

29 April 2016

**ASX CODE**  
RWD

**SHARE PRICE**  
\$0.47

**SHARES ON ISSUE**  
122.6M

**OPTIONS**  
19.6M (\$0.25 - \$0.50)

**MARKET CAPITALISATION**  
\$57.6M (undiluted)

**CASH**  
\$5.0M  
March'16 Qtly

## DIRECTORS & MANAGEMENT

Colin McCavana  
*Chairman*

Rod Della Vedova  
*Non-Executive Director*

Michael Ruane  
*Managing Director*

Daniel Tenardi  
*Projects Director*

Paul Savich  
*Corporate Development Officer  
& Company Secretary*

Bianca Taveira  
*Company Secretary*

## KEY SOP PROJECTS

LD Potash Project  
Dora Potash Project

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# QUARTERLY REPORT FOR THE PERIOD ENDING 31 March 2016

## Corporate

Cash on hand at 31 March 2016 was approximately \$5 million.

Reward Minerals Limited ("**Reward**" or "**the Company**") prepared its 2015 research and development ("**R&D**") claim during the quarter and expects to lodge the document in early May. Following submission claims are typically assessed and refunded within approximately eight weeks. The R&D reflects the significant work toward processing and metallurgy undertaken by the Company during the past financial year at the LD Sulfate of Potash ("**SOP**") Project.

## LD SOP Project

The LD SOP Project is located within the Little Sandy Desert in northwest Western Australia and comprises of over 5,200km<sup>2</sup> of granted Exploration Licences.

In 2015 the Company undertook a significant drilling program to define the brine composition of the large in-situ resource believed to be contained within LD. As a part of this drilling results were compiled to provide an increased in brine SOP Mineral Resource (JORC 2012) of 564 million tonnes at an average brine grade of 13.7kg of SOP/m<sup>3</sup>. This grade is equivalent to approximately 7.1kg of SOP/m<sup>3</sup> of lakebed sediment.

For full details of the Mineral Resource see ASX Announcement dated 23 November 2015.

## Development Update - March

### Trench Brine Supply

Four test trenches were excavated on LD during the quarter and pump tested by the Company's hydrogeological consultants to provide important geotechnical information and near surface brine flow data. High brine flows were encountered in all trenches. Analysis of the flow data is currently in progress.

Data from the trench pumping will define long term brine supply parameters for SOP production at LD from the near surface zone of the lake. Initial brine flow rates from the trenches have exceeded expectations and pumping is continuing to provide longer term drawdown and specific yield data.

*Figures 1&2 – LD trench construction and pump testing*



### ***Bore Pumping Trials***

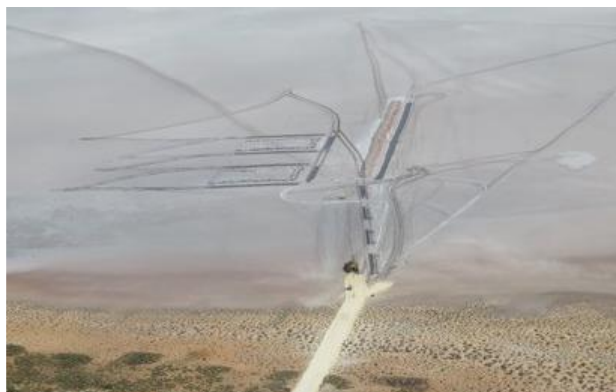
Preliminary brine recovery trials from cased bores on LD continue to provide encouraging brine flows from depth. However, the flow rates measured so far have been constrained by the size and type of bore pumps which could be used down the core holes drilled previously and by difficulties in transporting larger pumping units across LD.

### ***Pilot Evaporation Ponds***

Following approval of the Mining Proposal for Small Operations for construction of pilot ponds, machinery has been mobilised and construction has commenced. Construction is providing substantial information relating to the handling of LD-specific sediments, beyond (extensive) geotechnical data obtained to date.

The Company is pleased to have a construction team with a significant component of local Martu employees and appreciates the significant level of community support it has received as activities continue to ramp up.

*Figures 3&4 – LD Evaporation Ponds Engineered Design, Site Works and Crew*



Work to date on trenching and pilot pond wall construction has been very encouraging in confirming the presence of a low permeability clay layer at 1-1.5m depth in the area designated for Project evaporation ponds as predicted by earlier auger (geotechnical) probing.

Also of importance has been recent confirmation that clay material recovered during trenching appears suitable for construction of pond walls demonstrating significant support strength and low brine transmissivity. These observations, while preliminary, suggest that evaporation ponds constructed from lake sediments available will not require plastic membrane sealing of side walls or the base area.

Pond construction and trenching activities with the Company's amphibious excavator have been highly encouraging and performed well on the lake without bogging. Rates of earth moving and trenching have been above expectations which augers well for a significant reduction in the capital cost of pond construction at LD from Scoping Study estimates.

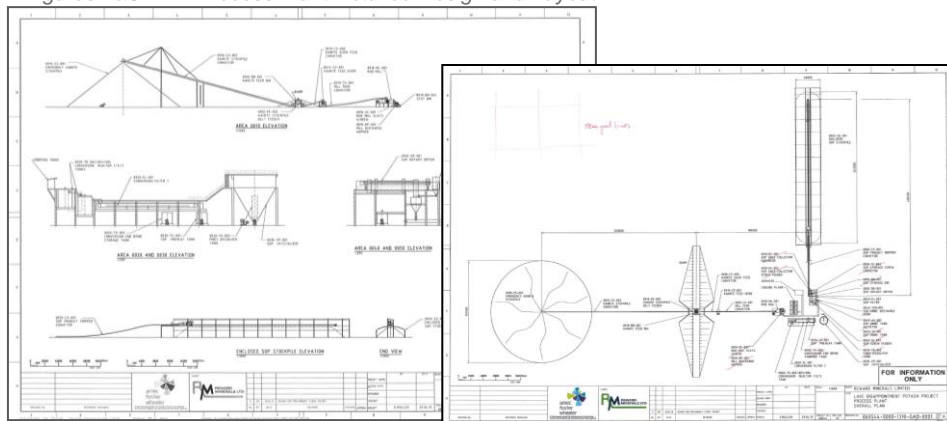
*Figures 5&6 – Amphibious Excavator Operating on LD*



## Process Plant & Flowsheet

The Company has completed substantial bench-scale test work establishing chemistry and processing data for brines derived from the LD exploration program and early pumping trials. The Company has appointed a global engineering firm with specific Potash experience relevant to the LD Project to model two unit operations in the Project flowsheet prior to full detailed design for feasibility evaluation. Works will be undertaken at that company's Saskatoon office.

*Figures 7&8 – LD Process Plant Detailed Design and Layout*



## Process Water Borefield

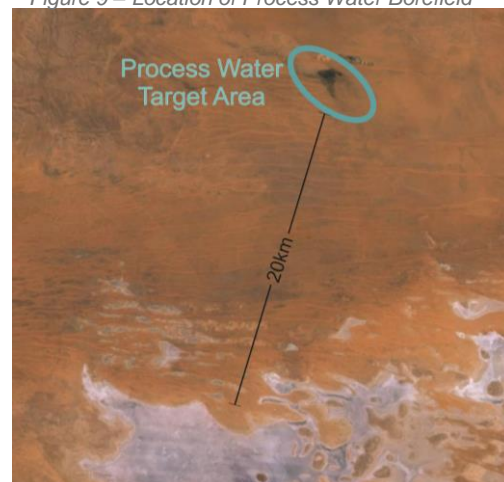
An exploration program is in progress to confirm a process water supply of approximately 3 gigalitres per annum for SOP processing via a Shoenite intermediate. Drilling has focussed on an area approximately 20km north of LD.

Good water flows of 4-6 litres/second from 100mm diameter holes have been encountered in four of the holes on the western sector of the exploration area. The quality of water recovered from the bores to date has been variable (3,000 to 15,000 TDS) but with very low calcium and magnesium content and should be suitable for plant operation.

The Company also has a high quality water supply area 16 kilometres north of LD which to date has been used for domestic purposes. A single bore at the site provides more than the currently required amount of water analysing <2,000 TDS and the quality is improving with time.

Two recent exploration holes in this area provided water flows of 4/l/s and 18/l/s analysing around 2,500ppm dissolved.

*Figure 9 – Location of Process Water Borefield*



*Figures 10&11 – LD Process Water Exploration and V-Notch Flow Testing (inset)*



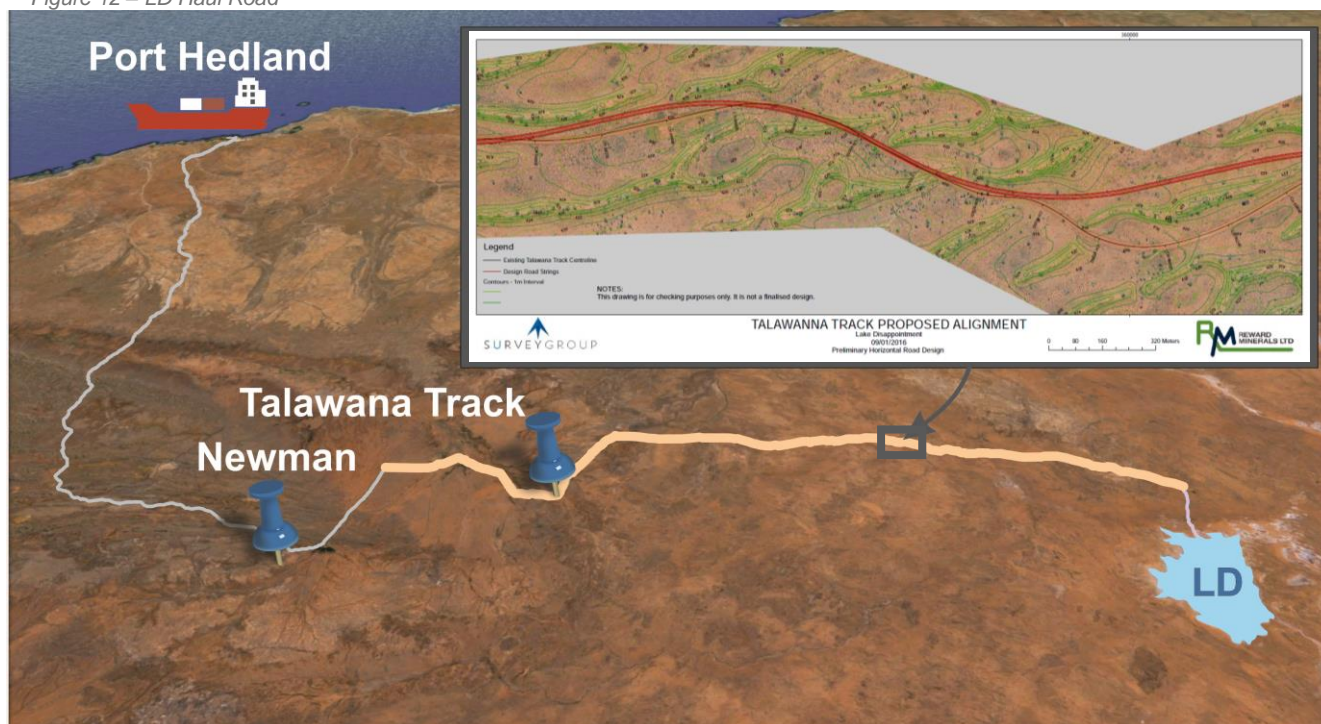


## Haul Road, Transport & Infrastructure

Reward engaged Survey Group Pty Ltd to conduct a detailed survey of 250km of the Talawana Track and design an upgrade suitable for 80kmph transport of product from LD to the Newman-Marble Bar Road.

The survey and design studies have been completed. Tender documents for the proposed upgrade will be dispatched shortly to prospective contractors for costing to establish this key feasibility parameter in the near future.

Figure 12 – LD Haul Road



## Dora Potash Project

With the Company's focus on the LD Project limited work has been undertaken during the quarter at the Dora Project.

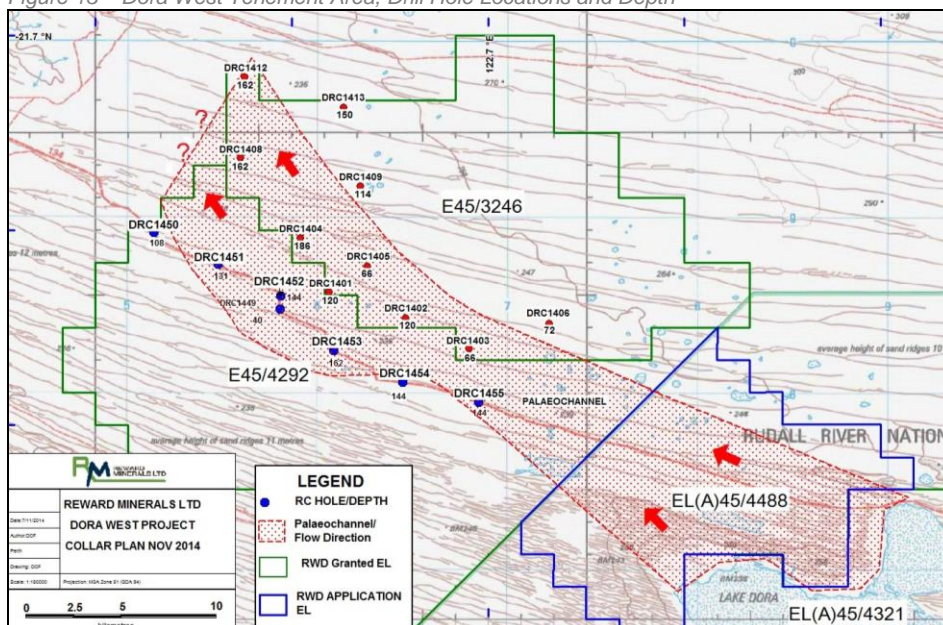
Earlier exploration at Dora targeted the palaeovalley which traverses the granted tenements located north-west of Lake Dora proper. To date 17 holes have been drilled. The static water table (SWT) in the drilling area is generally less than four metres below surface. Heavy brine flows were encountered in seven of the holes drilled.

Brines recovered from the holes drilled were relatively low in Total Dissolved Salts ("TDS") indicating they are well under saturation levels, presumably due to incoming surface runoff. The chemistry of the brines is favourable in terms of K:Mg, SO<sub>4</sub>:K and Na:K ratios however the dilution of the Palaeochannel brines by fresh ground water percolating from the margins of the valley significantly reduces the SOP content of in-situ brines. While dilution is not ideal, favourable evaporation conditions in the region counteract the dilution effect of surface waters to a significant degree.

Additional drilling and brine analysis data is required to better define Palaeochannel depth and width dimensions for Resource estimation purposes.

**Refer to the announcement dated 11 October 2014 for full details and analytical results.**

Figure 13 – Dora West Tenement Area, Drill Hole Locations and Depth



For further information please visit our website: [www.rewardminerals.com](http://www.rewardminerals.com)

Yours faithfully

**Michael Ruane**  
Director  
on behalf of the Board

### Competent Persons Statement

The information in this report 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 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 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 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 Exploration Targets and Exploration Results 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 report of the matters based on his information in the form and context in which it appears.

**Tenement Holdings as at 31 March 2016**

<b>Tenement</b>	<b>Status</b>	<b>RWD Ownership at Quarter End</b>	<b>% Interest Acquired During the Quarter</b>	<b>% Interest Disposed During the Quarter</b>
<b>LD, Western Australia</b>				
E45/2801	Granted	100%	-	-
E45/2802	Granted	100%	-	-
E45/2803	Granted	100%	-	-
E69/2156	Granted	100%	-	-
E69/2157	Granted	100%	-	-
E69/2158	Granted	100%	-	-
E69/2159	Granted	100%	-	-
E69/2902	Granted	100%	-	-
E45/3285	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090	Granted	100%	-	-
E45/4121	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
E69/3275	Granted	100%	-	-
E69/3276	Granted	100%	-	-
E69/3277	Granted	100%	-	-
<b>Dora West, Western Australia</b>				
E45/3246	Granted	100%	-	-
E45/4292	Granted	100%	-	-
EL(A)45/4321	Application	-	-	-
EL(A)45/4488	Application	-	-	-
<b>Karly, Western Australia</b>				
E45/4273	Granted	100%	-	-
E45/4274	Granted	100%	-	-
E45/4291	Granted	100%	-	-
E45/4293	Granted	100%	-	-
E45/4294	Granted	100%	-	-
E45/4299	Granted	100%	-	-
E45/4324	Granted	100%	-	-