



# Advancing the LD SOP Project

RBC Roadshow Presentation  
March 2016



ASX | RWD



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# HIGHLIGHTS



## The Commodity

- ▶ **SOP** is a premium fertilizer in supply shortage and currently ~US\$700+/t
- ▶ Global SOP market is 6Mt per annum worth over US\$3.5b
- ▶ Large surface (brine) resources are scarce but provide significant operating cost benefits

## The LD Project (100% Reward)

- ▶ **Sulfate of Potash (SOP) Company** focused on the LD SOP Project in Western Australia
- ▶ Potentially the **Largest and highest grade** surface in-situ SOP Resource in the world
- ▶ Located in a **high evaporation** location with excellent brine chemistry providing considerable processing advantages using **established technology**
- ▶ Scoping Study completed with detailed studies well advanced

# CORPORATE OVERVIEW



## Capital Structure 14 March 2016 ASX:RWD

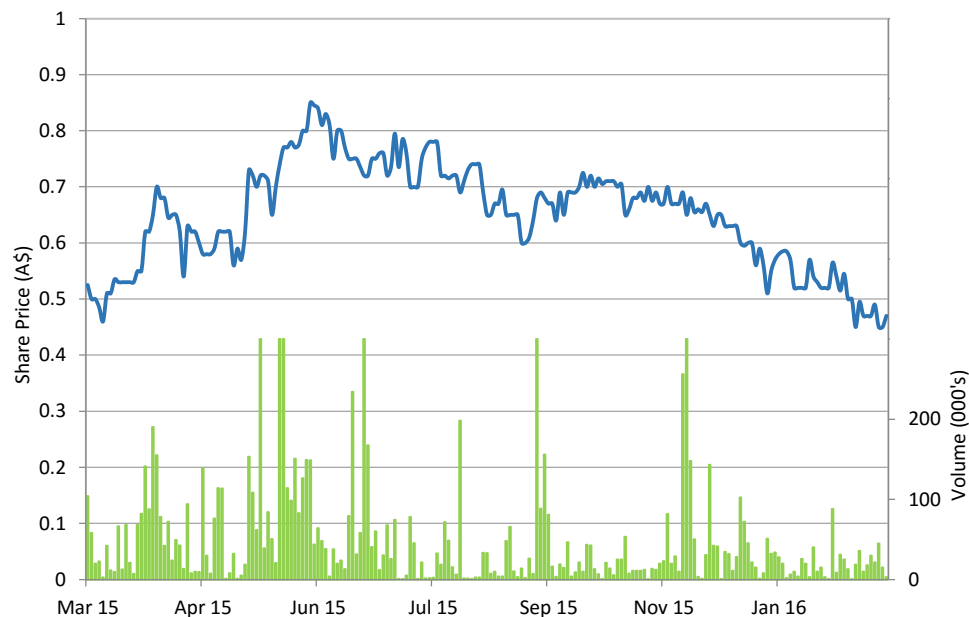
Ordinary Shares on Issue	121.7m
Options on Issue (\$0.25 – \$0.50)	20.9m
Share Price	\$0.47
Undiluted Market Capitalisation	\$57.2m
Cash & Equivalents <sup>1</sup>	A\$6.3m
Undiluted Enterprise Value	A\$50.9m

1. Cash based on cash as at 30/12/15 Qtly Report

## Major Shareholders

Name	Shares (m)	%
Michael Ruane	34.8	28.6
Other Directors	1.0	0.8
Top 20 Shareholders	56.9	47.5

## Price History (1 Year)



Broker	Recommendation	12-Month Target
BW Equities	BUY	\$1.03
Euroz Securities	BUY	\$0.95

# EXPERIENCED BOARD & MANAGEMENT



## **Colin McCavana – Non-Executive Director, Chairman**

- 30+ years experience in mining and earthmoving industries including the management, acquisition and development of projects in Australia and overseas
- Founder and Managing Director of Haddington Resources Ltd
- Director of Northern Minerals Ltd

## **Rod Della Vedova – Non-Executive Director**

- Extensive experience in the Solar Salt industry including 11 years as Chief Chemist and 24 years as Process Superintendent for Dampier Salt Ltd (Rio) for Karratha Hedland operations
- Background in large scale commercial production of salt by solar evaporation techniques
- BSc in Chemistry, Post Graduate in Chemical Engineering

## **Michael Ruane – Managing Director**

- 30+ years in chemical and metallurgical fields including senior technical advisor and manager at Lake McLeod Potash operation in Western Australia, as well as Manager of mining operations in Western Australia and the Northern Territory
- PhD (Chemistry) MRACI

## **Paul Savich – Corporate Development Officer & Co. Sec**

- Substantial resources industry experience including business development from early stage to feasibility and financing
- Corporate Finance exp. (M&A, transaction and valuations)
- M.App Finance, CA, BCom

## **Bianca Taviera – Company Secretary**

- Company Secretary for a number of ASX Listed Resource companies

## **Daniel Tenardi – Projects Director**

- 25+ years mining experience for various organisations including Alcoa, Rio Tinto and BHP from start-up to completion phases
- Extensive mine and project management experience
- BSc in Mathematics, Unrestricted QM Ticket

## **Geoff Browne – Chief Metallurgist**

- 40+ years experience in technical mineral processing and water treatment (biological, patented ballasted flocculation, cyanide detoxification) including plant design/operation
- B.App.Sc, Grad Dip (Metallurgy), MAusIMM, PhD (PH)

## **David O'Farrell – Exploration Manager**

- 20+ years Australian and Asia Pacific geology experience
- Extensive experience in hydrogeology, resource estimation
- BSc (Hons) in Geology, MAusIMM

## **Andy Fuchs – Chemical Engineer**

- Extensive international experience within the resource industry covering studies, detailed design, commissioning and operation reviews for a wide range of commodities
- B.Eng(Chemical)(1st Hon)

## **Brad Fletcher – LD Operations Manager**

- 30+ years in mining maintenance for fixed and mobile plant as well as construction projects in remote northwest Western Australia
- 10+ years in plant and asset management, Dip.Bus.Mgt

## **Jonathan Percival – Project Geologist**

- Number of years experience working in the resources industry including four years focussing on LD Project hydrology and Western Australia's palaeovalley system

## **Numerous Consultants**

Reward utilises high calibre external consultants for all facets of the business

Project Development

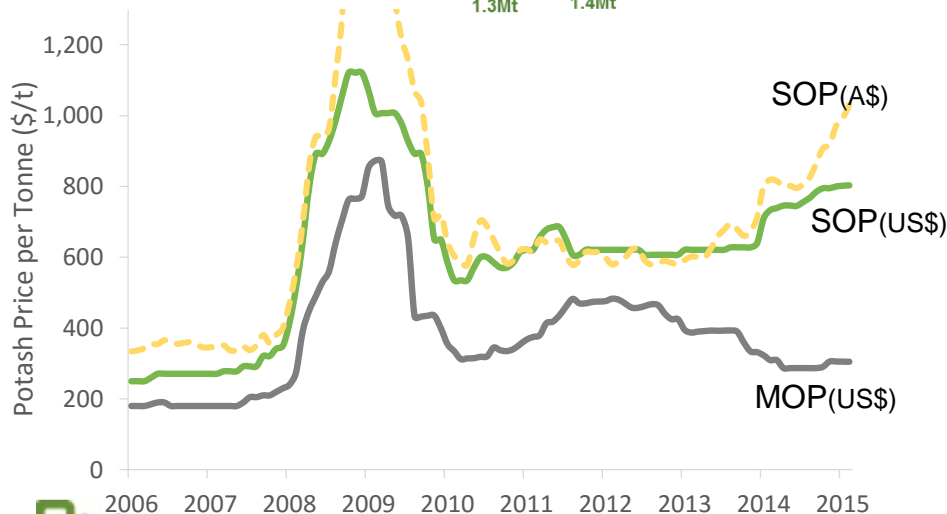
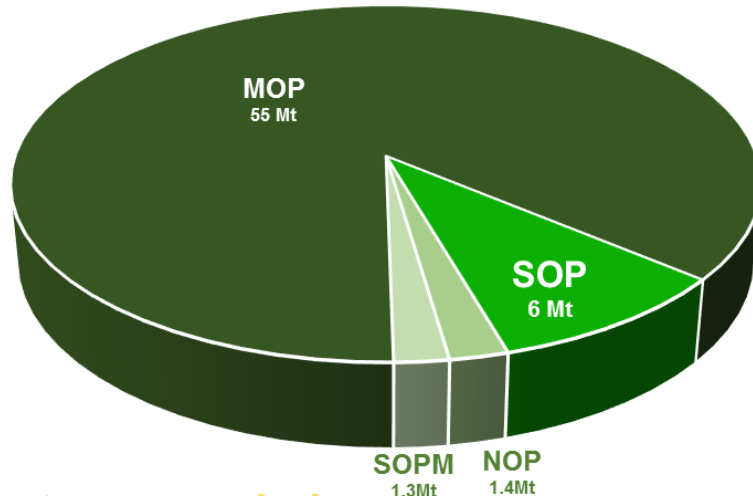
Board & Corporate

# SOP OVERVIEW



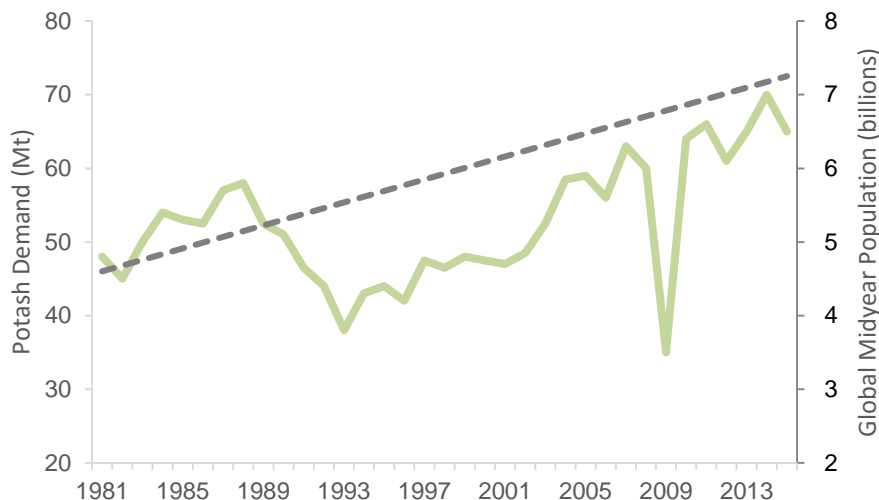
## SOP is a premium Potash fertiliser

2014 Global Potash Consumption



- ▶ Sulfate of Potash – SOP,  $K_2SO_4$
- ▶ LD SOP product ready for crop application
- ▶ Contains 44.8% Potassium & 55.2% Sulfate (MOP: 54% K, 46% Cl)
- ▶ Potassium increases yields, water retention and disease resistance
- ▶ Sulphur also used by plants to produce proteins, amino acids, enzymes and vitamins while also aiding resistance to disease
- ▶ SOP +US\$700/t (MOP ~US\$305/t)
- ▶ Used on chloride sensitive crops including vegetables, fruits and cocoa

# POTASH GROWTH DRIVERS

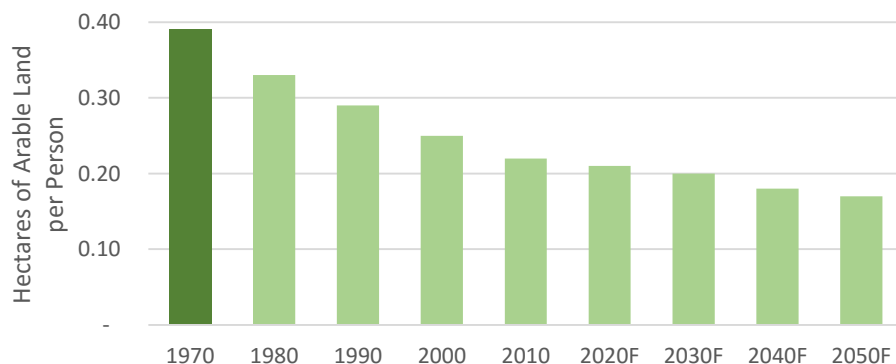


Source: FAO, IFA, PPI, Company Research

## Demand is driven by

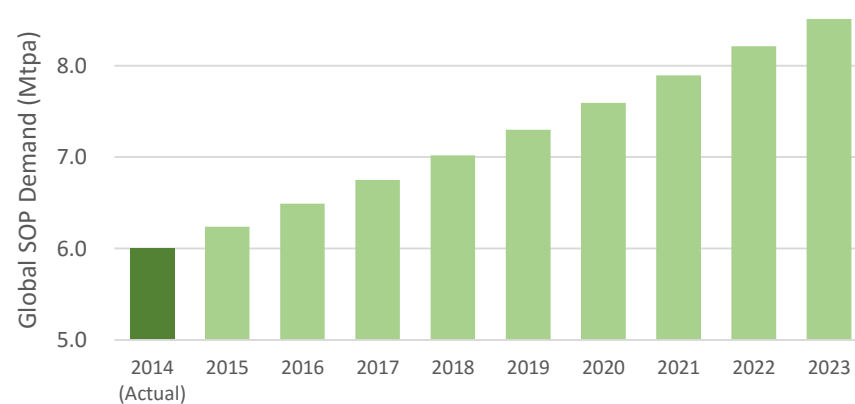
- ▶ Increasing population
- ▶ Decreasing arable land
- ▶ Changing appetites / growing middleclass
- ▶ Salinity / disease / global warming

**Arable land per capita is forecast to decrease by 10% per annum...**



Source: FAO, CRU, IFA, PPI, Company Research

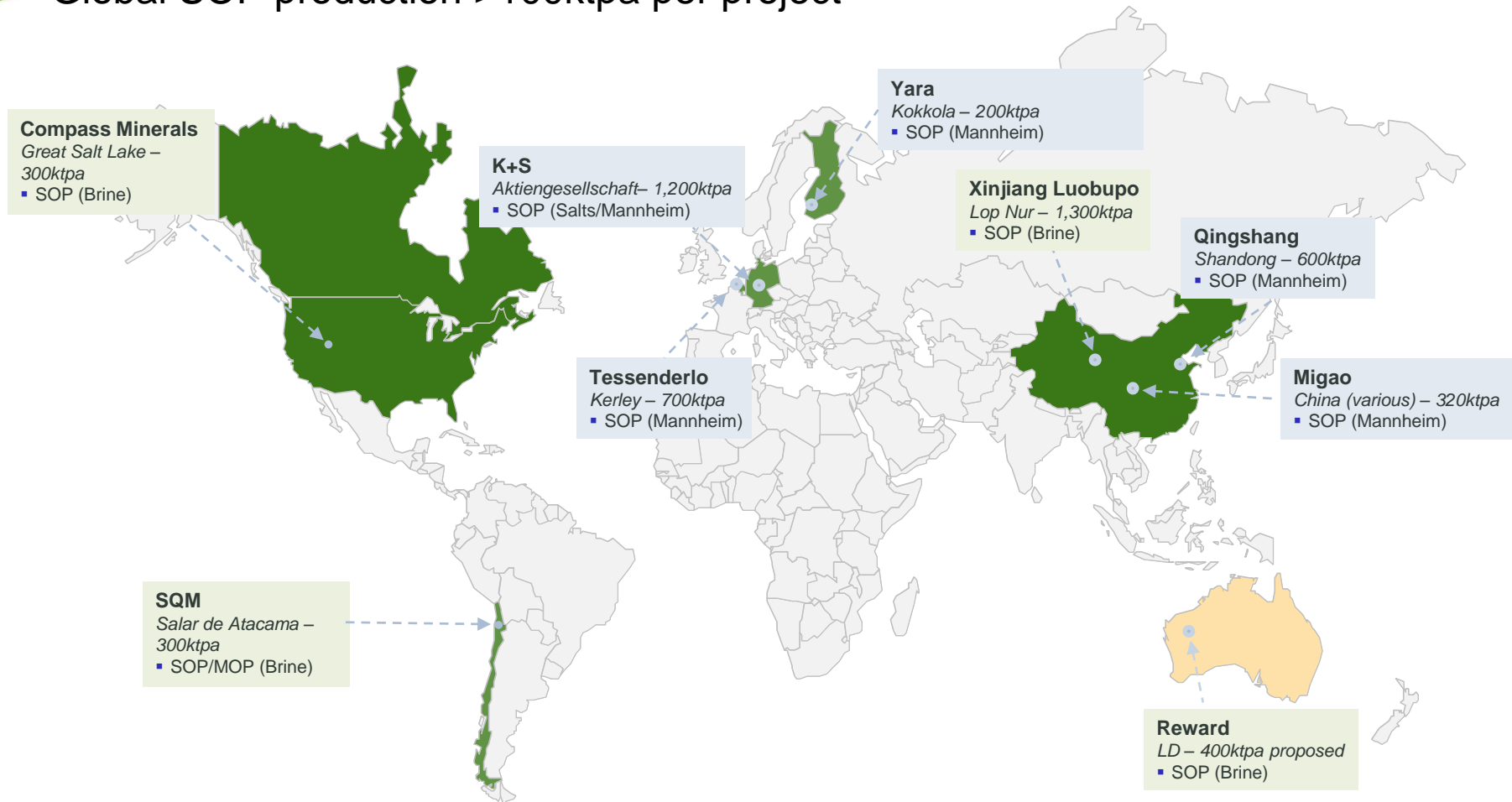
**... SOP demand is forecast to grow by at least 4% per annum**



# SOP PRODUCTION



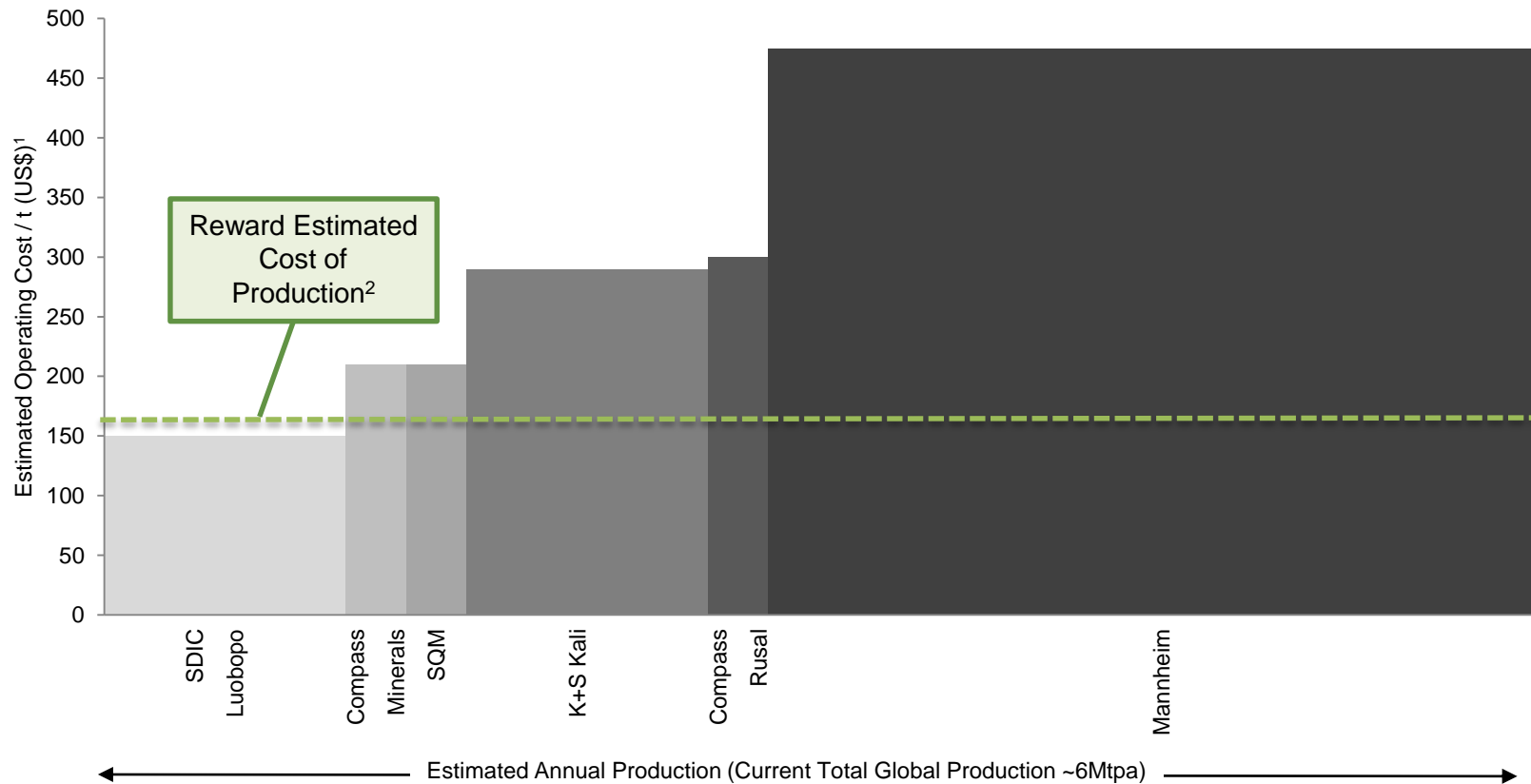
Global SOP production >100ktpa per project



# GLOBAL SOP COST CURVE (MINE GATE)



Primary (brine) SOP deposits ensure low production costs



# LD SOP PROJECT (100% OWNED)



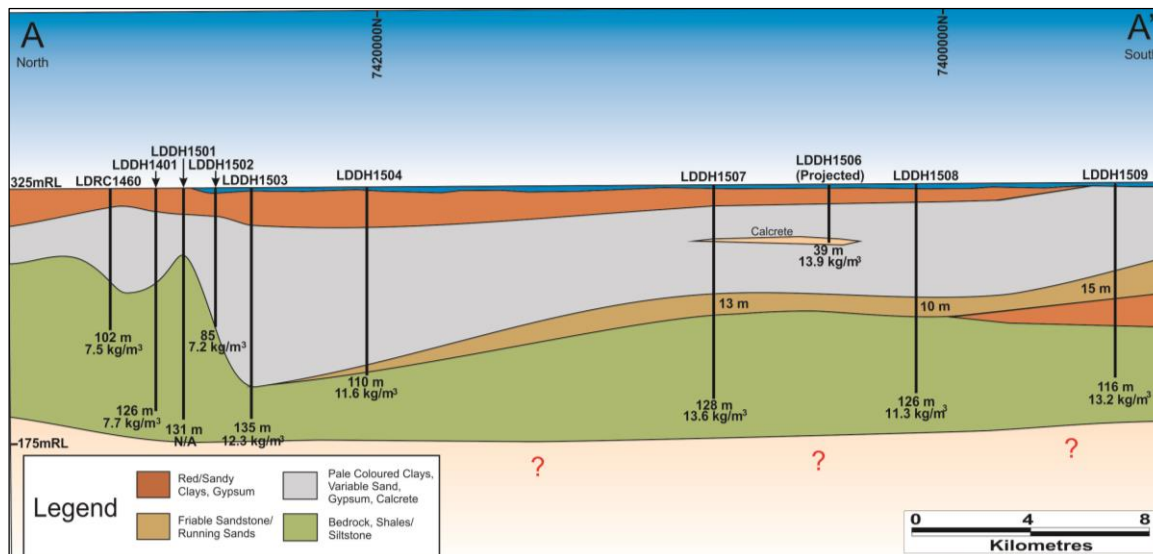
- ▶ Large in-situ Mineral Resource of 564Mt SOP grading 13.7kg/m<sup>3</sup> in brine
- ▶ Resource is from surface and remains open in all directions
- ▶ Extensive testwork indicates that SOP can be recovered from LD brine via established processes
- ▶ Excellent climate for brine SOP production with evaporation of 4000mm per annum
- ▶ Existing roads available with several haulage and port options available
- ▶ Scoping Study complete with feasibility studies underway
- ▶ Indigenous Land Use Agreement in place for SOP production at LD, strong ongoing support from local communities
- ▶ Environmental submissions progressing well

# GLOBALLY SIGNIFICANT HIGH GRADE SOP IN-SITU RESOURCE



Category	Avg. Thickness	Volume	Avg. Porosity	Brine Volume	Brine SOP Grade	SOP Mineral Resource
Mineral Resource Estimate Outside of Exclusion Zone						
Indicated	67m	48bm <sup>3</sup>	53%	25bm <sup>3</sup>	13.8kg/m <sup>3</sup>	359Mt
Inferred	58m	16bm <sup>3</sup>	42%	0.7bm <sup>3</sup>	11.7kg/m <sup>3</sup>	8Mt
Mineral Resource Estimate Within Exclusion Zone						
Inferred	58m	28bm <sup>3</sup>	51%	14bm <sup>3</sup>	13.6kg/m <sup>3</sup>	197Mt
<b>Total</b>	<b>63m</b>	<b>78bm<sup>3</sup></b>	<b>52%</b>	<b>40bm<sup>3</sup></b>	<b>13.7kg/m<sup>3</sup></b>	<b>564Mt</b>

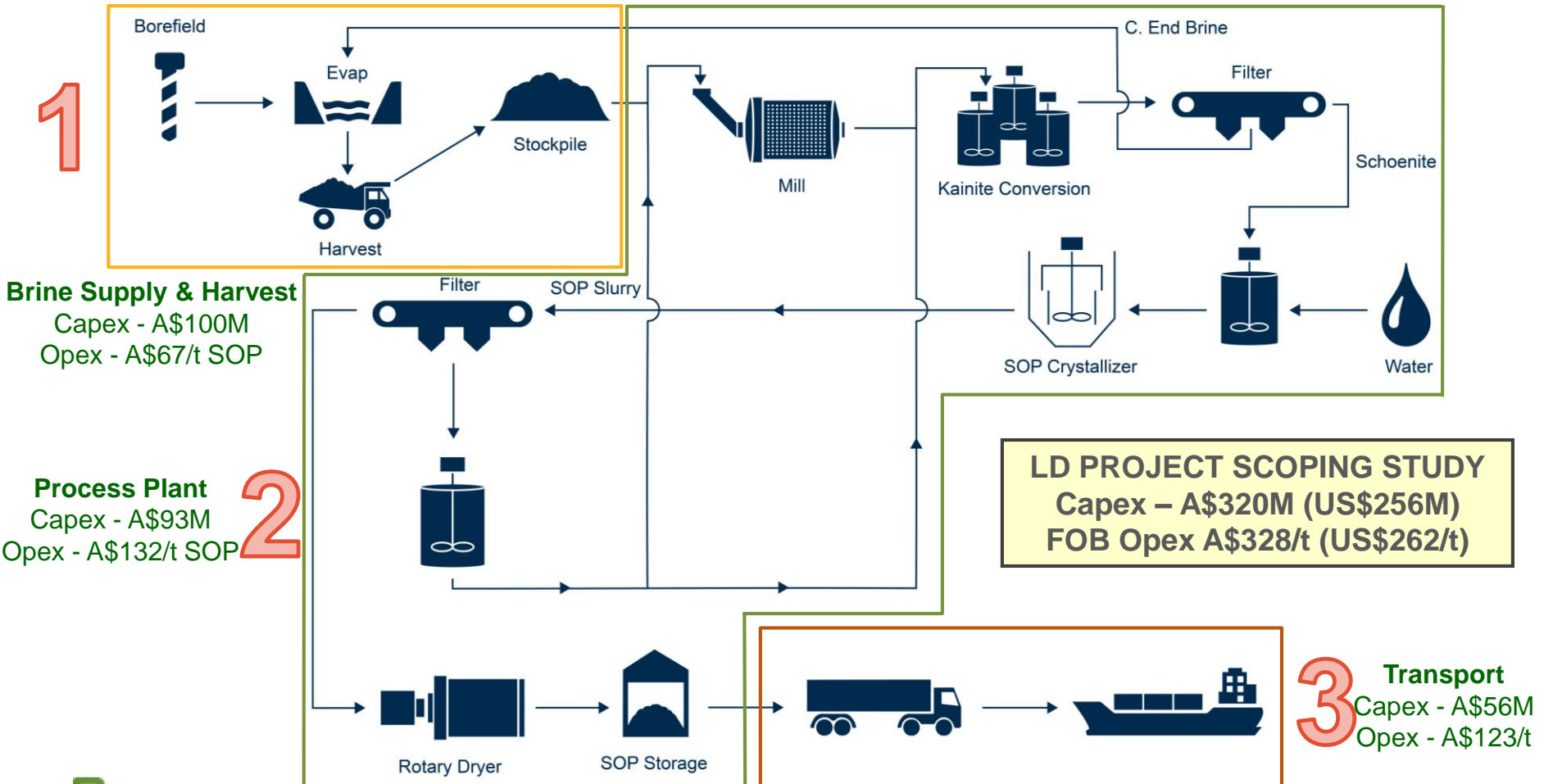
- ▶ In-situ Mineral Resource of 564Mt of SOP grading 13.7kg/m<sup>3</sup>
- ▶ Resource contained in 1,241km<sup>2</sup> of tenement area
- ▶ Reward has over 5000km<sup>2</sup> of landholdings in the LD sub-basin
- ▶ 40% porosity cut-off used
- ▶ Definition and extraction drilling is continuing



# LD PROJECT PRODUCTION PROCESS – 3 DISCRETE COMPONENTS



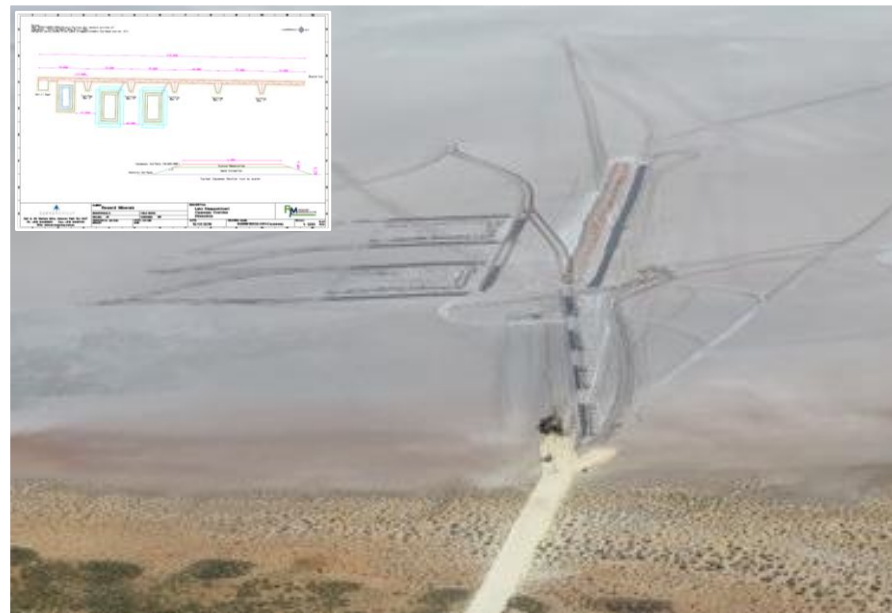
Well-established process - harvested salt goes through a milling, conversion and crystallization process - SOP ready for crop application



# 1 LD PROJECT BRINE SUPPLY & EVAPORATION PONDS



Scoping Capital Cost Estimates	A\$M	US\$M	Status
Earthworks, Evaporation Ponds & Supply	100.1	80.0	<ul style="list-style-type: none"> <li>- Mining Proposal for Small Operations approved for the</li> <li>- Construction of pilot ponds for geotechnical assessment commenced</li> <li>- Revised detailed design and capital cost estimate will follow</li> </ul>
Scoping Operating Cost Estimates	A\$/t SOP	US\$/t SOP	Status
Mining ( <i>brine supply/harvest</i> )	67.3	53.8	<ul style="list-style-type: none"> <li>- Detailed geology and chemistry assessed during compilation of the Mineral Resource estimate.</li> <li>- Construction of test trenches and bores commenced with pumping trials in progress</li> </ul>

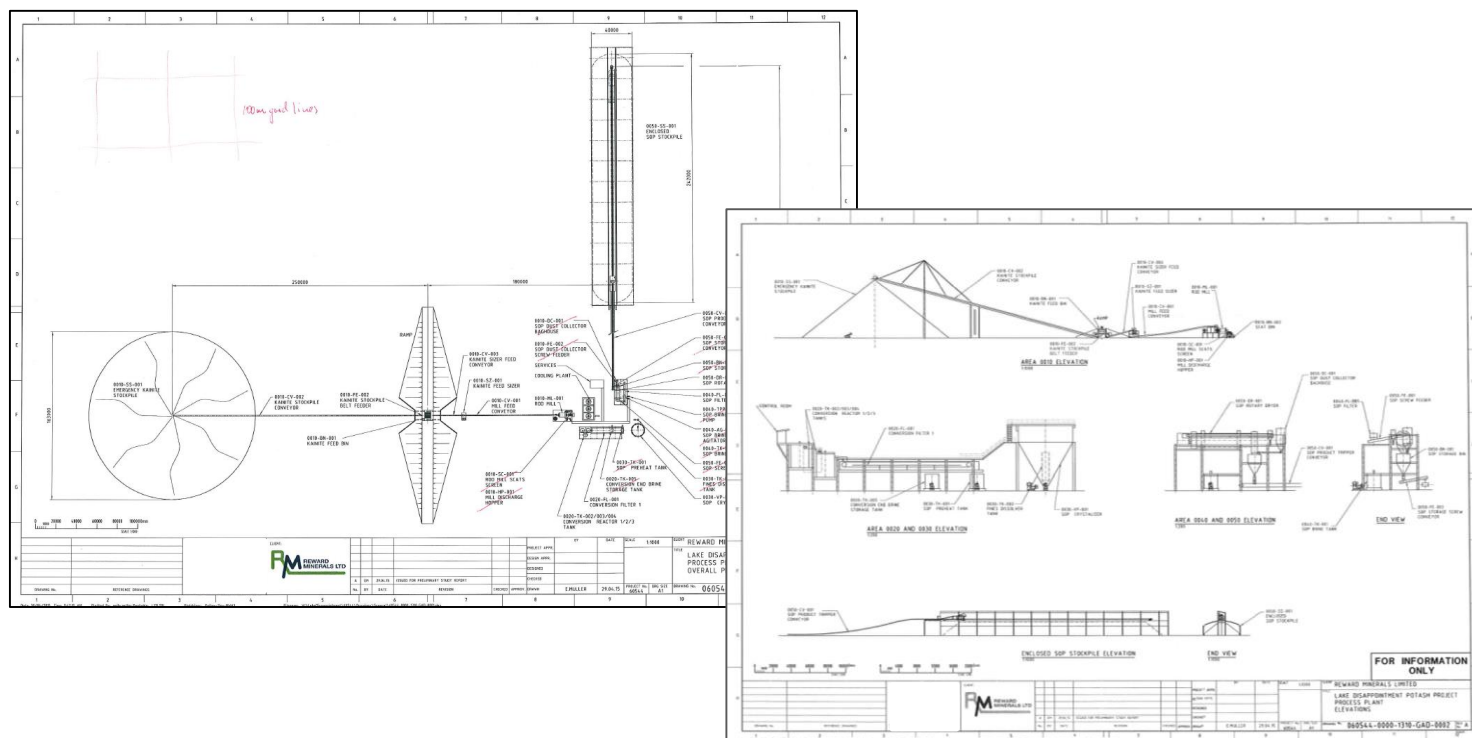


# 2 LD PROJECT DEVELOPMENT – PROCESS PLANT



Scoping Capital Cost Estimates	A\$M	US\$M	Status
Process Plant	92.8	74.2	<ul style="list-style-type: none"> <li>- Mass balance updated following Resource estimate update</li> <li>- International engineering firm appointed for detailed design and costing</li> </ul>

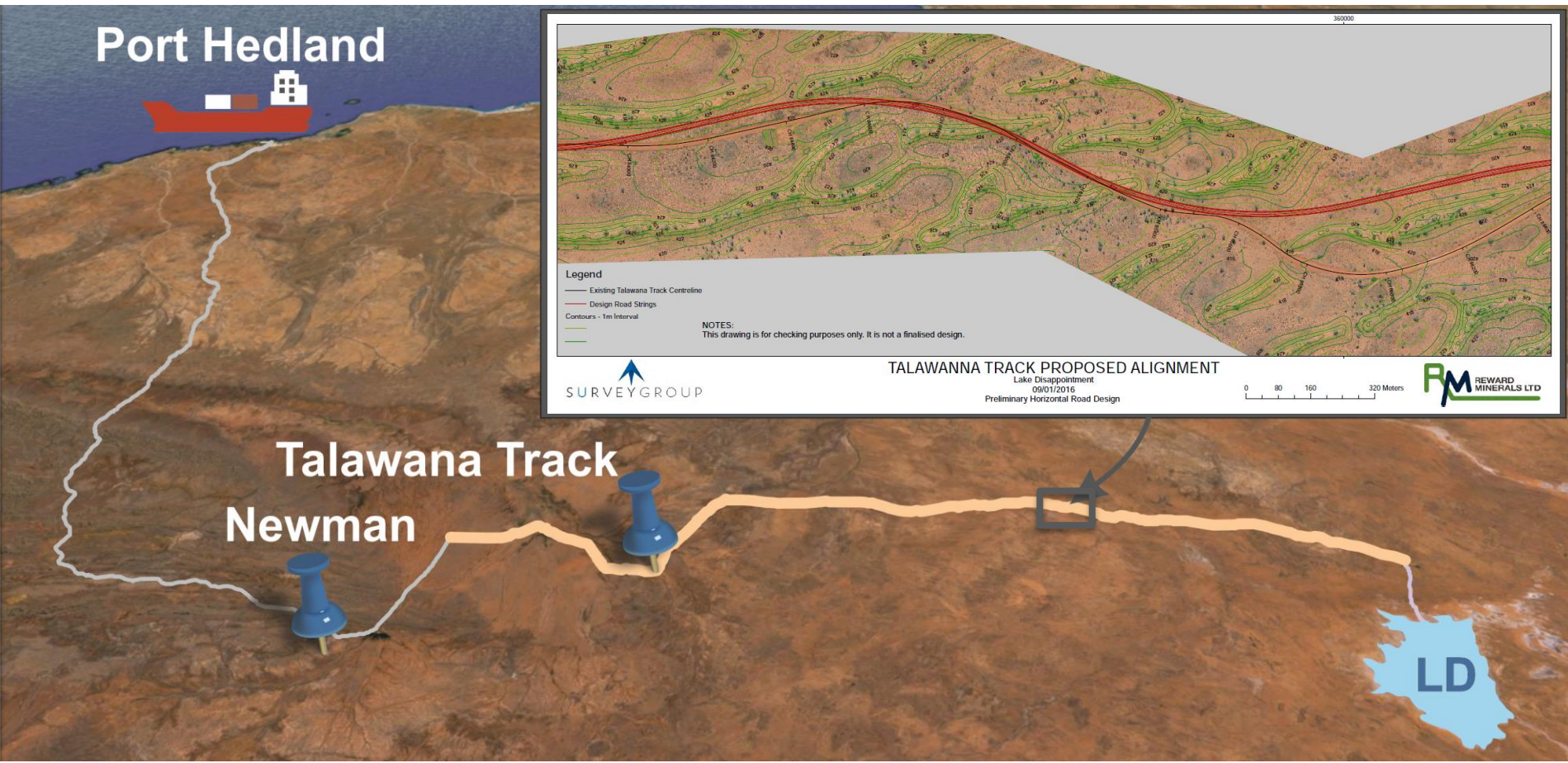
Scoping Operating Cost Estimates	A\$/t SOP	US\$/t SOP	Status
Processing ( <i>diesel option</i> )	132.1	105.7	- Will be investigated in line with processing plant amendments



# 3 LD PROJECT DEVELOPMENT – HAUL ROAD



Capital Cost Estimates	A\$M	US\$M	Status
Road Upgrades & Related Infrastructure	55.9	44.7	- Road survey completed, detailed design and costing underway
Operating Cost Estimates	A\$/t SOP	US\$/t SOP	Status
Haulage & Port	123.9	99.1	- Haulage options continue to be refined and reviewed. Ongoing discussions on a number of port options

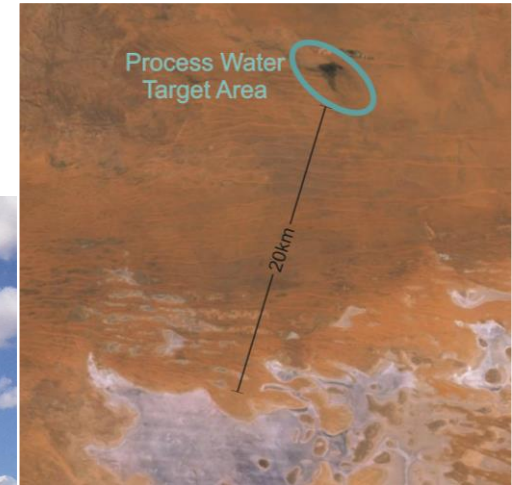


# LD PROJECT

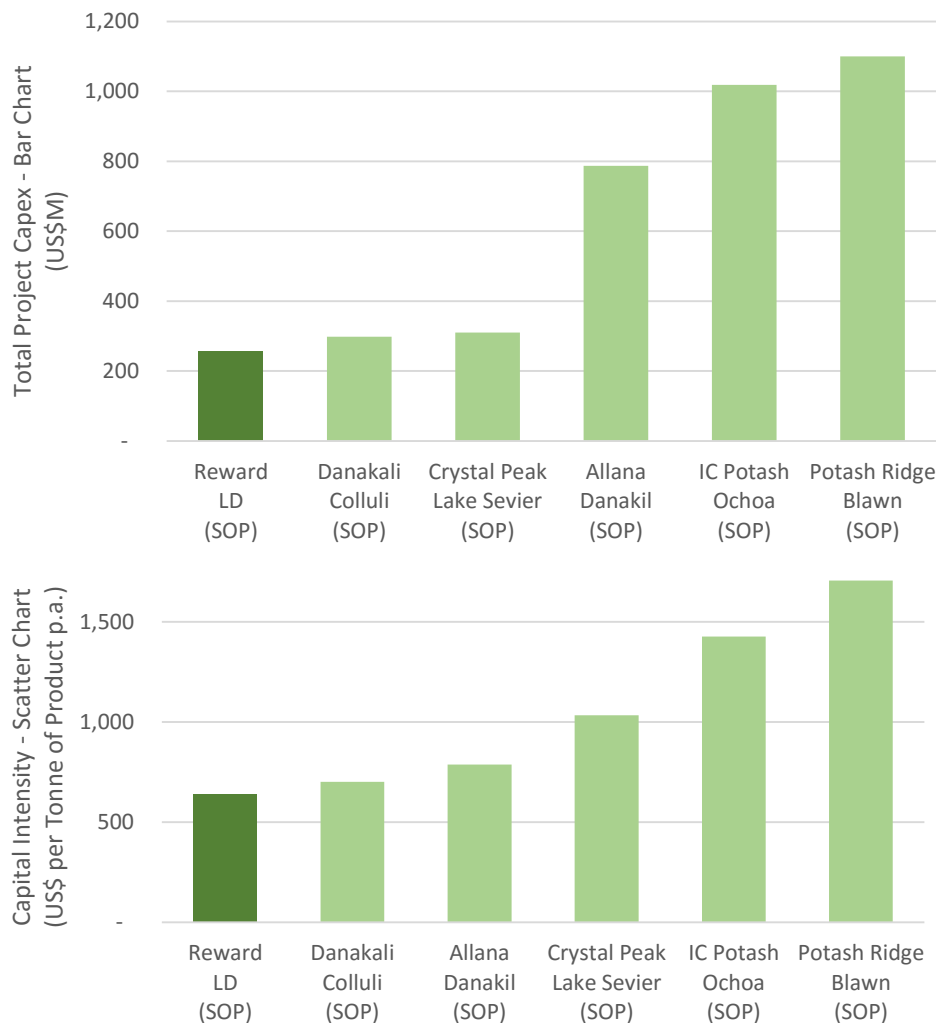
## OTHER DEVELOPMENT – PROCESS WATER



- ▶ Encouraging eight test holes completed to date in target Area A with 4-6l/sec flows from four (100mm) bores at 10-15,000 g/l TDS
- ▶ Two holes in Area B delivering 4l/sec low salinity water
- ▶ Drilling and hydrogeological testwork is continuing



# LD SCOPING STUDY – KEY METRICS



- ▶ Capital cost estimate of A\$320M (US\$256M) for a 400ktpa operation
- ▶ Pre-Tax NPV<sub>10</sub> of A\$534M
- ▶ Pre-Tax IRR of 37%
- ▶ Annual EBITDA A\$154M (full production)
- ▶ Conservative SOP price assumption of A\$750/t  
recent sales in excess of A\$1,000/t
- ▶ Based on a short 13 year LOM and previous 24.4Mt resource  
LD Resource expanded to 564Mt

# LD PROJECT COMMUNITY & ENVIRONMENT



Reward is focused on **COMMUNITY** engagement and opportunities while building an environmentally **SUSTAINABLE** operation



# LD PROJECT TIMELINE



Reward is focused on de-risking the LD Project as it moves toward completion of Feasibility Studies

Activity	2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2
LD Resource Drilling	✓					
Resource Update	✓					
Bore Drilling and Pumping	Commenced December '15					
Pilot Ponds	Commenced February					
Scoping Study	✓					
Pre-Feasibility Study	In Progress					
Feasibility Study						
Mining Proposal Lodgement						
Environmental Approval Process	Formal Submission Imminent					
Project Funding						
Pond Construction & Preworks						

# COMPETENT PERSON STATEMENT



The information in this presentation that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Carel van der Westhuizen, a Competent Person who is a Member of The Australian Institute of Geoscientists, a Certified Environmental Practitioner (CEnvP) of the Environment Institute of Australia and New Zealand and a member of the International Association of Hydrogeologists. This information was prepared and disclosed under the JORC Code 2012. Mr van der Westhuizen is employed by Pendragon Environmental Solutions Pty Ltd and 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 van der Westhuizen consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

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

The information in this presentation that relates to Exploration Results, other than Brine and Sediment Assays and Analyses, is based on information compiled by Mr David O'Farrell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant to Reward Minerals Ltd. Mr O'Farrell 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 O'Farrell consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

# REGIONAL PROJECTS



Reward has a number of highly prospective pipeline projects

## Overview of Regional Projects

Projects	Karly Project Dora Project	Level of Access	Exploration Licences and Applications
Location	Great Sandy Desert Western Australia	Production Process	LD testwork results and flowsheet design applicable
SOP Resource ( $K_2SO_4$ )	Conceptual, high Potash levels in samples	Stage of Development	Encouraging early stage exploration results
Type of Deposit	In-situ playa brine	Next Steps	Further Exploration Required

