts written off		-	-
Carrying amount at the end of the year		**25,437,522**	**23,019,568**

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 2019 $	Consolidated Entity 2018 $
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.

	2019 $	2018 $
13 TRADE AND OTHER PAYABLES		
Trade Payables	278,367	518,833
Accrued Expenses	163,825	310,676
	442,192	**829,509**

14 BORROWINGS

During the year ended 31 December 2019, the Company's Managing Director, Michael Ruane, loaned funds to the Company. The loan was unsecured for a period of 12 months, carrying an interest rate of 7.5% p.a. with interest payable quarterly in arrears.

	2019 $	2018 $
Loan from Director	500,000	-
Accrued interest	7,459	-
	507,459	**-**

15 CONTRIBUTED EQUITY

15a Share capital

	2019 $	2018 $
At the beginning of the financial year	39,957,900	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 17b(ii))	-	(580,000)
At the End of the Financial Year	**39,957,900**	**39,957,900**

	2019 No. Shares	2018 No. Shares
At the beginning of the financial year	162,596,057	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**	**162,596,057**

No shares were issued during the year ended 31 December 2019.

Notes to the Financial Statements

15 CONTRIBUTED EQUITY continued

15b 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.

	2019 Options	2018 Options
15c Movement in Options		
Balance at beginning of year	15,167,866	2,000,000
Options expired during the year	-	-
Options issued during the year	-	13,167,866
Options exercised during the year	-	-
Balance at End of Year	**15,167,866**	**15,167,866**

Closing balance is represented as follows:

Nature	Expiry Date	Exercise Price of Options	2019 Options	2018 Options
Employee options	1 December 2020	$0.443	-	2,000,000
New Listed Options	30 June 2021	$0.24	-	13,167,866
			-	**15,167,866**

15d 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.

Notes to the Financial Statements

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
16 RESERVES AND ACCUMULATED LOSSES		
16a Accumulated Losses		
Accumulated losses at the beginning of the year	(11,372,123)	(11,217,404)
Net profit/(loss) for the year	619,843	(154,719)
Accumulated Losses at the end of the year	**(10,752,280)**	**(11,372,123)**
16b Reserves		
Share based payments reserve (i)	11,234,355	11,234,355
	11,234,355	**11,234,355**
(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	11,234,355	10,344,264
Fair value of options granted to shareholders participating in rights issue (refer Note 17b(ii))	-	580,000
Fair value of employee benefits expensed during the year (refer Note 17a):		
- Shares	-	146,666
- Unlisted options	-	336,425
- Performance rights	-	(13,000)
Transfer to issued capital upon vesting of shares	-	(160,000)
Balance at the End of the Year	**11,234,355**	**11,234,355**

Notes to the Financial Statements

17 SHARE-BASED PAYMENTS

17a 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 2019, 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 2019	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 2017	$13,334	$30,584	$8,000	$5,000
Amount expensed in 2018	$146,666	$336,425	($8,000)	($5,000)
Amount expensed/(credited) in current year	-	-	-	-
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.

17b Option issue

(i) There were no options issued during the year ended 31 December 2019.

Notes to the Financial Statements

17b Option issue

(ii) 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

	Parent	
	2019 $	2018 $
18 PARENT ENTITY INFORMATION		
18a Summary Financial Information		
Financial Position		
Assets		
Current assets	40,801,965	39,976,031
Non-current assets	493,751	564,628
Total assets	**41,295,716**	**40,540,659**
Liabilities		
Current liabilities	892,907	730,360
Total liabilities	**892,907**	**730,360**
Equity		
Issued capital	39,957,899	39,957,899
Reserves	4,175,569	4,175,569
Accumulated losses	(3,730,659)	(4,323,169)
Total equity	**40,402,809**	**39,810,299**
Financial Performance		
Profit/(Loss) for the year	592,510	(145,108)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	**592,510**	**(145,108)**

18b Guarantees

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

18c Other Commitments and Contingencies

Reward Minerals Ltd has no commitments to acquire property, plant and equipment. Refer to Note 23 for the Company's contingent liabilities.

Notes to the Financial Statements

19 INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2019 %	Equity Holding 2018 %
Holocene Pty Ltd	Australia	Ordinary	100	100

20 KEY MANAGEMENT PERSONNEL DISCLOSURES & RELATED PARTY TRANSACTIONS

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
20a Details of Remuneration of Key Management Personnel		
Short-term benefits	626,718	637,105
Post-employment benefits	38,577	53,045
Share based payments (refer to Note 17a)	-	470,091
	665,295	1,160,241
20b Aggregate Amount Payable to Directors and their Director Related Entities at Balance Date		
Current liabilities		
Accrued expenses	213,259	130,725

20c Other Transactions with Director Related Entities

During the year ended 31 December 2019, 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.

Movements for the year are as follows:	2019 $	2018 $
Funds received	500,000	1,000,000
Accrued interest	7,459	44,795
Funds repaid	-	(1,044,795)
Closing balance	**507,459**	**-**

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 17 – 22.

21 REMUNERATION OF AUDITORS

	2019 $	2018 $
Remuneration for audit or review of the financial reports of the Group:		
For auditing the financial statements	30,050	23,000

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

Notes to the Financial Statements

22 COMMITMENTS FOR EXPENDITURE

22a 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.

23 CONTINGENCIES

23a 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.

24 EVENTS OCCURRING AFTER REPORTING DATE

There have been no other events subsequent to reporting date.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

25a 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 26.

25b 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

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

25c 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.

25d 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 2019 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.

25e 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 25(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

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

25f 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.

25g 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.

25h 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.

25i 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

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

25j 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.

25k 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.

25l 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

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

25l 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.

25m 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).

25n 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.

25o 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.

25p 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.

25q Comparative Figure

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

25r 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

26 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 2019, the carrying value of capitalised exploration expenditure is $25,437,522.

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.

27 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 20 March 2020.

DISTRIBUTION OF SHAREHOLDERS Spread of Holdings			Number of Holders	Number of Shares	Percentage of Issued Capital
1	-	1,000	200	70,487	0.04
1,001	-	5,000	320	928,284	0.57
5,001	-	10,000	180	1,449,927	0.89
10,001	-	100,000	385	14,517,867	8.93
100,001	-	and over	182	145,629,492	89.57
			1,267	**162,596,057**	**100.00**

There were 565 holders of ordinary shares holding less than a marketable parcel.

Substantial Shareholders	Number of Shares	Percentage of Issued Capital
*Kesli Chemicals Pty Ltd <Ruane S/F A/C>	24,243,400	14.91
*Tyson Resources Ltd	14,438,650	8.88
*Kesli Chemicals Pty Ltd	8,353,479	5.14

**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	Kesli Chemicals Pty Ltd <Ruane S/F A/C>	24,243,400	14.91
2	Kesli Chemicals Pty Ltd	14,438,650	8.88
3	Tyson Resources Pty Ltd	8,353,479	5.14
4	Dr Michael Ruane	8,121,415	4.99
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	1,682,934	1.04
13	Nickyboy Super Pty Ltd <Nickyboy S/F A/c>	1,603,408	0.99
14	McCusker Holdings Pty Ltd	1,440,000	0.89
15	RPM Super Pty Ltd <RPM S/F A/c>	1,423,970	0.88
16	Warawong Pty Ltd <Warawong S/F A/c>	1,400,000	0.86
17	Goldfire Enterprises Pty Ltd	1,389,333	0.85
18	Careitha Pty Ltd <Bannister S/F A/c>	1,375,000	0.85
19	Hornet Computer Systems Pty Ltd	1,374,863	0.85
20	Mr John A Newton & Mrs Wanda G Newton <Drawone S/F A/C>	1,100,000	0.68
		94,888,551	**58.36**

Shareholder Information

	Top Twenty Optionholders – RWDOA Options expiring 30/06/2021 @ $0.24	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	Mercator Capital Services Pty Ltd	169,645	1.29
12	First Investment Partners Pty Ltd	148,141	1.13
13	Nickyboy Super Pty Ltd <Nickyboy S/F A/c>	138,889	1.05
14	Levark Pty Ltd <Melon Super Fund A/C>	126,627	0.96
15	McCusker Holdings Pty Ltd	120,000	0.91
16	Michael Harry Underdown	114,029	0.87
17	Warawong Pty Ltd <Warawong S/F A/c>	112,000	0.85
18	Mac Equity Partners (International) Pty Ltd	81,038	0.62
19	Tiverton Nominees Pty Ltd <Tiverton Super Fund A/c>	75,000	0.57
20	Careitha Pty Ltd <Bannister S/F A/c>	69,444	0.53
		11,047,334	**83.90**

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REWARD MINERALS LTD

ANNUAL REPORT 2019

Lake Disappointment – Pilot Pond, WA