



AND CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2017

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Corporate Particulars

DIRECTORS

Colin McCavana
Michael Ruane
Rod Della Vedova

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone (08) 9315 2333
Facsimile (08) 9315 2233

COMPANY SECRETARIES

Bianca Taveira

AUDITORS

Rothsay Auditing
Chartered Accountants
Level 1, Lincoln Building
4 Ventnor Avenue
West Perth WA 6005
Telephone (08) 9486 7094

REGISTERED OFFICE

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BANKERS

Australia and New Zealand Banking Group Ltd

Directors' Report

Your directors present their report on the consolidated entity consisting of Reward Minerals Ltd and the entities that it controls (“Reward” or “the Group”) at the end of, or during, the half-year ended 30 June 2017.

DIRECTORS

The following persons held office as directors of Reward at the date of this report or were directors at any time during the half-year:

Colin McCavana
Michael Ruane
Rod Della Vedova
Gary Lethridge (Appointed 3 April 2017, Resigned 17 May 2017)

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity is principally engaged in mineral exploration in Australia. The consolidated entity realised a profit after taxation of \$2,120,171 (2016: \$457,781 loss) for the half-year ended 30 June 2017.

LD SOP Project – Western Australia

The LD SOP Project is located within the Little Sandy Desert region of the northwest of Western Australia and comprises of over 4,000km² of granted Exploration and Mining Licences.

LD SOP Resource Estimates

During the half year, Reward announced an upgrade of SOP resource estimates for the LD Project prepared by Strategic Water Management. (See RWD ASX Announcement dated 7 February 2017).

The in situ water soluble SOP Mineral Resource estimate increased to 596 Million tonnes

The Drainable (Extractible) Resource was estimated at 153 Million tonnes of SOP contained in brine averaging 11.35kg SOP/m³ of brine.

A shallow Drainable SOP Resource from lake surface to six metres depth is estimated at 7.5Mt grading 13.4kg SOP/m³ of brine. The LD Resource estimates place LD as the largest SOP Resource outlined to date in Australia.

Development Status

Reward undertook a Scoping Study for the LD project in 2015 which indicated very favourable economics for the project. Capital cost estimate for a 400kt per annum operation was \$320M. Operating cost was estimated to be \$328 per tonne SOP including freight to port. The SOP price at the time of the study was \$700 per tonne. Works by the Company since that time have focussed on defining project costs to ±20% accuracy for the Pre-Feasibility Study/Feasibility assessment. While these works are well advanced, flooding of LD severely delayed the pilot evaporation and brine seepage trials required for finalising evaporation pond sizing and Potash recovery parameters for the operation.

Pre- Feasibility Study

A Pre-Feasibility Study (PFS) for the proposed development of the LD Project based upon an annual production level of 400,000 tonnes per annum of SOP is in progress.

Capital and Operating cost estimates have now been developed for most cost centres of the Project with cost estimates for the Process Water bore field and the evaporation ponds to be finalised. Initial design of the pond and brine supply systems have been completed by Knight Piesold (see Figures 1 and 2). Finalisation of the designs and construction costs will occur when data from the current on site seepage trials become available. These are the key cost centres remaining to be established for the completion of the PFS.

Directors' Report

REVIEW AND RESULTS OF OPERATIONS continued

Figure 1

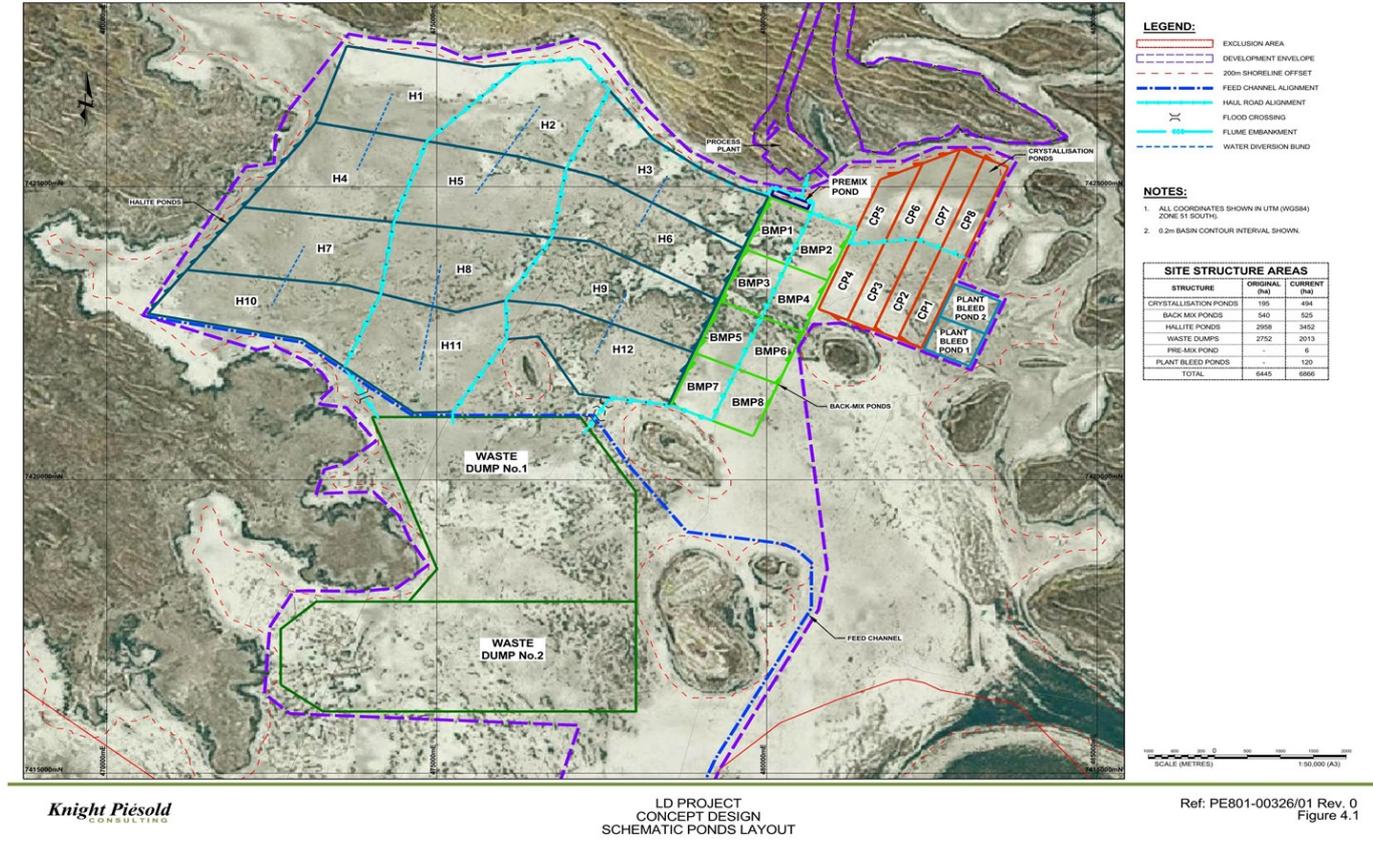
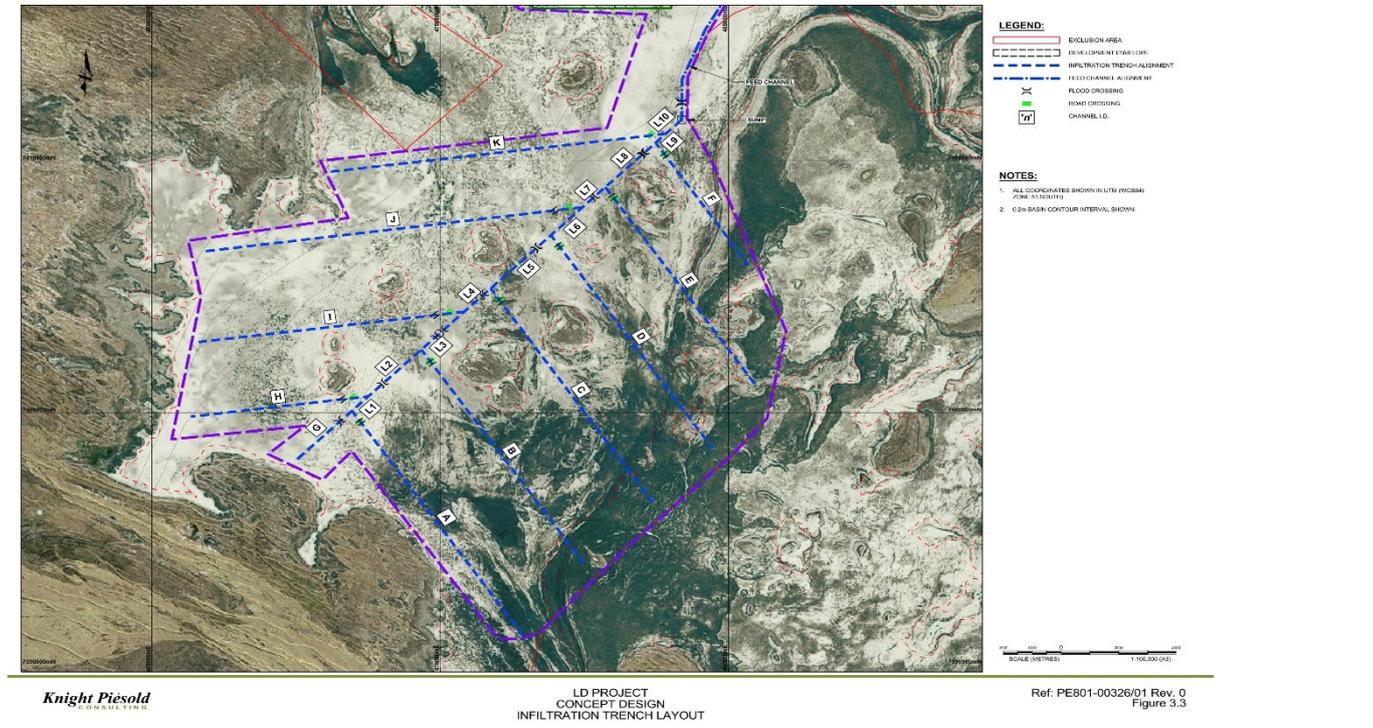


Figure 2

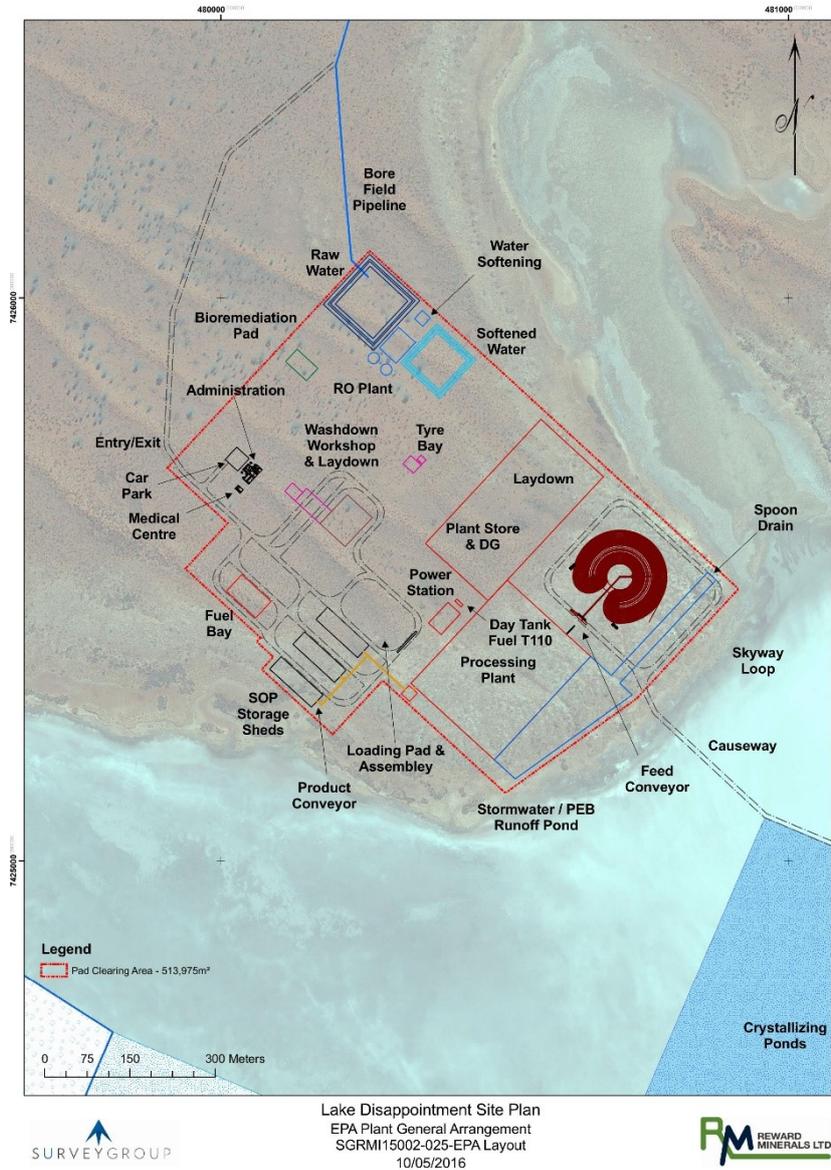


Directors' Report

REVIEW AND RESULTS OF OPERATIONS continued

Capital costs for the process plant and associated infrastructure have been received based on the design and layout proposed – see Figures 3 and 4. Operating costs for plant unit operations are also on hand. As indicated above, these Capital and Operating costs will be finalised when the pond and brine supply cost parameters become available and are incorporated into the PFS document.

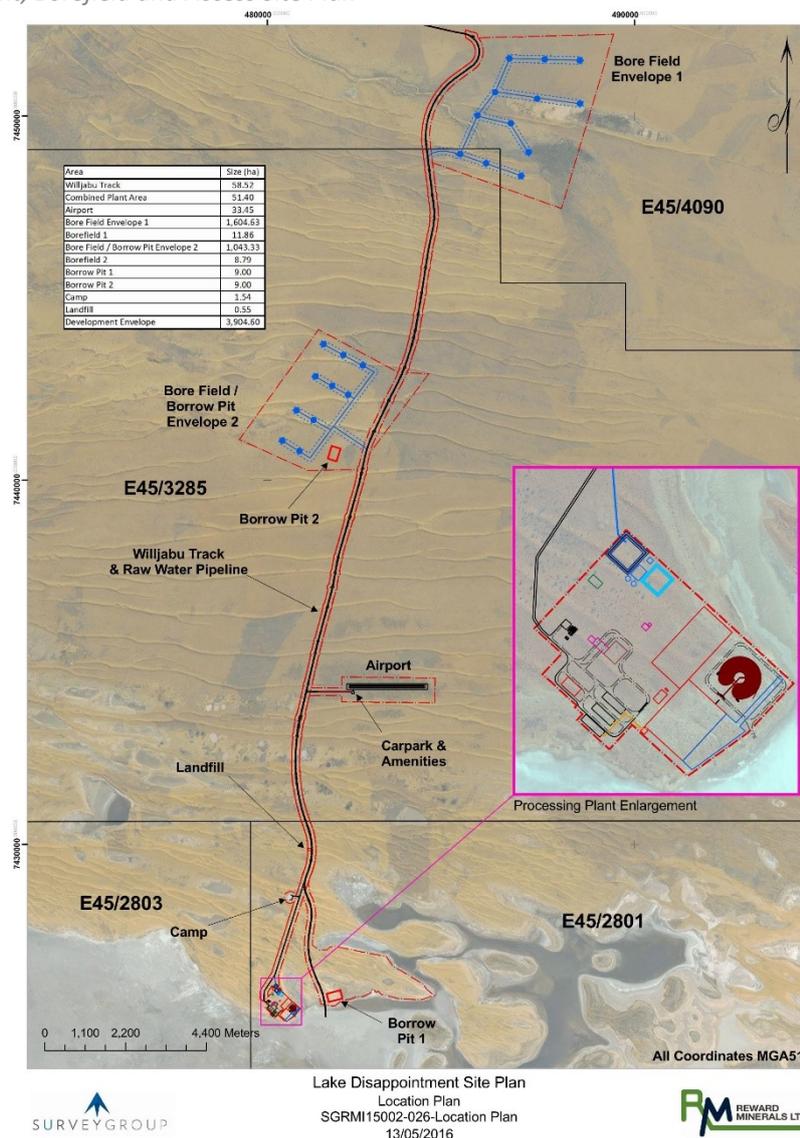
Figure 3 Plant Site – Layout Plan



Directors' Report

REVIEW AND RESULTS OF OPERATIONS continued

Figure 4 LD Project – Plant, Borefield and Access Site Plan



Directors' Report

REVIEW AND RESULTS OF OPERATIONS *continued*

Environmental Approval Submissions

Initial submissions to the Department of the Environment (DOEE-Federal) and the Environmental Protection Authority (EPE-WA) were made in June 2016 in respect of the LD Potash Project.

The EPA advised that the LD Project will be assessed through the Public Environmental Review (PER) process. An Environmental Scoping Document (ESD) was developed in conjunction with the EPA. The resultant agreed Scope of works is now being finalised to satisfy environmental approvals for the Project.

Field studies for the various environmental aspects of the Project have been completed and preparation of submission documents well advanced. It is expected that submissions will be lodged during the September quarter of 2017.

Competent Persons Statement

This information in this report that relates to Resource Estimation and hydrogeology is 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 is employed by Strategic Water Management and is a consultant to Reward Minerals 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 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 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.

Forward Looking Statements

This report may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publically any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Cautionary Statement

The Scoping Study referred to in this announcement is based on lower-level technical and economic assessments and is insufficient to support estimation of Ore Reserves, or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. Further, the Company cautions that there is no certainty that the forecast financial information derived from production targets will be realised. All material assumptions underpinning the production targets and forecast financial information derived from the production targets are set out in this announcement. The estimated mineral resources underpinning the Scoping Study production targets have been prepared by competent persons in accordance with the current JORC Code 2012 Edition and the current ASX Listing Rules.

The Company has concluded it has a reasonable basis for providing the forward looking statement included in this report.

Directors' Report

REVIEW AND RESULTS OF OPERATIONS *continued*

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 half year report continue to apply and have not materially changed.

No New Information or Data

This half year report contains references to Mineral Resource estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Funding

No shares were issued during the half year.

Matters Subsequent to the End of the Financial Period

There were no matters subsequent to the end of the financial period.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Rothsay Chartered Accountants, the consolidated entity's auditors, as presented on page 15 of this half-year's financial report.

This report is made in accordance with a resolution of directors, and signed for on behalf of the Board by:

M RUANE
MANAGING DIRECTOR

13 September 2017, Perth

Consolidated Statement of Comprehensive Income for the Half-Year Ended 30 June 2017

	Note	June 2017 \$	June 2016 \$
Revenue from continuing operations	2(a)	2,635,986	75,939
		2,635,986	75,939
Depreciation		(94,610)	(107,349)
Audit fees		(14,000)	(10,000)
Consulting fees		(31,283)	(32,128)
Exploration expenses		(15,485)	(48,375)
Legal expenses		(5,827)	-
Administration expenses		(169,614)	(123,033)
Employee costs		(184,996)	(212,835)
		(515,815)	(533,720)
Profit/(Loss) before income tax		2,120,171	(457,781)
Income tax (expense)/benefit		-	-
Profit/(Loss) for the half-year		2,120,171	(457,781)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Profit/(loss) for the half-year and total comprehensive income attributable to Members of Reward Minerals Ltd		2,120,171	(457,781)
Basic profit/(loss) per share (cents)		1.56	(0.37)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position for the Half-Year Ended 30 June 2017

	Note	June 2017 \$	December 2016 \$
Current Assets			
Cash and cash equivalents		2,080,628	4,957,035
Trade and other receivables	3	2,751,520	187,958
Total current assets		4,832,148	5,144,993
Non-Current Assets			
Property, plant and equipment		834,846	885,273
Exploration and evaluation expenditure	7	17,631,916	15,350,960
Mine development expenditure		13,645,113	13,645,113
Total non-current assets		32,111,875	29,881,346
Total assets		36,944,023	35,026,339
Current Liabilities			
Trade and other payables		620,984	823,471
Total current liabilities		620,984	823,471
Total liabilities		620,984	823,471
Net assets		36,323,039	34,202,868
Equity			
Contributed equity	8	35,844,508	35,844,508
Reserves		10,287,346	10,287,346
Accumulated losses		(9,808,815)	(11,928,986)
Total equity		36,323,039	34,202,868

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Half-Year Ended 30 June 2017

	Contributed Equity \$	Share- Based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 January 2017	35,844,508	10,287,346	(11,928,986)	34,202,868
Comprehensive income for the half-year				
Profit/(Loss) for the half-year	-	-	2,120,171	2,120,171
Total comprehensive income for the half-year	-	-	2,120,171	2,120,171
Transactions with owners in their capacity as owners:				
Share issue	-	-	-	-
Cost of share issue	-	-	-	-
Options conversion	-	-	-	-
Balance at 30 June 2017	35,844,508	10,287,346	(9,808,815)	36,323,039
Balance at 1 January 2016	32,039,099	10,287,346	(13,389,556)	28,936,889
Comprehensive income for the half-year				
Profit/(Loss) for the half-year	-	-	(457,781)	(457,781)
Total comprehensive income for the half-year	-	-	(457,781)	(457,781)
Transactions with owners in their capacity as owners:				
Share issue	-	-	-	-
Cost of share issue	-	-	-	-
Options conversion	3,805,409	-	-	3,805,409
Balance at 30 June 2016	35,844,508	10,287,346	(13,847,337)	32,284,517

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Half-Year Ended 30 June 2017

	June 2017 \$	June 2016 \$
Cash Flows From Operating Activities		
Payments to suppliers and employees	(406,514)	(93,185)
Interest received	18,030	67,624
Net cash outflow from operating activities	(388,484)	(25,561)
Cash Flows From Investing Activities		
Payments for mineral exploration	(2,443,742)	(3,692,354)
Payment for plant and equipment	(44,181)	(130,704)
Net cash outflow from investing activities	(2,487,923)	(3,823,058)
Cash Flows From Financing Activities		
Proceeds from conversion of options	-	3,805,409
Net cash inflow from financing activities	-	3,805,409
Net increase/(decrease) in cash held	(2,876,407)	(43,210)
Cash and cash equivalents at the beginning of the half-year	4,957,035	6,299,346
Cash and cash equivalents at the end of the half-year	2,080,628	6,256,136

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the Half-Year Ended 30 June 2017

1. Summary of Significant Accounting Policies

a. Basis of Preparation of Half-Year Report

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2016 and any public announcements made by Reward Minerals Ltd during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value for certain classes of assets. The accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial report, except as set out below:

New and Revised Accounting Standards and Interpretations

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

	Half-Year Ended June 2017 \$	Half-Year Ended June 2016 \$
2. (a) Revenue from continuing operations		
Interest income	22,192	67,624
Research and development tax rebate receivable (Note 3(i))	2,592,320	-
Sundry income	21,474	8,315
	2,635,986	75,939
3. Receivables	June 2017 \$	Dec 2016 \$
Prepayments	24,751	29,553
GST receivable	109,867	112,297
Other receivables	24,582	46,108
R & D tax rebate receivable (Note i)	2,592,320	-
	2,751,520	187,958

(i) During the period, the consolidated entity applied for a rebate from the Australian Taxation Office of \$2,592,320 representing the tax value of research and development costs for the year ended 31 December 2016. This refund amount was issued by the ATO in June 2017 and was received in July 2017.

Notes to the Consolidated Financial Statements for the Half-Year Ended 30 June 2017

4. Commitments for Expenditure

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 WDLAC 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.

5. Dividends

No dividends have been paid or proposed to be paid during the period.

6. 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 mining and 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.

7. Capitalised exploration expenditure

Exploration and evaluation expenditure at 1 January
Exploration expenditure capitalised during the period

	June 2017 \$	December 2016 \$
	15,350,960	8,478,406
	2,280,956	6,872,554
Exploration and evaluation expenditure	17,631,916	15,350,960

8. Contributed Equity

	2017 Shares	2016 Shares	2017 \$	2016 \$
Issue of ordinary shares during the half-year				
Balance at 1 January	135,760,396	119,756,762	35,844,508	32,039,099
Options conversion	-	11,037,561 [^]	-	3,805,409*
Balance at 30 June	135,760,396	130,794,323	35,844,508	35,844,508

* includes \$1,241,519 funds received in June 2016, shares issued in July 2016.

[^] includes 1,310,000 options exercised in December 2015 with shares issued January 2016.

Directors' Declaration

1. In the opinion of the Directors of Reward Minerals Ltd:
 - a. The financial statements and notes set out on pages 8 to 13, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2017 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements.
 - b. there are reasonable grounds to believe that Reward Minerals Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001, and signed for on behalf of the Board by:

M RUANE
MANAGING DIRECTOR

13 September 2017, Perth

Auditor's Independence Declaration



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 Ltd
PO Box 1104
Nedlands WA 6909

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 review of the 30 June 2017 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'R. Garda', written over a light blue horizontal line.

Rolf Garda (Lead auditor)

Rothsay Auditing

Dated 13 September 2017



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Independent Review Report to the Members of Reward Minerals Ltd



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Independent Review Report to the Members of Reward Minerals Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Reward Minerals Ltd for the half-year ended 30 June 2017.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 30 June 2017 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Reward Minerals Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Reward Minerals Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 30 June 2017 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read 'Rolf Garda'.

Rothsay Auditing

A handwritten signature in blue ink, appearing to read 'Rolf Garda'.

Rolf Garda
Partner

Dated 13 September 2017



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).