

REWARD MINERALS LIMITED



*Aiming to develop the
longest-life brine SOP
Project outside of China*

*Proactive Investors
One2One Forum, London*

26 June 2018



ASX | RWD
www.rewardminerals.com



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- ▶ **Corporate Snapshot**
- ▶ **What's in a name?**
- ▶ **SOP 101**
- ▶ **Brine 101**
- ▶ **Project Overview & PFS Results**
- ▶ **Next steps**
- ▶ **Conclusions**

CORPORATE SNAPSHOT



Capital Structure 29 May 2018 ASX:RWD

Ordinary Shares on Issue	135.8m
Rights and Options on Issue	4m
Share Price	\$0.195
Undiluted Market Capitalisation	\$26.5m
Short Term Debt	A\$1.0m
Net Cash & Equivalents ¹	~A\$1.7m
Undiluted Enterprise Value	A\$25.8m



Major Shareholders

Name	Shares (m)	%
Michael Ruane	34.3	25.2
Intermin Resources	6.0	4.4
Top 20 Shareholders	68.8	50.6



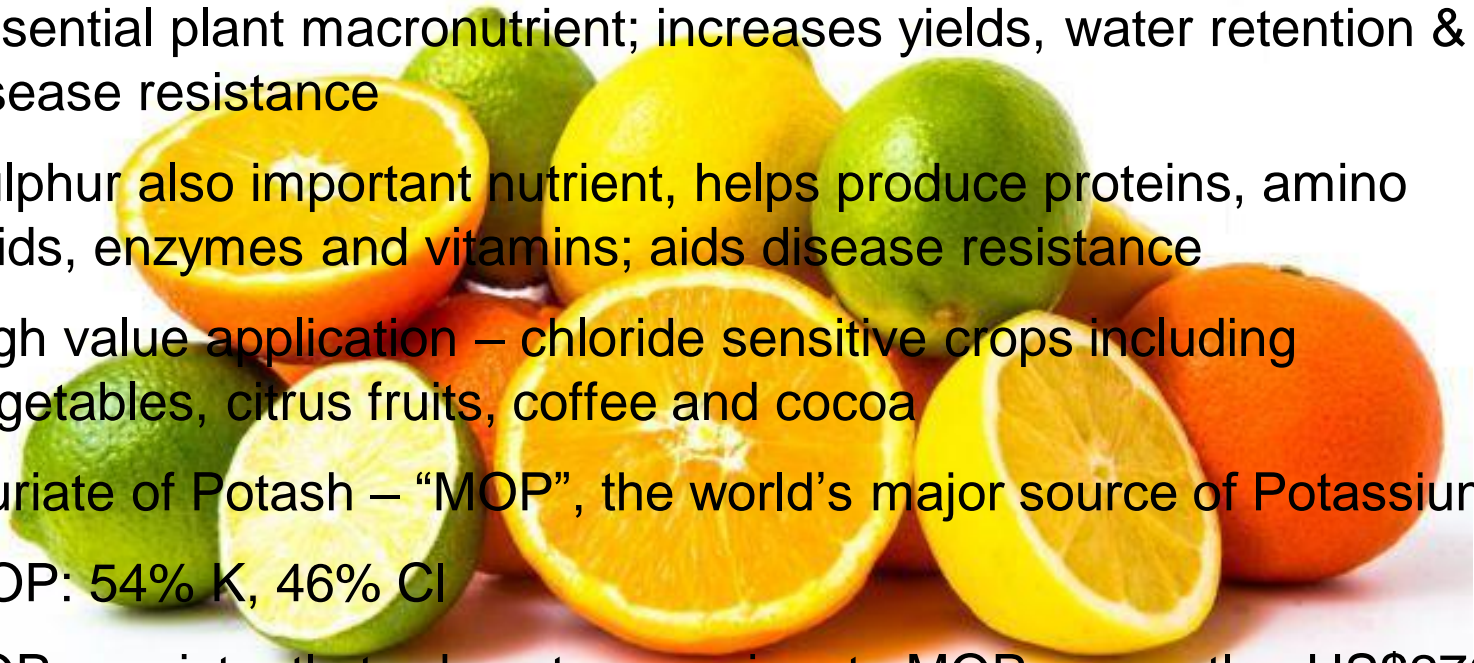
WHAT'S IN A NAME?





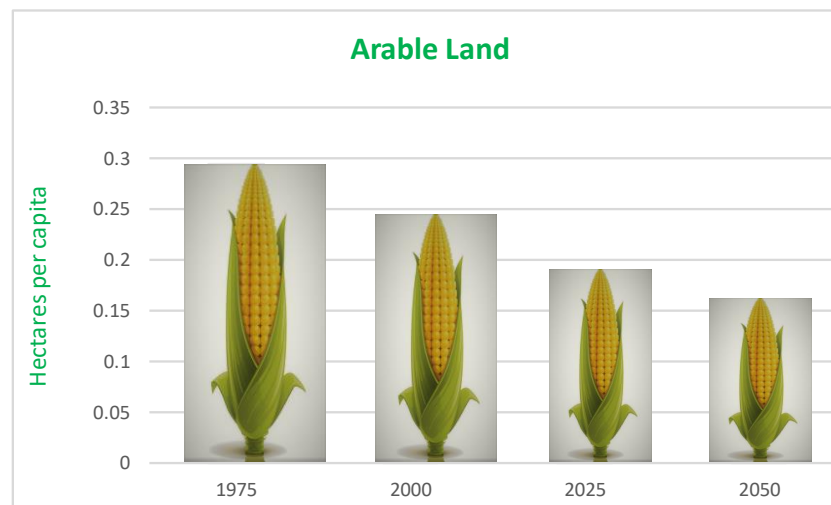
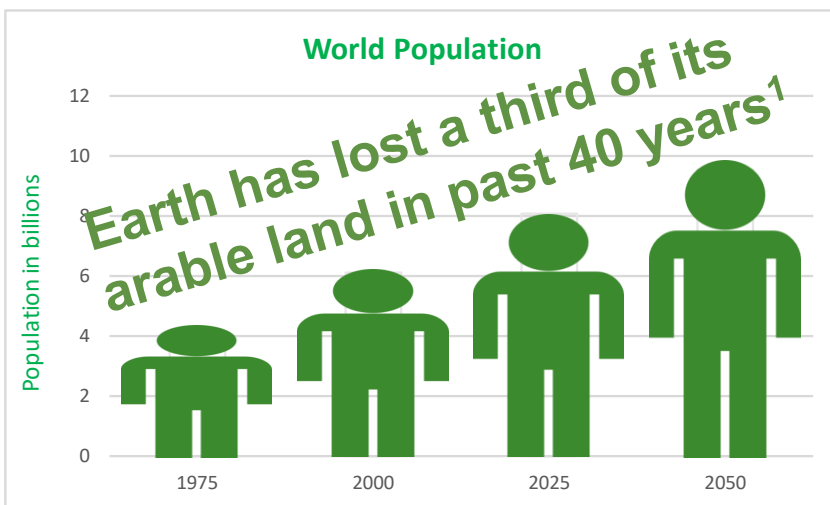
SOP is the premium Potash fertiliser

- ▶ Sulphate of Potash – “SOP” or K_2SO_4 (44.8% K, 55.2% S)
- ▶ Provides a chloride free source of potassium and sulphur
- ▶ Essential plant macronutrient; increases yields, water retention & disease resistance
- ▶ Sulphur also important nutrient, helps produce proteins, amino acids, enzymes and vitamins; aids disease resistance
- ▶ High value application – chloride sensitive crops including vegetables, citrus fruits, coffee and cocoa
- ▶ Muriate of Potash – “MOP”, the world’s major source of Potassium
- ▶ MOP: 54% K, 46% Cl
- ▶ SOP consistently trades at a premium to MOP, currently ~US\$270/t



MOP is a volume business, SOP is a value business

SOP 101: GROWTH DRIVERS

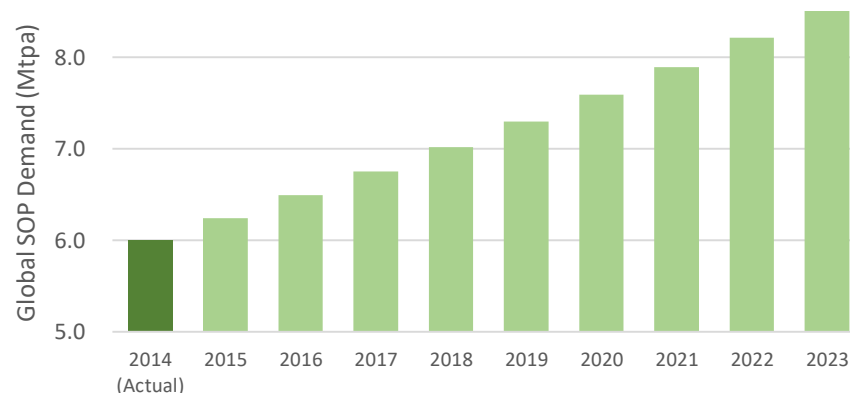


Source: FAO, USA Today, Company Analysis

Demand driven by

- ▶ Increasing population, decreasing arable land
- ▶ Diet influenced by changing demographics
- ▶ Concerns over increasing soil salinity
- ▶ Need for improved water efficiency
- ▶ Indian market could be a game changer

Grow forecast: at least 4% pa

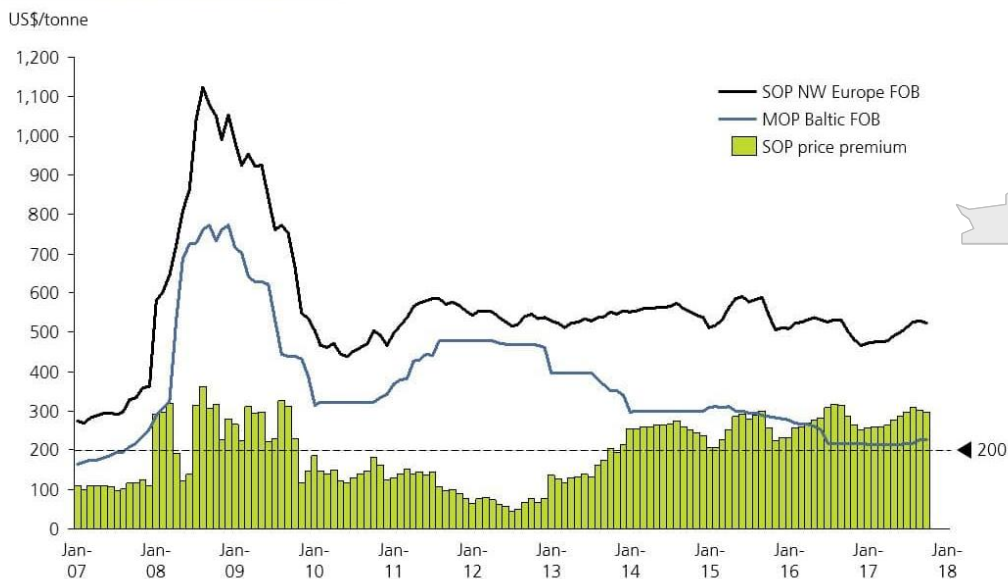


SOP 101: MARKETS AND PRICES



SOP is the premium Potash fertiliser

The SOP:MOP Price premium has stayed close to US\$270/t for most of the last three years



Historical Midpoint NW Europe SOP Prices

Source: Integer Research – Used with permission

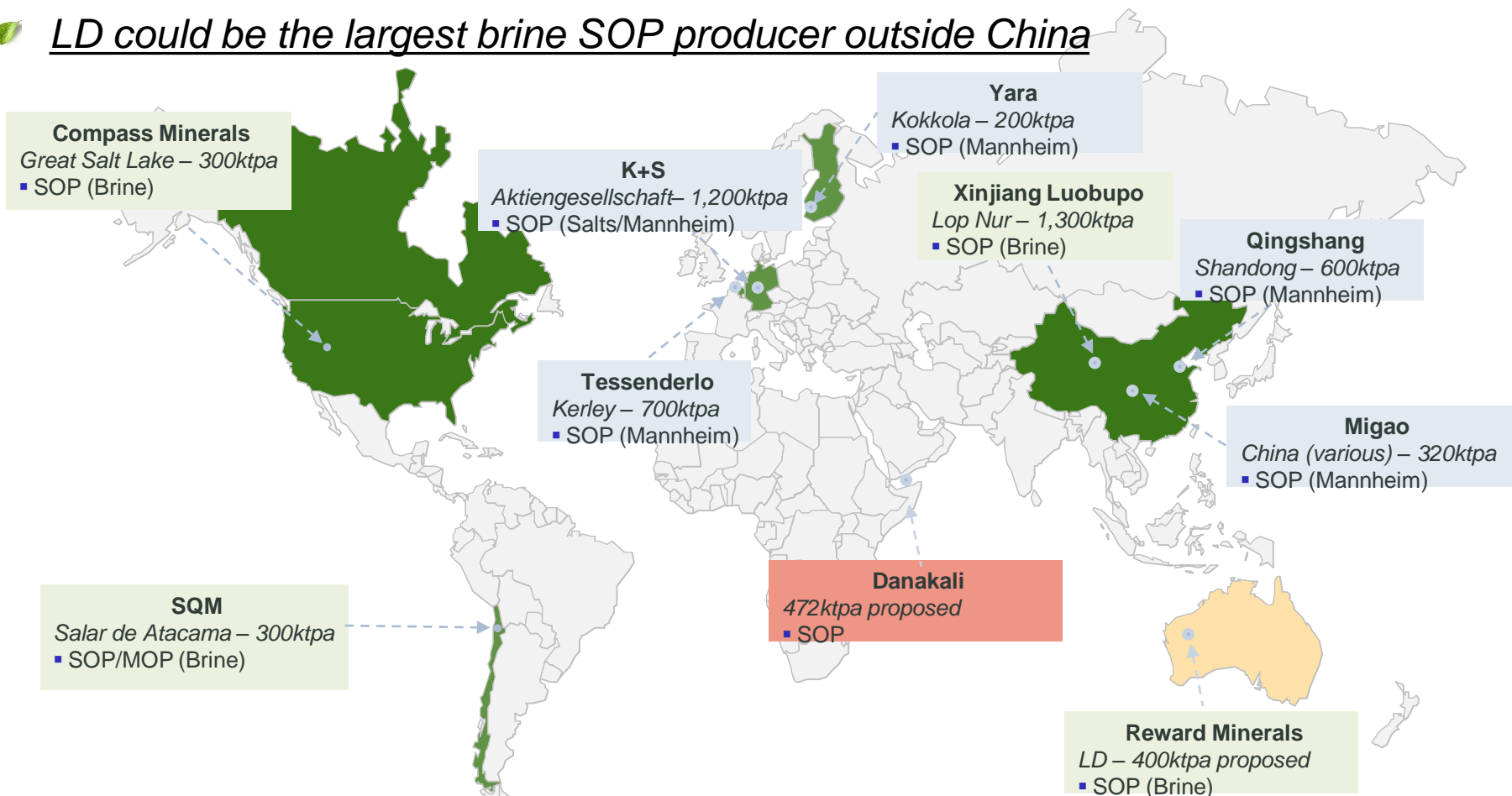
Key Growth Markets



SOP 101: PRODUCERS > 100ktpa



- Over 70% of SOP supply is from high cost Mannheim *and* K Salts Production
- LD could be the largest brine SOP producer outside China



- Notes:
1. Assumes 6Mtpa global production
 2. Represents approximately 82% of total production
 3. Some 32% sourced from brine production
 4. Reflects approximately 74% of Mannheim and K Salts production



Critical Success Factors for Brine-based SOP Operations

Geology

Operational Environment

Grade and Brine chemistry

Specific Yield/Permeability

Jurisdiction

Logistics

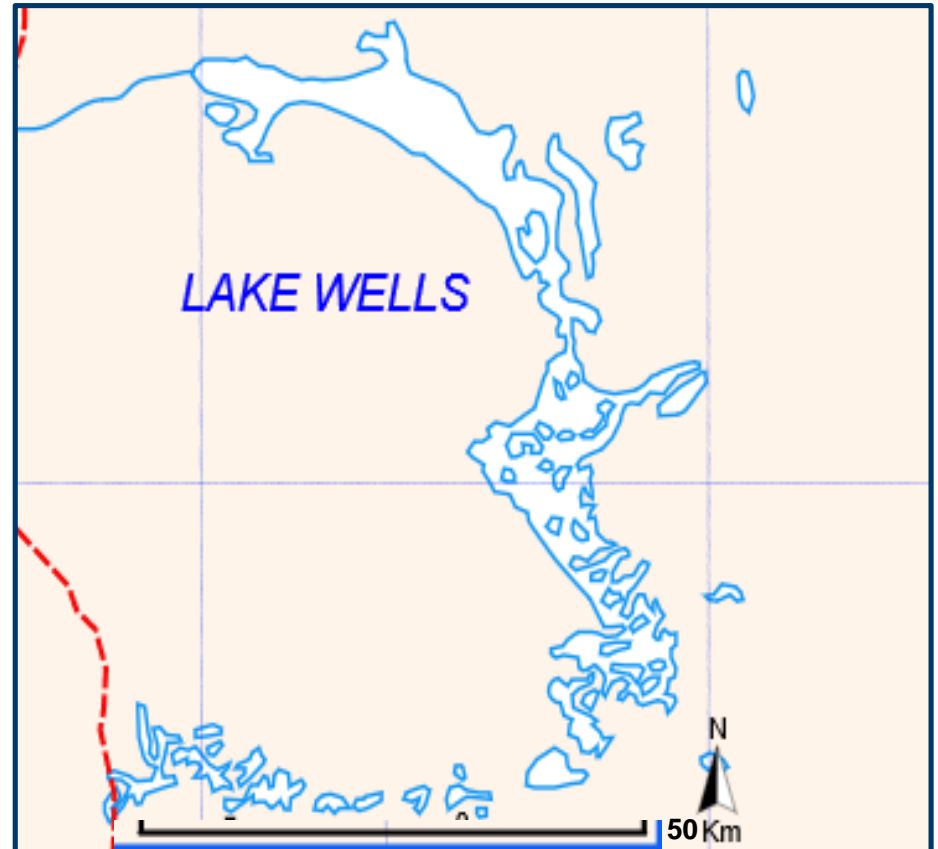
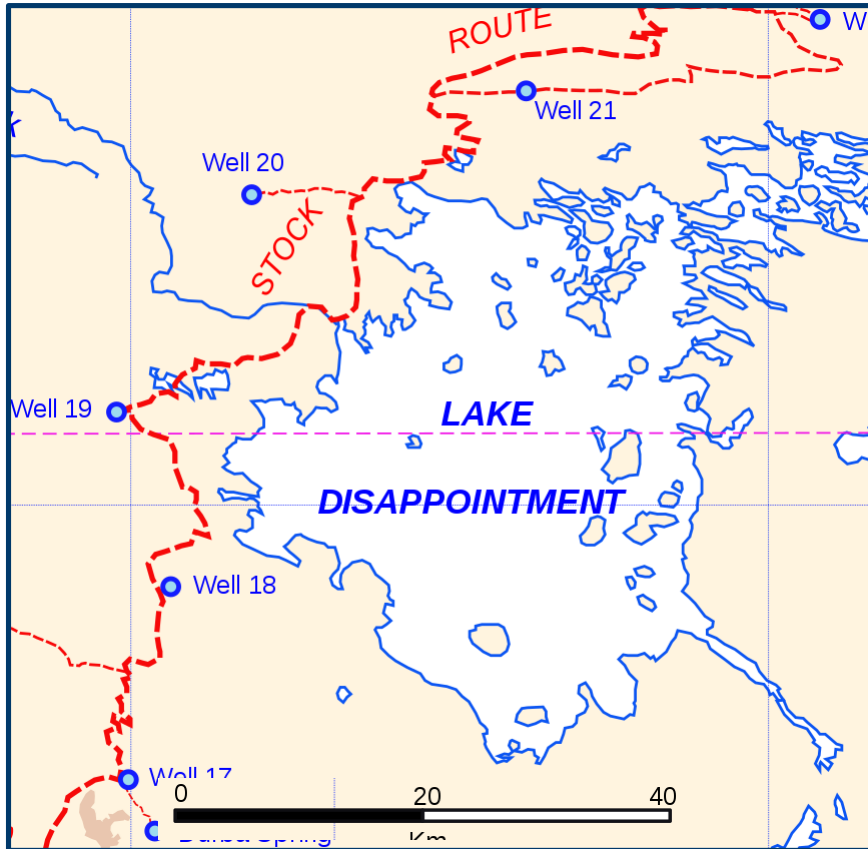
Catchment Area

Social Licence



Playa, or palaeochannel?

A picture paints a thousand words.....



There are no operational benefits or synergy from multiple, regionally dispersed deposits



Assuming the same operating environment, a 8.25 g/l SOP brine requires a halite evaporation pond area some **160% larger than a 13.4 g/l SOP brine**

Also, assuming similar seepage rates¹, an evaporation pond that is 160% larger will also suffer **~60% greater seepage losses, for the same SOP output**



IDEAL OPERATIONAL ENVIRONMENT – 1



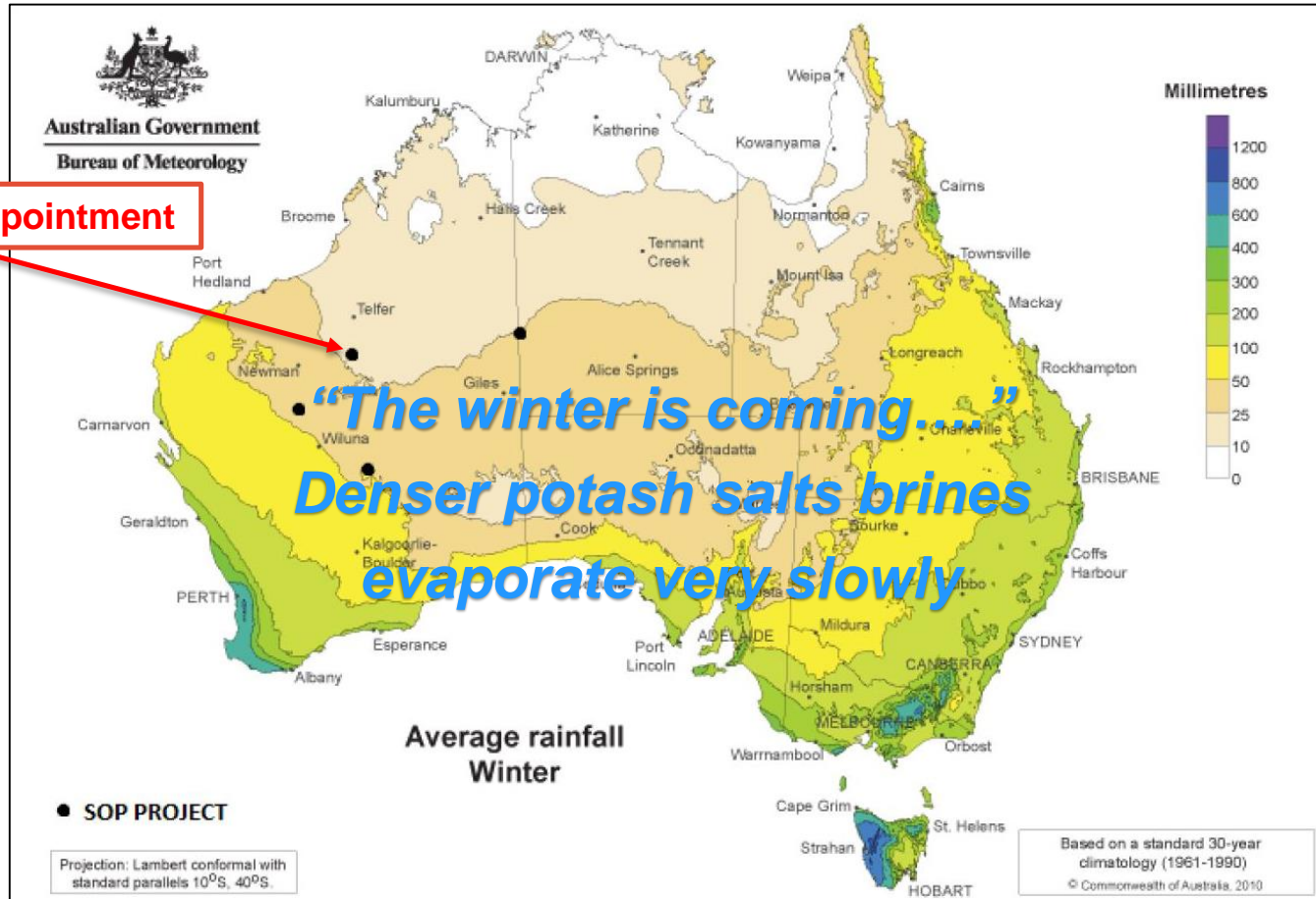
Year-round evaporation is critical, not just the average.....



IDEAL OPERATIONAL ENVIRONMENT – 2



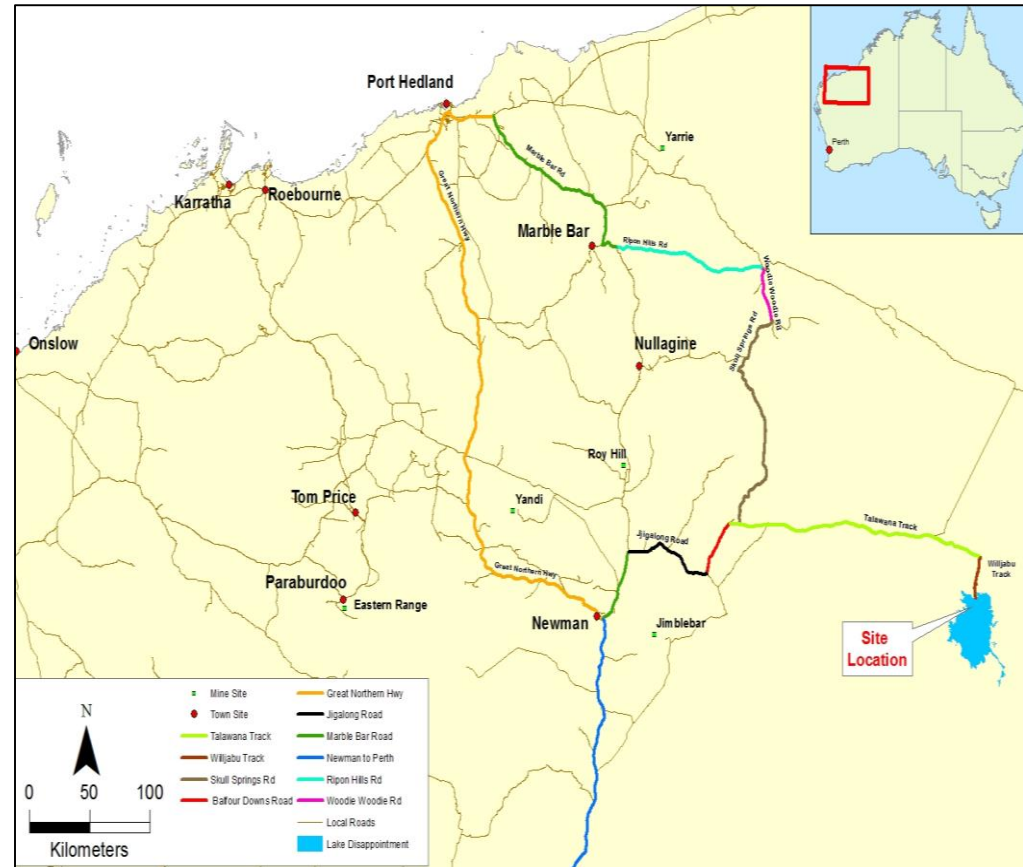
Rainfall is useful for recharge, but not welcome in winter.....



LD SOP PROJECT – LOCATION



- ▶ Australia's largest brine SOP deposit
- ▶ And highest average in-situ grade
- ▶ Ideal operating environment
 - ▶ Highest Evaporation
 - ▶ Lowest Rainfall
- ▶ Excellent brine chemistry
- ▶ Extensive metallurgical testwork
- ▶ Existing road access
- ▶ Process water available



LD SOP PROJECT – OVERVIEW



- ▶ 100% owned
- ▶ Prefeasibility study recently completed
- ▶ 3,000km² tenement coverage
- ▶ Granted Mining Lease
- ▶ Miscellaneous Licence in place
- ▶ Ground Water Licence Applications submitted
- ▶ Environmental assessment well-advanced
- ▶ Registered Indigenous Land Use Agreement in place – Transparent commercial terms



LD PROJECT PFS HIGHLIGHTS¹



Production:

- ▶ Over 9 Mt SOP produced at over 400,000 tpa
- ▶ 27-year LOM, based on extraction of only 6% of current resource

Costs:

- ▶ A\$451M Total Capex incl. contingency and pre-production costs
- ▶ A\$394/tonne AISC Opex (incl. royalties, overheads, etc)

Economics:

- ▶ A\$460M Pre-tax NPV_{8%}, 18% IRR
- ▶ A\$6 billion LOM Revenue, A\$2.5 billion LOM EBITDA
- ▶ Average EBITDA Margin – 42%, A\$110M/year

LD PROJECT PFS HIGHLIGHTS CONTD¹



Process:

- ▶ Over **40 phases** of metallurgical testwork completed
- ▶ ERCOSPLAN independent review of mass balance and flowsheet:
 - ▶ **“State of the art”**

Timing:

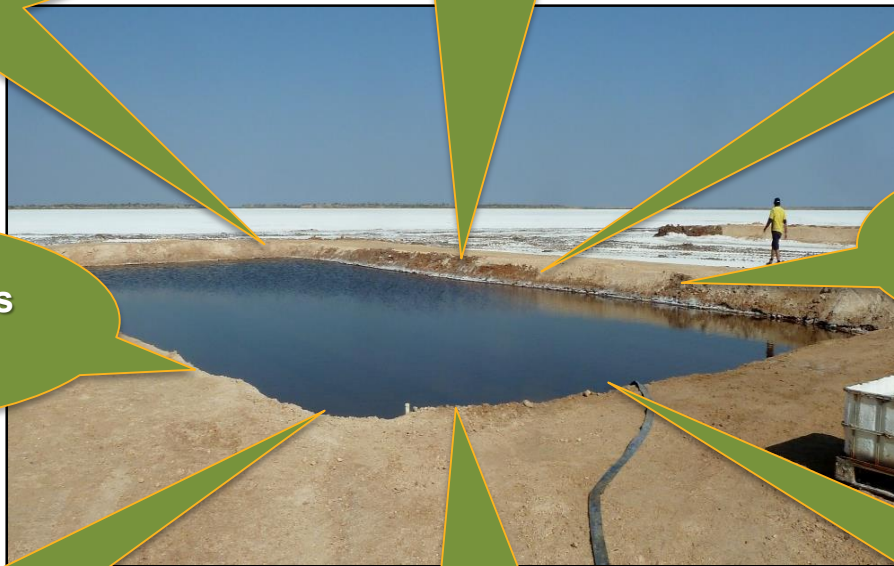
- ▶ **3¼** Year development period
- ▶ **One year** production ramp-up

Life extension:

- ▶ **Excellent potential** to increase production and extend life



PFS FEEDBACK¹



Your recovery seems low, can't you do any better?

Is this where capex is going to end up for most brine SOP projects?

Are your logistics achievable?

Reward's flow rates are optimistic

Will 133 km of trenches be enough?

You seem to have taken a very conservative approach

How can you have a PFS without a reserve?

Why has Reward escalated its SOP price?

PFS FEEDBACK – RESPONSES



▶ Recovery – *Agreed!*

- ▶ 65% Overall Recovery Assumed, based on testwork
- ▶ Losses experienced in seepage and entrainment
- ▶ It is conservative, 70 to 75% may be achievable over time

▶ Capex – *Thorough, conservative approach*

- ▶ Estimate largely based on competitive tenders
- ▶ Enabled +/-20% accuracy and 17% Contingency
- ▶ Remote location has a material impact

▶ Flow Rates – *A reasonable assumption*

- ▶ Based on long and short-term pump trials
- ▶ Trenches across the lake, of varying lengths
- ▶ Results varied from 6 to over 100 litres/second/kilometre: 15 l/s/km is reasonable

▶ Reserve/Resource Status – *What does JORC say?*

- ▶ “An ‘Ore Reserve’ ... is defined by studies at Pre-Feasibility or Feasibility level ...”
- ▶ With the PFS completed, Reward can now address LD’s reserve status

PFS FEEDBACK – RESPONSES CONTD



▶ Financial Modelling – *Used best practice methodology*

- ▶ A nominal model used – price and costs are inflated (inflation effects are included)
- ▶ Ensures correct treatment of depreciation, tax and tax losses
- ▶ Quarterly periodicity allows accurate assessment of pre-production costs

▶ Conservative Approach – *Agreed! Examples:*

- ▶ Resource grade: 13.4 kg/m³ SOP, abstracted grade used: 10 kg/m³ SOP
- ▶ Pumping trials to date: 12 to 13 kg/m³ SOP
- ▶ Royalty: 3.5% ad valorem (\$25/t @ US\$500/t) versus A\$0.73/t fixed rate

▶ Trench Length – *Not a critical cost driver, however:*

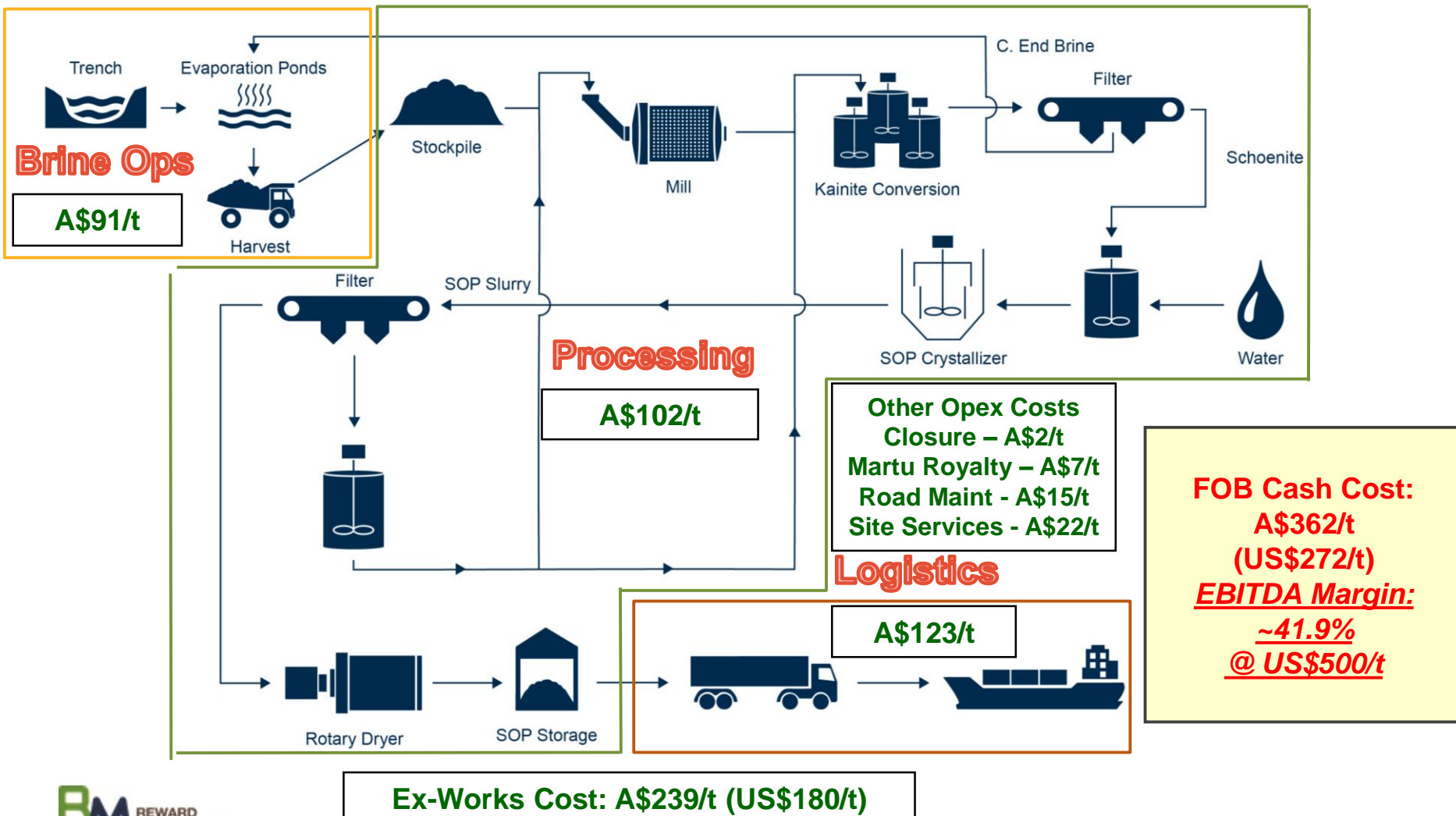
- ▶ 15 l/s/km x 133 km delivers required 63 Glpa
- ▶ But higher grade → lower volume → shorter trenches
- ▶ Or, higher volume → shorter trenches

} *Both are possible
(or increase production)*

▶ Logistics Costs – *Are they achievable?*

- ▶ Existing road/track access and fully operational port facilities
- ▶ Fully surveyed to ensure accurate capex estimate to upgrade
- ▶ Opex could be reduced

PFS RESULTS– CASH OPEX COSTS¹



LD – DEVELOPMENT SCHEDULE¹



ACTIVITY	2018		2019				2020				2021				2022				2023													
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4										
<i>Project Quarter</i>					Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18										
<i>Project Assessment and Approval</i>																																
EPA Assessment and Approval	■																															
Feasibility Study	■																															
Feasibility Study Assessment and Project Approval for Execution			■																													
Early Engineering Works			■																													
EPCM Assessment and Award			■																													
<i>Project Development - Site Establishment</i>																																
Airstrip							■																									
Site Access Road							■																									
Accommodation Camp							■																									
<i>Project Development - Operational Development</i>																																
Evaporation Pond Construction											■																					
Trench Network Development											■				■																	
Process Plant Construction											■				■																	
<i>Production</i>																																
Brine Pumping to Ponds											■				■																	
Crude Potash Salts Harvesting															■				■													
Process Plant Commissioning															■				■													
SOP Shipments															■				■													
Production Ramp-up															■				■													
Full Commercial Production																			■				■									

Note: “” Signifies Official Project Commencement Date - i.e. 1 July 2019

NEXT STEPS¹



Funding

- ▶ Engage with potential strategic partners

Environmental Assessment

- ▶ Finalise ERD (EIA) for public review

Build Corporate Depth and Capability

- ▶ The team to fund, permit, and develop LD



Project Enhancements

- ▶ R&D can deliver process improvements
- ▶ Contractor consolidation benefits
- ▶ Alternative logistics solutions
- ▶ Wet harvesting
- ▶ Trench pumping, evaporation and seepage trials

Resource Update

- ▶ Hydrogeological model update to feed into resource update/reserve definition

CONCLUSIONS



The LD Brine SOP Project is ideally positioned ...

PFS demonstrated the Project is technically robust

- ▶ Conservative PFS *conducted to exacting standards* (+/-20% accuracy)
- ▶ With successful *independent process review completed* (ERCOSPLAN)

... and economically attractive with

- ▶ Scope to improve economics on multiple fronts (grade, flow rate, recovery, costs, output)

... and at 407,500 tonnes SOP/annum

- ▶ Will be one of the world's largest, longest-life brine SOP Projects
- ▶ Located in an ideal operating environment and safe mining jurisdiction
- ▶ With only 6% of the current Resource extracted – increased scale and longer life possible





APPENDICES

EXPERIENCED BOARD & MANAGEMENT



Board & Corporate

Colin McCavana – Non-Executive Director, Chairman

- 30+ years experience in mining and earthmoving industries including the management, acquisition and development of projects in Australia and overseas
- Founder and Managing Director of Haddington Resources Ltd
- Chairman of Northern Minerals Ltd

Rod Della Vedova – Non-Executive Director

- Extensive experience in the Solar Salt industry including 11 years as Chief Chemist and 24 years as Process Superintendent for Dampier Salt Ltd (Rio) for Karratha Hedland operations
- Background in large scale commercial production of salt by solar evaporation techniques
- BSc in Chemistry, Post Graduate in Chemical Engineering

Michael Ruane – Director

- 30+ years in chemical and metallurgical fields including senior technical advisor and manager at Lake McLeod Potash operation in WA, as well as Manager of mining operations in WA and the Northern Territory
- PhD (Chemistry) MRACI

Greg Cochran – Chief Executive Officer

- experienced international, C-suite mining executive
- previously MD of Deep Yellow Ltd, CEO of Terramin
- M Sc. Mining Eng. & Mineral Economics, MBA
- FAusIMM, Graduate Member AICD

Bianca Taviera – Company Secretary

- an experienced Company Secretary working for a number of ASX Listed Resource companies

Project Development

Daniel Tenardi – Projects Director

- 25+ years mining experience with various organisations including Alcoa, Rio Tinto and BHP from start-up to completion phases
- Extensive mine and project management experience
- BSc in Mathematics, Unrestricted QM Ticket

Geoff Browne – Metallurgical Consultant

- 40+ years experience in technical mineral processing and water treatment (biological, patented ballasted flocculation, cyanide detoxification) including plant design/operation
- B.App.Sc, Grad Dip (Metallurgy), MAusIMM, PhD (PH)

Bob Kinnell – Hydrogeological Consultant

- geoscience management professional with over 20 years' experience in tier 1 mining, professional services and consulting firms
- extensive experience in water supply, dewatering and brine production in South America, Australia, Asia, Europe and Africa
- BEng (Hons) PGCert MSc FGS MAusIMM

Andy Fuchs – Chemical Engineer

- Extensive international experience within the resource industry covering studies, detailed design, commissioning and operation reviews for a wide range of commodities
- B.Eng(Chemical)(1st Hon)

Dev Ramachandran – Market Specialist

- senior mining executive with extensive global fertiliser minerals experience

COMPETENT PERSON 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 Mr Geoff Browne, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Browne is a consultant to Reward Minerals Ltd. Mr 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'. Mr Browne consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Notes

Please refer to the assumptions, sensitivities, risk factors and cautionary statements contained in ASX Announcement dated 1 May 2018, titled "PFS Confirms LD Project as a Globally Significant SOP Project" for details disclosed respectively in Table 2 (pages 4-6), Table 3 (pages 7-8) and on pages 12 and 13 of that announcement, as well the details included in the PFS Executive Summary appended thereto, which may adversely impact upon the information and forecasts in this announcement.

Refer to ASX announcement dated 7 February 2017 titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" for full details of the Mineral Resource. The Company confirms that it is not aware of any new information or data that materially affects the information included in the 2017 announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented in the original ASX announcement have not been materially modified.

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