

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2021

29 July 2021

ASX CODE: RWD

DIRECTORS

Colin McCavana
Chairman

Michael Ruane
Executive Director

Rod Della Vedova
Non-Executive Director

MANAGEMENT

Bianca Taveira
Company Secretary

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Highlights

- **Kumpupintil Lake SOP Project Title Adopted**
 - **Reward Minerals Ltd adopts Martu Traditional Owner title for its flagship Sulphate of Potash Project - WA**
- **Major Project Status Awarded for Reward's Kumpupintil ("KP") Lake SOP Project**
- **Bechtel Australia Pty Ltd complete Flow Sheet – Mass Balance model for the KP Lake SOP Project for PFS revision**
- **Officer Basin exploration to recommence following weather and technical delays**

Corporate Activities

Expenditure by Reward Minerals Limited ("Reward or "the Company") during the June 2021 quarter was approximately \$509,000. Of this approximately \$279,000 was expenditure on exploration and development activities. Available cash at the end of the period was approximately \$3.76 million which includes the loan facility of \$1.3 million provided by Director, Dr M Ruane which has been fully drawn down (see Appendix 5B for full disclosure on the loan facility terms). Interest accumulated on the loan to 30 June 2021 was \$127,356.

In accordance with ASX Listing Rule 5.3.5, \$17,000 was paid to related parties or their associates during the quarter, comprising of Director fees.

During the period, the Company received the resignation of its CEO, Mr Greg Cochran effective from 1 July 2021. Reward thanks Greg for his considerable efforts over the past three and a half years and his success in completion of the Pre-Feasibility Study and receipt of Environmental Approvals for the Company's flagship Kumpupintil Lake (Lake Disappointment) Potash Project.

Director, Michael Ruane will undertake the CEO duties pending appointment of a replacement for Mr Cochran.

Adoption of Kumpupintil Lake Title

During the quarter, Reward activated the name change of Lake Disappointment to the Martu Traditional Owners title of Kumpupintil Lake for its flagship SOP Project. Kumpupintil Lake was registered as the official name of the site in November 2020 (see mediastatements.wa.gov.au). Reward's announcement in respect of the change was released on 14 July 2021 following consultation with Western Desert Lands Aboriginal Corporation ("WDLAC"), the Prescribed Body Corporate ("PBC") representing the Martu Traditional Owners of the Lands within the Martu Determination Area.

The name Kumpupintil describes how the lake was formed and is linked to the Martu creation story where Martu warriors fought mighty giants in epic battles over the lake. The name also defines the ecological richness of the desert landscape which is important to Martu people for spiritual and ceremonial reasons and an important place for water and traditional food.

Reward acknowledges the significance of Kumpupintil Lake by assigning the name to its flagship SOP Project and seeks to work closely with WDLAC and Martu Traditional Owners in development of the Project.

Major Project Status Awarded – Kumpupintil Lake Project

Late in June 2021, Reward was advised by the Australian Government Major Projects Facilitation Agency that the Kumpupintil Lake SOP Project (formerly Lake Disappointment Project) had been awarded Major Project Status by the Agency.

A joint Ministerial Media Release from honourable Ministers' Christian Porter and Keith Pitt announcing the award was received by the Company on 29 June 2021. The release can be viewed via the link below.

[Major Project Status Award Release](#)

The Award is regarded by Reward as an important milestone for its Kumpupintil Lake SOP Project development and recognition of the importance to Australia of the future supply of strategic commodities such as Sulphate of Potash potentially available from the Project which is primarily used as agricultural fertiliser.

The Award is also of particular importance following on shortly after receipt of State and Federal Environmental Approvals for the Kumpupintil Lake SOP Project and at a time Reward is actively seeking a strategic partner for project development.

Bechtel Kumpupintil Lake Project Review

As previously announced, Bechtel, one of the world's leading engineering, construction, and project management companies, was engaged to review Reward's flagship Kumpupintil Lake SOP Project PFS. Reward completed the positive PFS in 2018 (see ASX releases dated 1 May and 13 July 2018) and subsequently investigated other technical developments to enhance the Project's economics. The appointment of Bechtel to conduct the Review and Options Study was driven by Reward's desire to have an independent engineering assessment of the Project following receipt of State and Commonwealth environmental approvals.

Bechtel completed the study late in the March 2021 quarter. The Bechtel draft report highlighted a number of technical and logistical improvements with potential for significant upside for project financial outcome.

On consideration of these potential enhancements, Reward commissioned Bechtel to conduct a further near term revision of the Project Flowsheet and Metallurgical Balance (SysCAD Modelling) incorporating updated technical parameters. This study was completed late in June 2021.

Following receipt of the SysCAD study from Bechtel, Reward has commissioned Northshore Capital Advisors Pty Ltd to update the Kumpupintil Lake SOP Project PFS Financial Model incorporating the revised operational parameters from the SysCAD model and other study based recommendations. The Northshore study has now commenced.

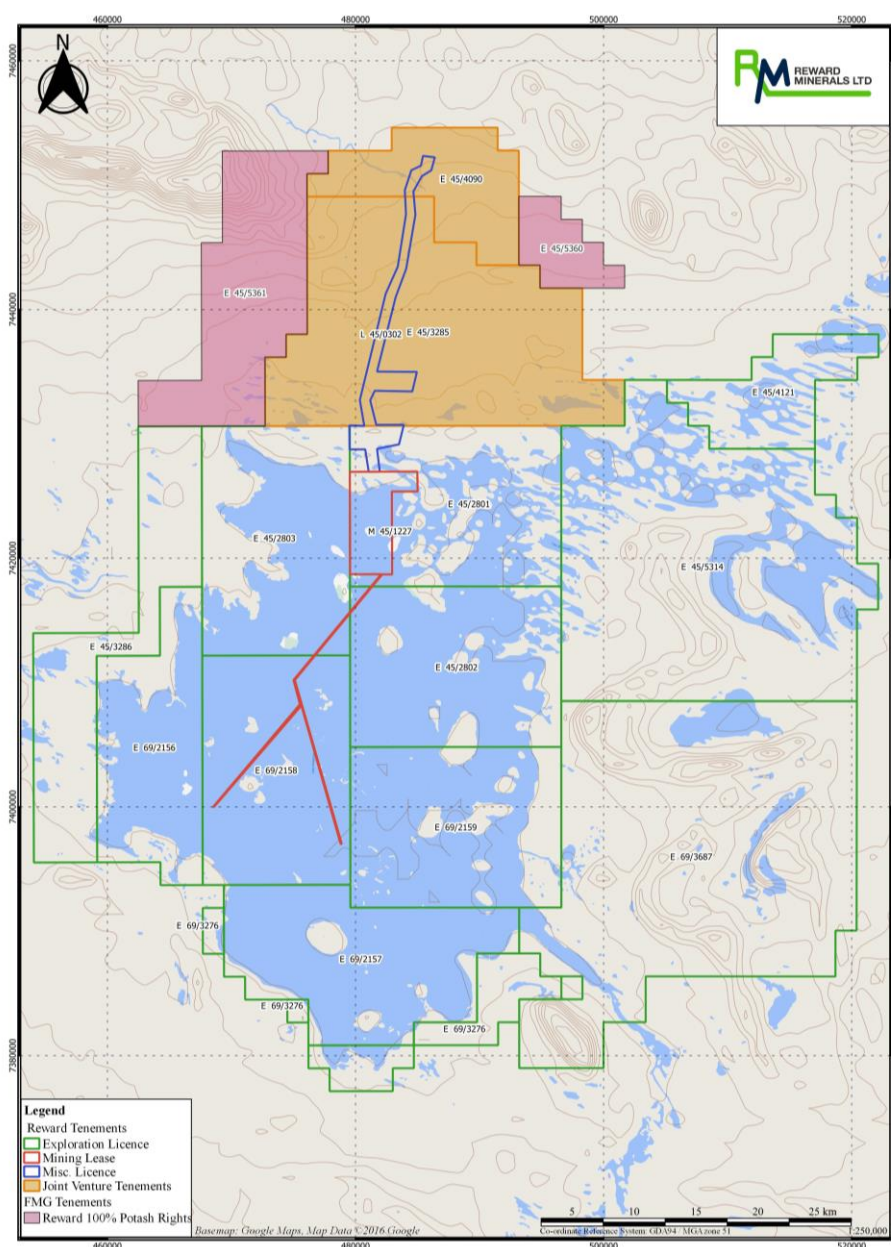
Mackay Range Farm-In Joint Venture – FMG/RWD

Late in 2019, Reward executed a Farm-In Exploration Joint Venture with FMG Resources Pty Ltd (“FMG”) covering Reward’s Exploration Licences 45/3285 and 45/4090 which form part of the Kumpupintil Lake SOP Project – see Figure 1.

FMG retain the right to earn an 80% interest in the Reward tenements by expenditure of \$2 million over four years. Reward retains 100% Potash Rights over E45/3285 and E45/4090 and over the two adjoining FMG tenements E45/5362 and E45/5360. For further details of the Agreement see Reward’s release dated 13 November 2019. Works on the Farm-In to date include helicopter VTEM geophysical survey, regolith mapping, ground gravity survey, passive seismic survey and surface sampling (soil, log rock chip). Subject to Heritage Survey clearances, FMG propose a program of additional surface soil sampling and drilling of a number of prospective targets within the JV tenure during the current field season.

JV expenditure by FMG to 30 June 2021 totals approximately \$740,000.

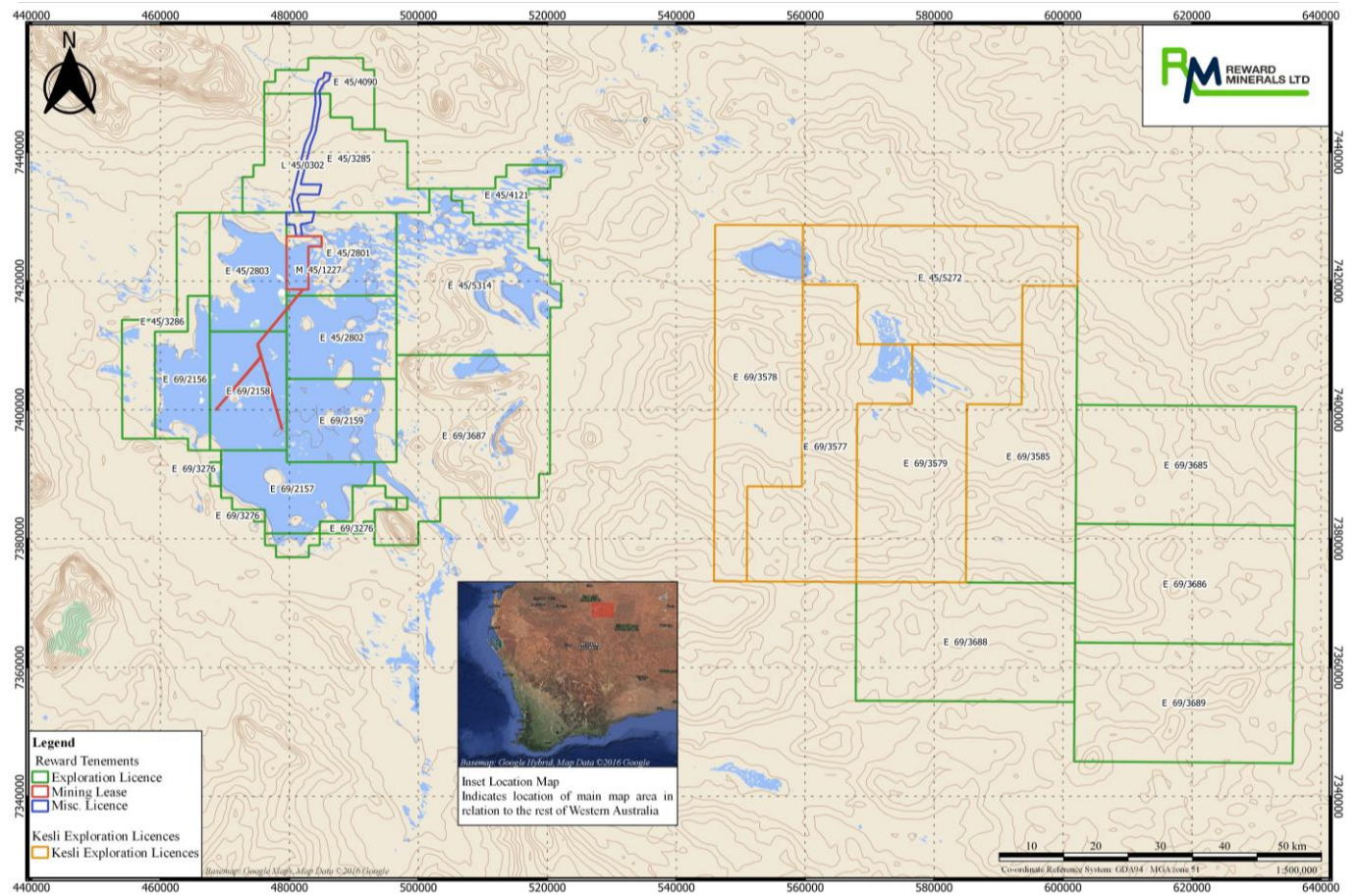
Figure 1. Map of the MacKay Range Farm-In, Joint Venture and Potash Rights Tenements



Officer Basin Exploration Program

As previously reported, Reward has drilled four exploration holes on its Officer Basin (“OB”) Project tenements, 100km east of its Kumpupintil Lake SOP Project, Western Australia – see Figure 2 and refer to ASX announcement dated 27 January 2021.

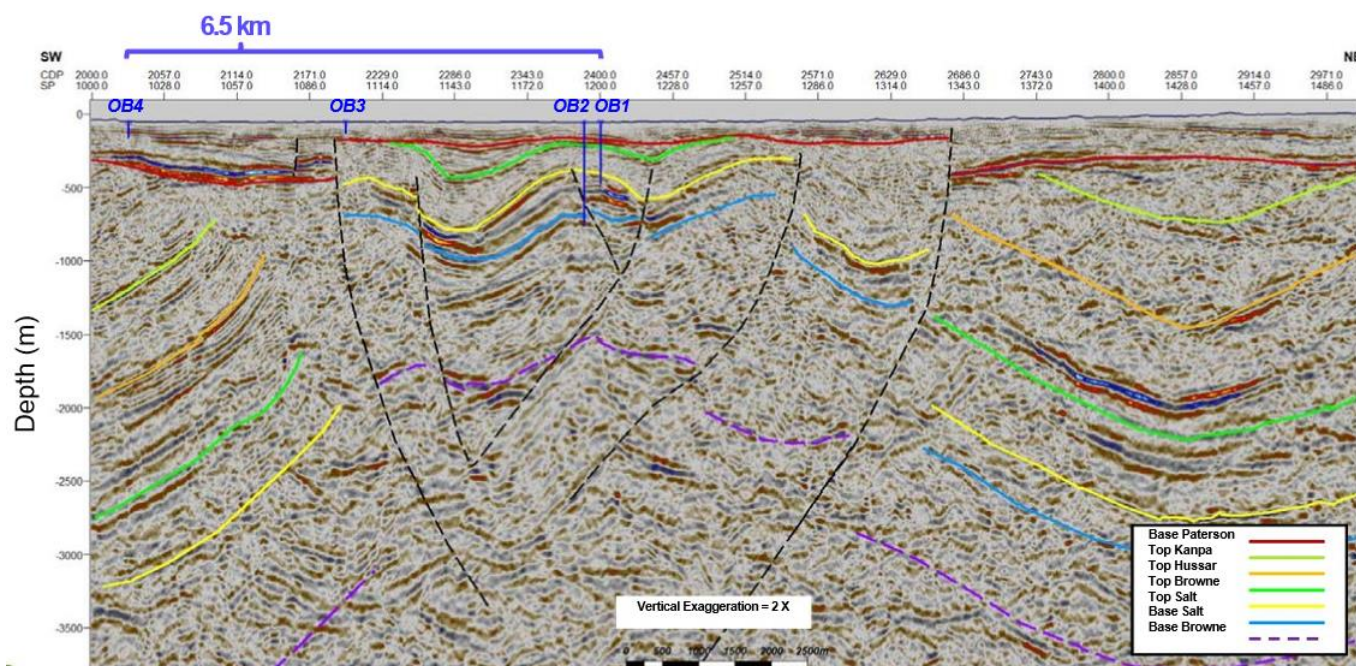
Figure 2 – Officer Basin (right) and Kumpupintil Lake (left) Tenements



The project concept is based on the potential for discovery of Potash mineralisation at shallow depth in Browne Formation evaporites known to exist in the Officer Basin.

Review and assessment of limited seismic data suggested that promising targets occurred along Seismic Line N83-1 - see Figures 3 and 4.

Figure 3 – Seismic Interpretation, Reprocessed Line N83-01



The first two of the four holes drilled (OB01 and OB02) were drilled to 419 metres and 706 metres depth respectively by a combination of mud rotary and core drilling. Two subsequent holes (OB03 and OB04) were drilled to shallow depths; only to assess the potential of the brine aquifer discovered via the initial holes. The brine encountered during pumping of the completed drill holes contained significant Potassium and Sulphate values - see ASX release dated 27 January 2021 and Table 1.

Table 1

Brine Source	Ionic Composition ⁱ								Key Ratios	
	K	SO ₄	K ₂ SO ₄ ⁱⁱⁱ	Ca	Mg	Na	Cl	NaCl ^{iv}	SO ₄ :K ^v	NaCl:K ₂ SO ₄ ^{vi}
OB01	3.85	27.42	8.59	0.69	3.23	45.14	64.26	114.7	7.1	13.3
OB03	3.80	25.50	8.47	0.75	3.28	40.65	63.15	103.3	6.7	12.2
OB04	3.85	25.65	8.59	0.75	3.27	40.93	62.78	104.0	6.7	12.1
KP ⁱⁱ	6.02	26.75	13.43	0.25	5.63	101.60	159.24	258.3	4.4	19.2

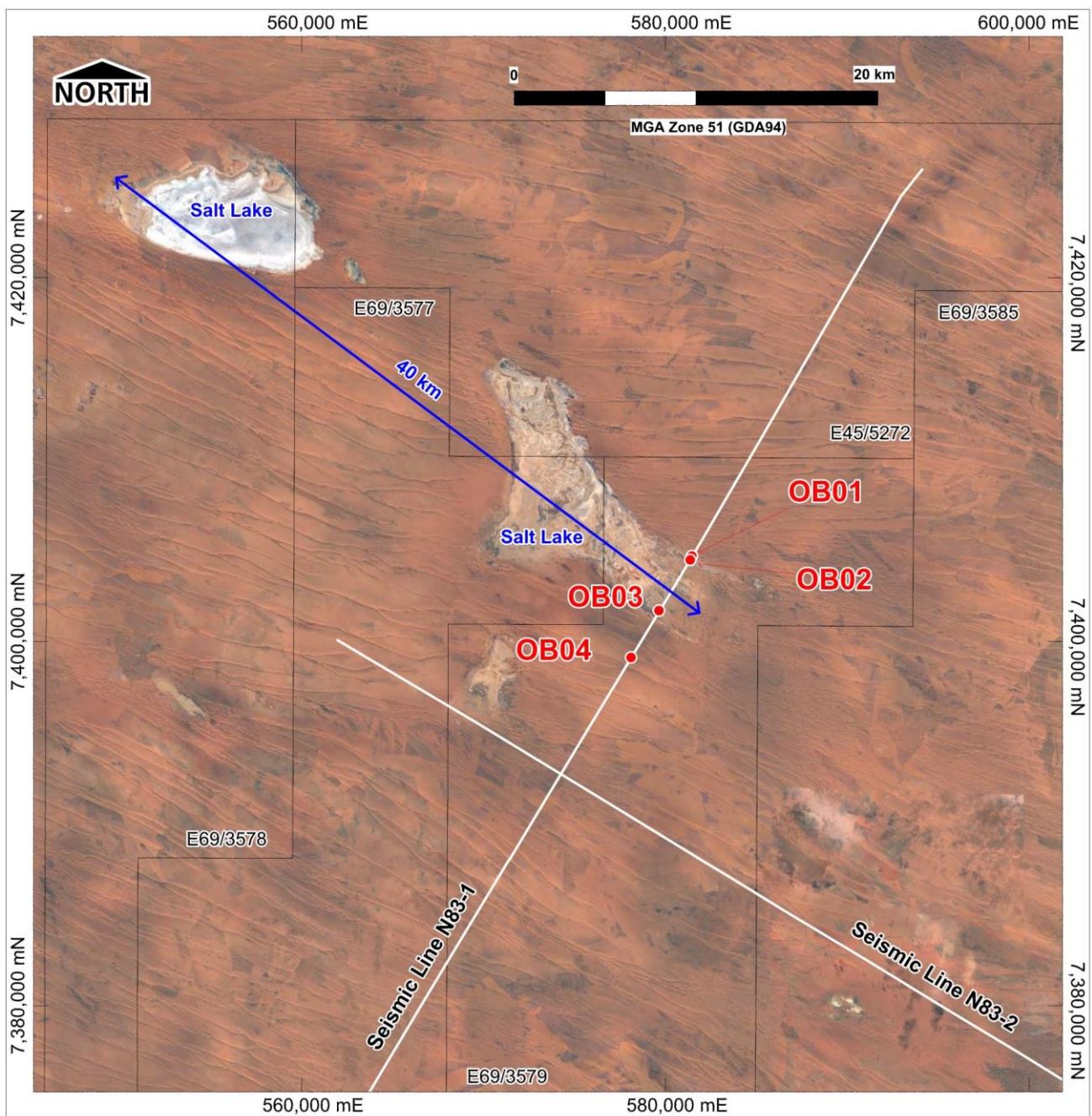
Footnotes:

- i. All units are kg/m³. Values are averages of individual analyses (see Appendix 1). K, K₂SO₄ and NaCl are calculated values – see note iii and iv respectively. Differences may occur due to rounding.
- ii. KP Brine average from PFS Metallurgical Mass Balance data, ASX release dated 1 May 2018 (see Appendix 1).
- iii. "Equivalent SOP" calculated from potassium values (K₂SO₄ = K x 2.23).
- iv. "Equivalent Salt" calculated from sodium values (NaCl = Na x 2.54).
- v. It should be noted that the OB brines have a considerably higher Sulphate (SO₄) content per unit of K compared to typical LD brine i.e. SO₄:K ratio of 6.7 – 7.1 vs 4.4 respectively. This factor is important in the recovery of SOP from the host brine upon evaporation.
- vi. This parameter indicates that the quantity of salt (NaCl) generated per tonne of SOP produced should be significantly lower for an OB brines compared to typical LD brine i.e. 12.1 - 13.3 vs 19.2 tonnes NaCl per tonne of SOP respectively.

While analysis of the drill cores from holes OB1 and OB2 has not yet been completed, it appears that no water soluble evaporites were encountered in these two holes.

From the available data it appears that an extensive brine aquifer may exist in the region currently being targeted by Reward. For context, the two highlighted salt lakes shown in Figure 4 are over 40 km apart with a corresponding 20 m fall in elevation from east to west. It is believed that historical brine sampling of the western (unnamed) dry lakebed by other parties returned potassium and sulphate grades in excess of those obtained by Reward in its OB exploration program to date.

Figure 4 – Officer Basin drill hole location plan ⁽¹⁾



⁽¹⁾ For hole collar coordinates refer to ASX release 27 January 2021.

Next Steps – Officer Basin Exploration

Commencement of the 2021 OB exploration program was held up by heavy rainfall in the region early in the year. Initial works will involve pumping trials on holes OB3 and OB4 to better define brine inflows and composition over extended time frames. Works will commence prior to the end of July 2021.

Subject to upcoming Heritage Clearance Surveys to be conducted with Martu Traditional Owners, Reward plans a series of shallow (<150m) mud rotary drill holes between the two playa lakes shown in Figure 4 to establish if significant east-west extent exists and if so, the potential brine flows and chemical composition.

Additional holes will be drilled along seismic line N83-1 to assess the lateral extent of the shallow aquifer.

Authorised for release by the Board of Reward Minerals Ltd

For further information please contact:

Michael Ruane
Executive Director

About Reward

Reward is an ASX-listed advanced-stage sulphate of potash exploration and development company. Reward's flagship is its 100%-owned Kumpupintil Lake SOP Project, located east of Newman in north-western Western Australia. The Project hosts Australia's largest high-grade brine SOP deposit in a region with the highest evaporation rate. Key environmental approvals are in place and development can commence on completion of final feasibility studies, secondary regulatory approvals and achievement of funding.

Reward completed a detailed, conservative Pre-Feasibility Study which was updated with improved logistics in July 2018. An Indigenous Land Use Agreement is in place with the Martu people, traditional owners of the land upon which Kumpupintil Lake is situated.

Forward-Looking Statements

This document may contain certain "forward-looking statements". When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Reward believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

For a more detailed discussion of such risks and uncertainties, see Reward's other ASX Releases, Presentations and Annual Reports. Readers should not place undue reliance on forward-looking statements. Reward does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this ASX Release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Exploration Results – Competent Persons Statement

The information in this report that relates to Exploration Results, Brine Assays and Analyses is based on information compiled by Dr Michael Ruane, a Competent Person who is a Member of The Royal Australian Chemical Institute. Dr Ruane is an Executive Director of Reward Minerals. Dr Ruane 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 Ruane consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Tenement Holdings as at 30 June 2021 (See Figure 2)

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
Kumpupintil Lake, Western Australia				
E45/2801	Granted	100%	-	-
E45/2802	Granted	100%	-	-
E45/2803	Granted	100%	-	-
E45/3285 ¹	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090 ¹	Granted	100%	-	-
E45/4121	Granted	100%	-	-
E69/2156	Granted	100%	-	-
E69/2157	Granted	100%	-	-
E69/2158	Granted	100%	-	-
E69/2159	Granted	100%	-	-
E69/3275	Granted	-	-	100%
E69/3276	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
E45/5314	Granted	100%	-	-
E69/3687	Pending	100%		
Officer Basin, Western Australia				
E45/5272 ²	Granted	-	-	-
E69/3577 ²	Granted	-	-	-
E69/3578 ²	Granted	-	-	-
E69/3579 ²	Granted	-	-	-
E69/3585	Granted	100%	-	-
E69/3685	Granted	100%	-	-
E69/3686	Granted	100%	-	-
E69/3688	Granted	100%	-	-
E69/3689	Granted	100%	-	-
Balfour, Western Australia				
L46/128	Pending	100%	-	-
Dora, Western Australia				
E45/4321	Pending	100%	-	-
E45/4488	Pending	100%	-	-

Notes:

1. Farm-in and Joint Venture Agreement with Fortescue Metals Group Ltd 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.
2. Tenements owned by Kesli Chemicals Pty Ltd.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

REWARD MINERALS LTD

ABN

50 009 173 602

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(279)	(568)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(82)	(153)
	(e) administration and corporate costs	(142)	(274)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – net GST (paid) / refunded	(6)	(3)
1.9	Net cash from / (used in) operating activities	(509)	(998)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(8)	(11)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(8)	(11)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	128
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(15)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	113

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,273	4,652
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(509)	(998)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(11)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	113

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,756	3,756

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,756	4,273
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,756	4,273

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	17
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	1,300	1,300
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,300	1,300
7.5	Unused financing facilities available at quarter end		0
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>In September 2019, Dr M Ruane, Reward's Executive Director, agreed to loan the Company \$1 million. During the September 2020 quarter, Dr M Ruane agreed to further loan the Company \$300,000. The loan is unsecured, on reasonable arm's length terms and attracts interest at 7.5% per annum payable quarterly in arrears. The total facility of \$1.3 million is fully drawn down.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(509)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(509)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,756
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,756
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2021

Authorised by the board.

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.