

## QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2020

30 JULY 2020

ASX CODE: RWD

### DIRECTORS

Colin McCavana  
*Chairman*

Michael Ruane  
*Executive Director*

Rod Della Vedova  
*Non-Executive Director*

### MANAGEMENT

Greg Cochran  
*Chief Executive Officer*

Bianca Taveira  
*Company Secretary*

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### Highlights

- **LD SOP Project Environmental Permitting:**
  - WA Appeal resolved by the Office of the Appeals Convener.
  - Received WA Minister for Environment approval that the Project may be implemented.
  - Ongoing engagement with the Commonwealth Department of Agriculture, Water and the Environment; Public Exhibition dates finalised; completed after quarter-end.
- **Officer Basin Exploration Project:**
  - Site preparation at Midway Well for first hole to explore for shallow potash completed.
  - Drilling of first hole commenced, with encouraging early results.
- **COVID Impact:**
  - Special COVID exemptions obtained to enable access to Lake Disappointment and to the Officer Basin Exploration Project.

### Corporate

Expenditure by Reward during the June 2020 quarter was \$0.388 Million. Cash on hand at the end of the period was approximately \$1.278 Million. A short-term loan facility is in place, established on an arm's length, commercial basis, from Dr M. Ruane, Reward's Executive Director, which was partially accessed during the quarter in the execution of the Officer Basin exploration strategy. In accordance with ASX Listing Rule 5.3.5, \$17,000 was paid to related parties or their associates during the quarter, comprising of Non-executive Director fees.

### LD SOP Project Environmental Permitting

#### WA State Approval Achieved

During the quarter the WA Minister for Environment, the Hon. Stephen Dawson MLC, consulted with other decision-making authorities and reached agreement, consistent with section 45(1) of the *Environmental Protection Act 1986*, that the Lake Disappointment Potash Project may be implemented subject to the conditions set out in Statement Number 1138 (See link: [Statement No.1138](#)).

This is considered to be the most significant milestone to date for the LD Project, which was assessed at the most detailed level to date of all the WA SOP Projects. The process took approximately four years.

In achieving this milestone Lake Disappointment became the first WA SOP project to be approved after being assessed by public review and only the second WA SOP Project to be approved.

### **Commonwealth Assessment – Momentum gathering towards Approval**

The LD Project is classified as a “Controlled Action” and in 2018 the Commonwealth Department of Agriculture, Water and the Environment (“DAWE” or the “Department”) elected not to follow the bilateral assessment path.

During the quarter Reward addressed additional questions from DAWE pertaining to its “Preliminary Documentation” which was submitted earlier in the year. (Preliminary documentation is the term used in the EPBC Act for this form of assessment.) Weekly progress meetings (conference calls due to COVID) were held with the Department to resolve all remaining questions to ensure that approval was obtained for the Public Exhibition period required under the *EPBC Act* (1999) in the minimum time frame.

The 10-day Public Exhibition period, which was held after the end of the quarter, closed on 17 July 2020 with no public submissions received.

The Commonwealth environmental assessment of the Project is now moving into its final stages, which consists of a final Public Exhibition period (for noting only, not open to comment) which is currently underway, followed by the submission of the final version of the Preliminary Documentation to DAWE.

Once this documentation has been received the EPBC Act requires that a decision on the Project must be made by the Department within 40 business days.

## **Officer Basin Exploration**

### **Site Preparation Completed at Midway Well**

Reward obtained special COVID exemptions for the small team that had been working in the Officer Basin exploration area since late January which allowed the site preparation of the planned first drill hole and the establishment of the temporary exploration camp to be completed. The team then withdrew for its break whilst Reward consulted with authorities about how to re-enter the region to continue working whilst adhering to COVID requirements.

After its set of COVID operating guidelines were approved by the Principal Medical Advisor and with the support and approval of WDLAC, Reward’s drill team returned to site and commenced drilling before the end of the quarter.

### **Early, Encouraging Results from Midway Well**

The first exploration drill hole (OB1 – See location shown on Figure 1) at Midway Well intersected a high-inflow of potash-rich groundwater at a vertical depth of 87.1 metres. The brine initially flowed to surface at 1-2 litres/second. The brine was sampled and assayed and the content of the brine was found to be 8.27 kg/m<sup>3</sup> of Potassium Sulfate. Of particular interest was the fact that the Potassium (K) to Sodium (Na) ratio of the brine was considerably higher than that found in typical Lake Disappointment brine.

A summary of the assay result is provided in Table 1 (overleaf) along with comparative analysis of typical Lake Disappointment brine. Further explanation is given in the footnotes section located below Table 1.

Drilling was temporarily halted at a depth of 192.1 metres after difficult drilling conditions in a friable sand formation were encountered. Reaming and casing activities are in progress to allow coring to resume.

The hole is yet to reach the top of the postulated Browne Formation Evaporites. Given the conditions it is proposed to ream out the HQ section of the hole (59.5 to 192.1 metres) with 123 mm diameter mud rotary drilling. Thereafter, HQ diameter diamond drilling will resume with HQ diameter coring until the top of the targeted Browne Formation is reached.

Table 1. Assay results from OB1 and Comparative Analysis with LD Brine

Brine Source <sup>i</sup>	K	SO <sub>4</sub>	K <sub>2</sub> SO <sub>4</sub>	Ca	Mg	Na	Cl	NaCl
Lake Disappointment <sup>ii</sup>	6.02 <sup>iii</sup>	26.75	13.42	0.25	5.63	101.60	159.24	258.3
OB1 Brine – 87.1m	3.71 <sup>iii</sup>	24.63	8.27	0.67	3.10	43.21	62.04	109.9
LD Ratios	$\frac{SO_4}{K} = 4.4^v$			$\frac{K}{Na} = 0.06$		$\frac{NaCl}{K_2SO_4} = 19.3^{iv}$		
OB1 Ratios	$\frac{SO_4}{K} = 6.6^v$			$\frac{K}{Na} = 0.09$		$\frac{NaCl}{K_2SO_4} = 13.3^{iv}$		

Footnotes:

- All units are kg/m<sup>3</sup> unless otherwise specified.
- LD Brine average from PFS Metallurgical Mass Balance data, release dated 1 May 2018.
- 6.02 kg/m<sup>3</sup> K = 13.42 kg/m<sup>3</sup> SOP; 3.71 kg/m<sup>3</sup> K = 8.27 kg/m<sup>3</sup> SOP.
- This parameter indicates that the quantity of salt (NaCl) generated per tonne of SOP produced should be significantly lower for an OB1 brine compared to typical LD brine – 13.3 vs 19.3 tonnes NaCl per tonne of SOP respectively.
- It should be noted that the OB1 brine has a considerably higher Sulphate (SO<sub>4</sub>) content per unit of K compared to typical LD brine – ratio 6.6 vs 4.4. This factor is important in the recovery of SOP from the host brine upon evaporation.
- The information presented above has been taken from a Reward ASX Release dated 21 July 2020, titled “Potash Brine Encountered in First Hole of Officer Basin Exploration Program”. The Release contains a more detailed discussion and interpretation of these initial, encouraging results.

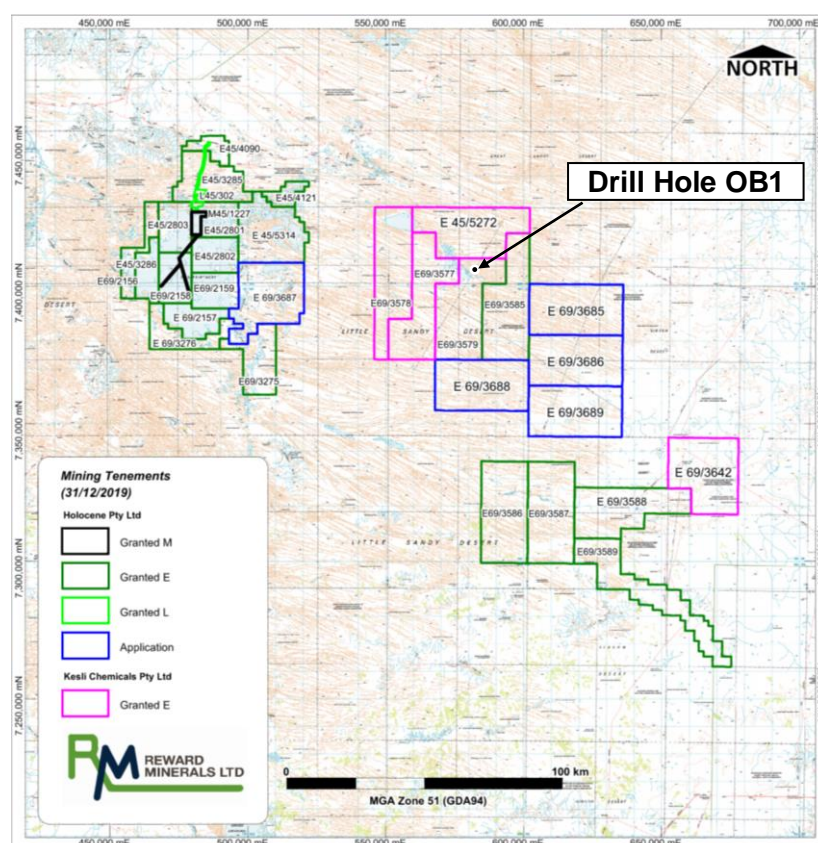


Figure 1 – Officer Basin Tenements (Kesli and Reward) Lake Disappointment Tenements (Reward)

**Authorised for release by the Board of Reward Minerals Ltd**

*For further information please contact:*

**Greg Cochran**  
**Chief Executive Officer**

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**About Reward**

Reward is an ASX-listed advanced-stage exploration and development company focussed on its sulphate of potash minerals portfolio. Reward's flagship project is its 100%-owned LD SOP Project, located 340 km east of Newman in the Little Sandy Desert of north-western Western Australia. The LD Project hosts Australia's largest high-grade brine SOP deposit.

Reward completed a detailed, conservative Pre-Feasibility Study for the LD Project in April 2018 and updated it with improved logistics costs in July 2018. An Indigenous Land Use Agreement has been executed with the Martu people, the traditional owners of the land upon which Lake Disappointment is situated, which will enable mining to commence on completion of final feasibility studies, regulatory approvals and achievement of funding.

The LD Project received its WA EPA approval from the State Minister for Environment on 3 June 2020 and permitting at the Commonwealth level under the *EPBC Act (1999)* is rapidly advancing to conclusion.

**Forward-Looking Statements**

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

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

**Exploration Results – Competent Persons Statement**

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

## Tenement Holdings as at 30 June 2020

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

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

REWARD MINERALS LTD

ABN

50 009 173 602

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(289)	(587)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(82)	(141)
	(e) administration and corporate costs	(83)	(222)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	50	50
1.8	Other – net GST (paid) / refunded	15	28
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(388)</b>	<b>(869)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	300	500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>300</b>	<b>500</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,366	1,647
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(388)	(869)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	300	500

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,278</b>	<b>1,278</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,278	1,366
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,278</b>	<b>1,366</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	17
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	1,000	1,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	1,000	1,000
7.5 <b>Unused financing facilities available at quarter end</b>		0
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
In September 2019, Dr M Ruane, Reward's Executive Director, agreed to loan the Company \$1M for a period of 12 months. The loan is unsecured, on reasonable arm's length terms and attracts interest at 7.5% per annum payable quarterly in arrears. The total facility is \$1m, which was fully drawn down in the quarter.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(388)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(388)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,278
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,278
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2020

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.