

FORTESCUE AND REWARD EXECUTE \$2 MILLION FARM-IN AND JOINT VENTURE AGREEMENT

13 NOVEMBER 2019

ASX CODE: RWD

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Advanced stage sulphate of potash (“SOP”) exploration and development company Reward Minerals Ltd (“Reward” or “the Company”) is pleased to advise that it has executed a Farm-in and Joint Venture Agreement with Fortescue Metals Group Ltd (“Fortescue”) in the McKay Range, located in north-western Western Australia.

The McKay Range Farm-in and Joint Venture Agreement (“McKay Farm-in”), between Holocene Pty Ltd (“Holocene”), a wholly owned subsidiary of Reward and FMG Resources Pty Ltd, a wholly owned subsidiary of the Fortescue Metals Group Ltd, is over Holocene’s E45/3285 and E45/4090 (“Tenements”) which lie immediately north of Lake Disappointment (see Figure 1). Reward, via Holocene, will retain all rights to evaporite minerals such as potassium and magnesium on the Tenements (“Potash Rights”).

In addition, Reward’s rights in relation to the Lake Disappointment SOP Project’s infrastructure requirements are protected under the agreement.

Fortescue, who will be the operator of the Farm-in and Joint Venture, has the right to earn an 80% joint venture interest (“JV interest”) in the Tenements by spending \$2 million over four years, with a minimum expenditure obligation of \$400,000. Once the \$2 million expenditure threshold has been met, a Joint Venture will be established after which both parties will either contribute to expenditure in accordance with their respective JV interests or dilute. If a party’s JV interest falls below 5%, that party’s JV interest will be converted to a 1% net smelter return royalty to be paid over the first five years of commercial production.

In addition to retaining the Potash Rights over the Tenements, Reward has also been granted the Potash Rights on two Fortescue tenements in the area, E45/5360 and E45/5361 (see Figure 1) for a nominal sum.

Greg Cochran, Reward’s CEO commented: “we are pleased to have been able to finalise this agreement with Fortescue which opens up these prospective tenements for further exploration. We are all aware of recent exploration successes in the region and believe that Fortescue will be an excellent partner to explore these tenements.”

Yours faithfully

Greg Cochran
Chief Executive
On behalf of the Board

Figure 1. Map of the McKay Range Farm-in, Joint Venture and Potash Rights Tenements

