

19 July 2016

ASX CODE
RWD

SHARE PRICE
\$0.40

SHARES ON ISSUE
135.8M

OPTIONS
6.3M (\$0.45 - \$0.50)

MARKET CAPITALISATION
\$54.3M (undiluted)

CASH
\$6.2M
June'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 30 June 2016

Corporate

During the quarter Reward Minerals Limited ("**Reward**" or "**the Company**") lodged its 2015 research and development claim and anticipates receipt of monies early in the September'15 quarter.

Also during the period the Company received \$3,562,187 million from the exercise of 14,248,748 listed options. Following this cash on hand at 30 June 2016 was approximately \$6.2 million.

LD SOP Project

The LD SOP Project is located within the Little Sandy Desert in northwest Western Australia and comprises of over 5,200km² 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/m³. This grade is equivalent to approximately 7.1kg of SOP/m³ of lakebed sediment¹.

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

The Company also completed a Scoping Study for the LD Project in April 2015 which suggested compelling economics. For full details of the LD SOP Scoping Study please see ASX Announcement dated 2 April 2015².

Submission of Environmental Application

On 22 June 2016 Reward announced the lodgement of documentation relating to the Western Australian and Federal Governments environmental approval process for the production of SOP at the LD Project. The application represents a key milestone in the formal permitting process for the LD Project.

Reward has engaged a well credentialed group of environmental consultants to assist with the preparation of documentation and the approvals process. The submission is the culmination of the considerable effort and expense invested by Reward on environmental surveys and site monitoring activities to ensure its impact on the Project area is minimised and mitigated to the greatest degree possible. Several years of wet and dry season flora and fauna baseline surveys have been completed to support the application.

This initial submission will enable the Western Australian Environmental Protection Authority ("EPA") and the Commonwealth Department of the Environment to set their respective levels of assessment required in the approvals process. It is anticipated that the environmental review process will be completed in 2H-2017. Review of the

submissions and notification of the levels of assessment recommended by respective authorities are expected by the end of July 2016.

LD Specific Yield SOP Resource

In November 2015 Reward announced an in-situ SOP Resource at LD of 564 million tonnes to an average depth of 67 metres¹. As indicated in the release the in-situ resource does not represent the drainable quantity of SOP from the lake sediments by conventional methods. Extractable resource parameters are usually based on specific yield (Sy) data which is effectively the percentage of brine which will freely drain from lakebed sediments.

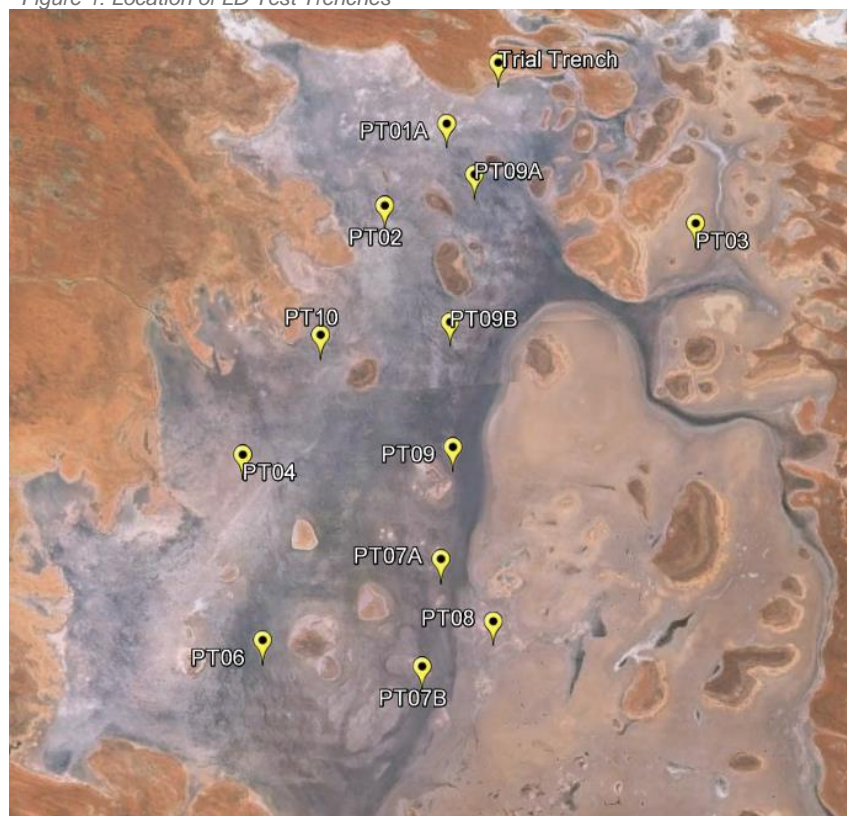
During the quarter samples of core from earlier drilling programs were submitted for drainable porosity and other technical parameters. These parameters in combination with trench pumping data will be used to provide a specific yield resource for LD during the September Quarter.

Trench Pumping Trials

It is anticipated that brine supply for the LD Project will be primarily derived from shallow (0-4m) trenches established over the lake area. Over the past several months Reward has attempted to establish a series of trenches on LD for test pumping purposes. This program has been challenging with several flooding episodes during the period.

To date Reward has completed 12 trenches and test pumped eight. Data obtained is currently being modelled to provide transmissivity and specific yield data thereby providing trench dimensions required for a brine supply of approximately 70 million cubic metres per annum required for a 400,000TPA SOP operation². Results of this modelling will be available during the September Quarter.

Figure 1: Location of LD Test Trenches



Sustained pumping from the brine trenches has also commenced to confirm that long term modelling parameters match those observed from current pumping trials for the near surface zone of LD.

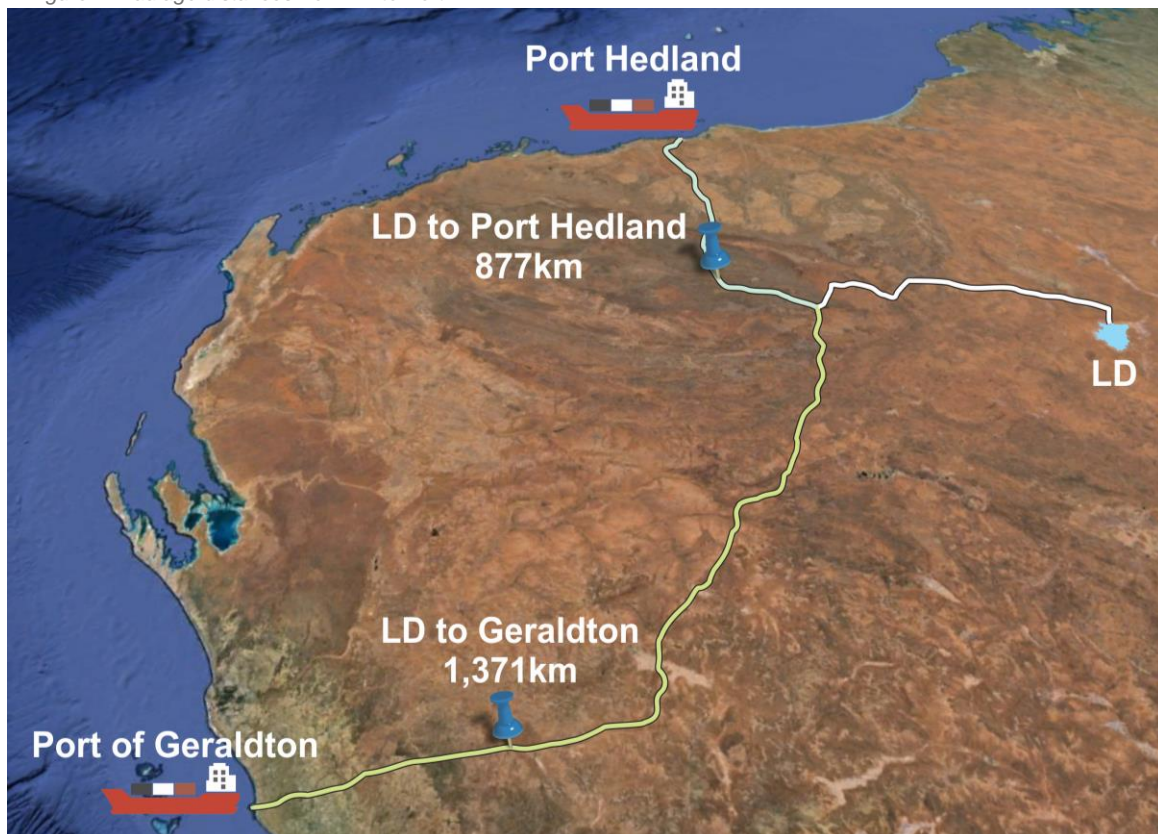
Transport Studies

During the quarter the Company announced it had executed a Memorandum of Understanding (“MOU”) with Mid West Ports Authority (“MWPA”) which manages the Port of Geraldton. The Company is conducting a joint investigation into port services relation to shipping SOP produced at the LD Project.

Detailed transport studies are also underway and comprise two key elements; 1) Cartage from LD to Newman via the unsealed Talawana Track following upgrading, then, 2) Cartage from Newman via the existing high quality bituminised Great Northern Highway.

Existing Project studies have assumed SOP will be hauled by road train to the Great Northern Highway via the upgraded Talawana Track and then continue north to Port Hedland for shipping. An estimated haulage cost of \$104 per tonne of SOP was assumed, equivalent to 30% of the FOB operating cost estimate (refer to ASX Announcement dated 2 April 2015)¹.

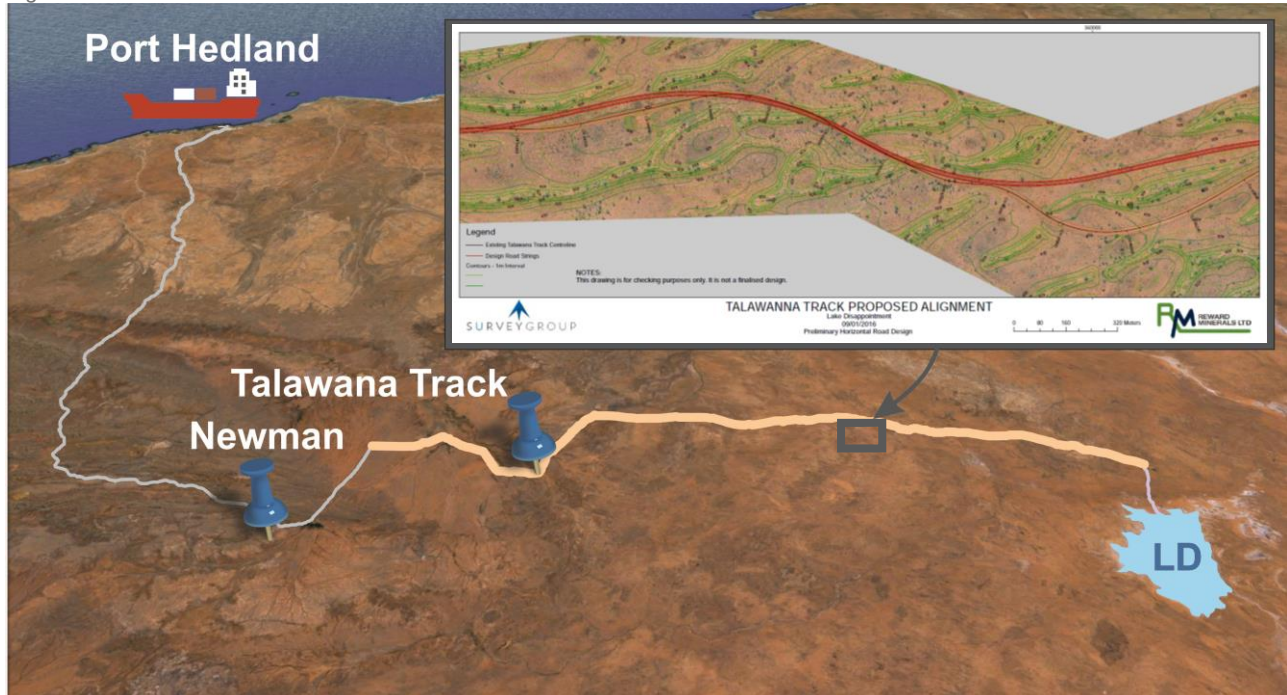
Figure 2: Haulage distances from LD to Port



This study follows the completion of a detailed survey of 250km of the Talawana Track and design for upgrades 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 were dispatched to prospective contractors for costing of this key feasibility parameter.

Figure 3: LD Haul Road



Preliminary cost quotations have been received and are in keeping with cost estimates provided within the LD Scoping Study. Discussions with relevant stakeholders are in progress to confirm agreements on the scope of works proposed.

Dora Potash Project

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

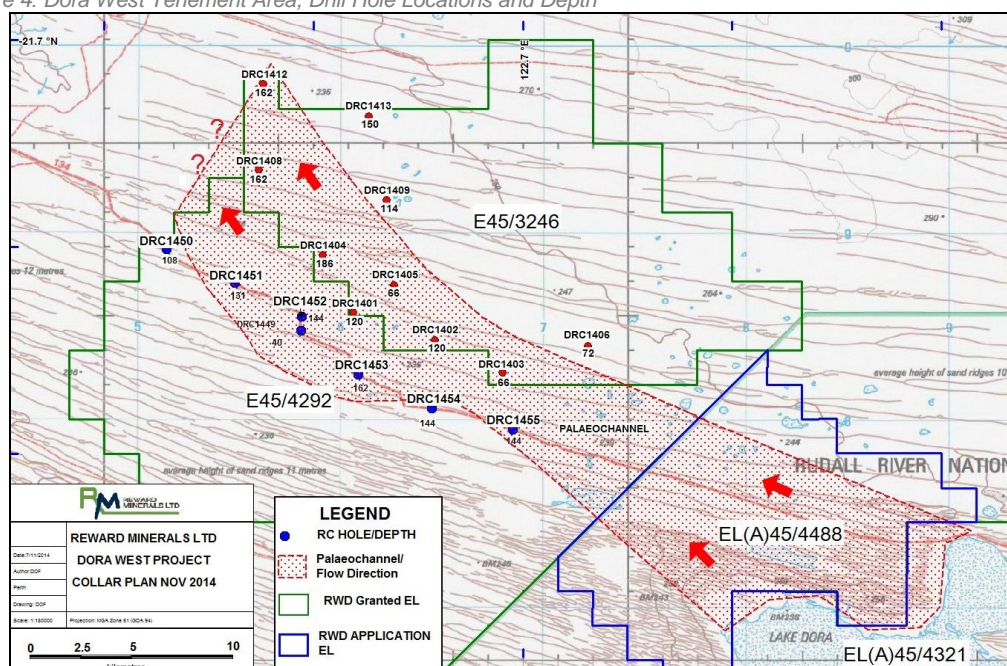
Earlier exploration at Dora targeted the palaeovalley which traverses the granted tenements located north-west of Lake Dora proper. To date 17 holes have been drilled. The static water table (SWT) in the drilling area is generally less than four metres below surface. Heavy brine flows were encountered 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, SO₄: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 4: Dora West Tenement Area, Drill Hole Locations and Depth



Yours faithfully

Michael Ruane
Director
on behalf of the Board

For further information please visit our website: www.rewardminerals.com

Notes

- 1: For more information on the 564Mt Resource estimate, refer to ASX Announcement dated 23 November 2015. Reward is not aware of any new information or data that materially affects the information included in said announcement.
- 2: The entity confirms in this report that all the material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the initial public report referred to in this ASX Announcement continue to apply and have not materially changed.

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 30 June 2016

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
LD, Western Australia				
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%	-	-
Dora West, Western Australia				
E45/3246	Granted	100%	-	-
E45/4292	Granted	100%	-	-
EL(A)45/4321	Application	-	-	-
EL(A)45/4488	Application	-	-	-
Karly, Western Australia				
E45/4273	Granted	100%	-	100%
E45/4274	Granted	100%	-	100%
E45/4293	Granted	100%	-	100%
E45/4299	Granted	100%	-	100%