

28 April 2017

ASX CODE
RWD

SHARE PRICE
\$0.365

SHARES ON ISSUE
135,760,396

MARKET CAPITALISATION
\$49.5M (undiluted)

DIRECTORS & MANAGEMENT

Colin McCavana
Chairman

Gary Lethridge
Managing Director

Michael Ruane
Non-Executive Director

Rod Della Vedova
Non-Executive Director

Daniel Tenardi
Projects Director

Bianca Taveira
Company Secretary

KEY PROJECT

Lake Disappointment Project

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QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2017

Highlights

Lake Disappointment (LD) Project

- **Announcement during the Quarter of:**
 - an increase in the in-situ SOP Mineral Resource estimate to 596 million tonnes;
 - a Drainable (Extractable) Resource estimate of 153 million tonnes SOP in brine at an average grade of 11.35kg SOP/m³ of brine; and
 - excellent brine flow results from shallow (1.5-2m deep) surface pilot trenches. Average SOP grade for the Trench zone estimated at 13.4kg SOP/m³ of brine.
- **The LD Project Pre-Feasibility Study is progressing, with completion anticipated during the second half of 2017.**
- **Appointment of Gary Lethridge as Managing Director**

Lake Disappointment (LD) SOP Project Background

The LD Sulphate of Potash (SOP) Project is owned 100% by Reward Minerals and is located in the Little Sandy Desert in Western Australia, approximately 300km east of Newman. The project comprises over 5,000km² of granted Exploration Licences, one granted Mining Lease and one granted Miscellaneous Licence.

In 2015 Reward completed a scoping study for the LD Project based upon utilising well established conventional treatment processes and road transport of SOP product from site to Port Hedland (refer to ASX announcement dated 2 April 2015).

Recently, Reward has upgraded the Mineral Resource estimate utilised within the scoping study (refer to ASX Announcement dated 7 February 2017) and is currently working towards the establishment of a Mineral Reserve estimate for the LD Project.

A pre-feasibility study was commenced in 2016 and is anticipated to be completed during the second half of 2017.

Additionally, formal environmental discussions and submissions for the potential development of the LD Project commenced during 2016 and are advancing through formal statutory processes.

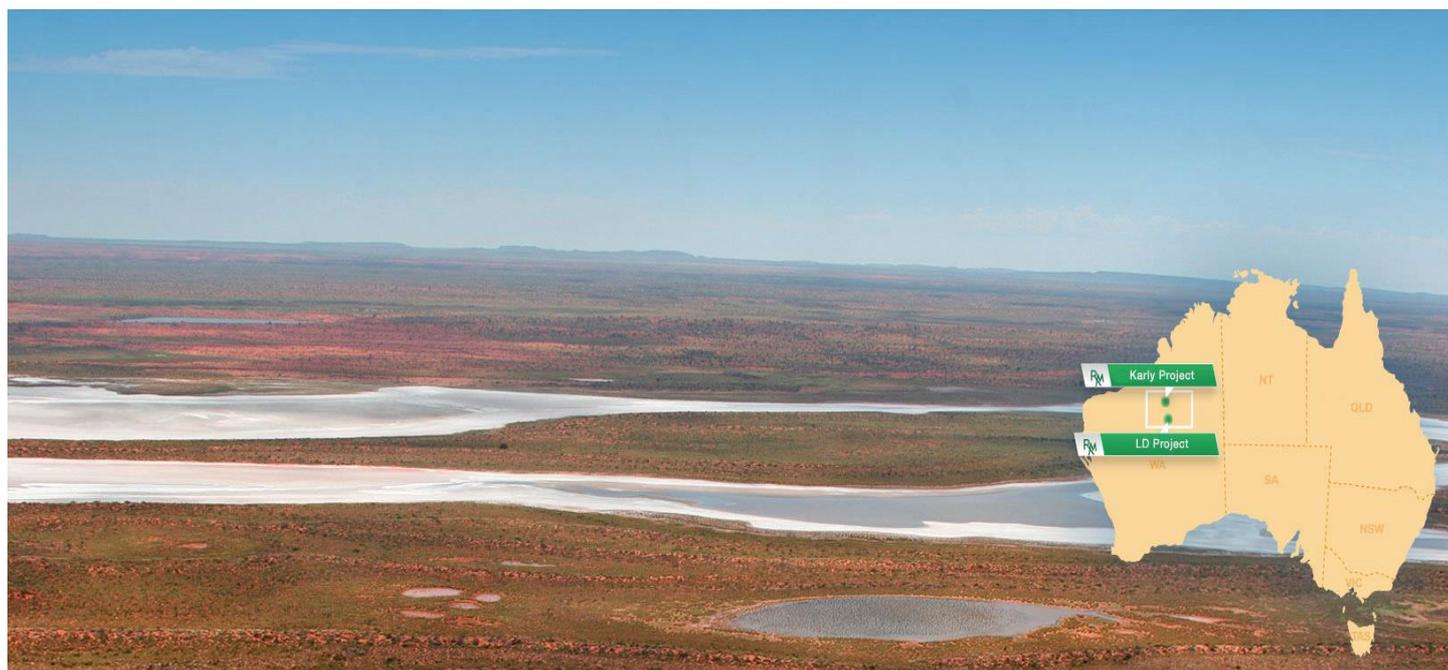


Figure 1: Location of Reward's LD and Dora SOP Projects

LD Project Activities Overview

Site and Perth-based activities during the Quarter focused primarily on the progression of various exploration / development activities, plus associated environmental studies and surveys in order to advance the high-grade LD SOP Project.

Severe flooding of LD (and other lake systems in the north west of Western Australia) due to the extraordinarily high summer rainfall experienced this year to date has hampered some site based activities.

Mineral Resource Estimate

During the Quarter, the Company announced a Drainable SOP Mineral Resource estimate for the LD Project of 153 million tonnes of SOP in brine grading 11.35kg SOP/metre³. (For further details of the Mineral Resource Estimate please refer to the Company's announcement dated 7 February 2017).

Further pumping trials are planned from both, surface trenches and from depth, via cased boreholes aimed at determining a Mineral Reserve for the LD Project.

Flow rates of brine into shallow pilot trenches (1.5 to 2.5 metres deep) have to date been highly encouraging producing on average 159 metres³ of brine per km of trench.

During the December Quarter, four 200mm cased boreholes were completed. Three of the holes appear to have intersected the 10 to 15 metre triable sand / sandstone horizon reported in earlier core holes drilled nearby (see **Figure 2**).

First round test pumping with a 75mm (3 litre/sec) submersible pump showed negligible drawdown of the water table in three of the holes supporting the observation of a transmissive horizon in the holes.

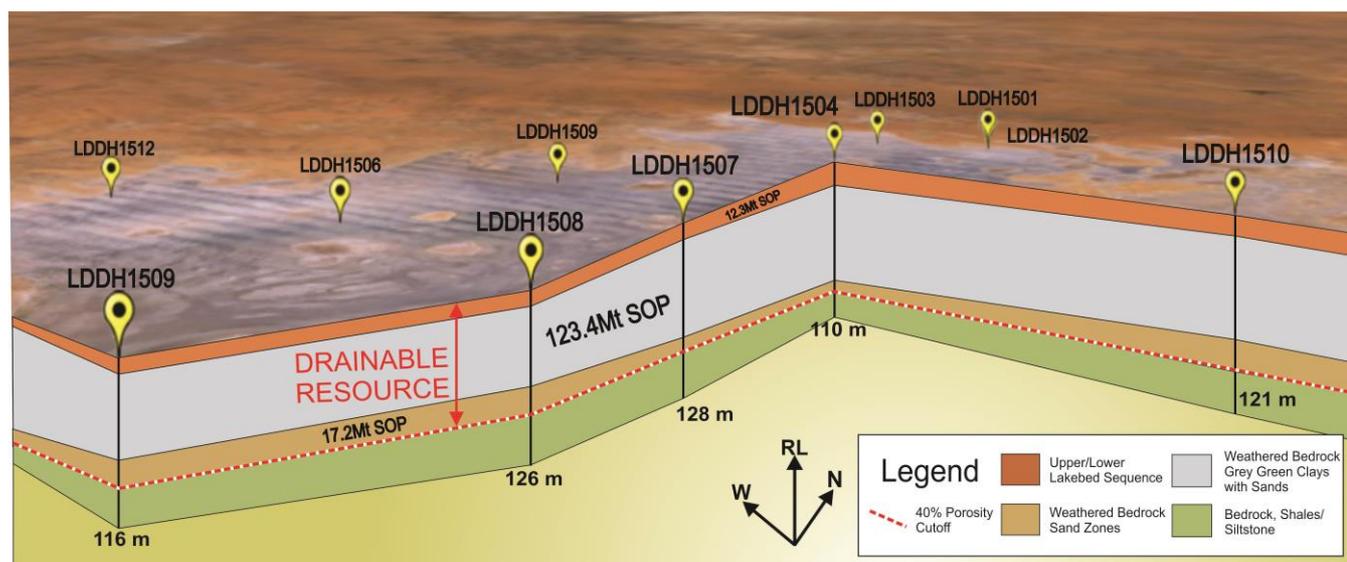


Figure 2: Schematic LD Cross-section Cut-out

Follow up pumping trials using higher flow pumping equipment were planned for the March Quarter, however this has not been possible due to significant flooding of LD in January which has hampered this planned activity.

Pumping trials on the surface pilot trenches and boreholes will recommence shortly and will assist with the definition of brine extraction parameters, flow rates and extractability in order to underpin the preparation of a Mineral Reserve estimate.

Environmental Approval Submissions

In 2016 Reward commenced submissions to the Department of the Environment and Energy (DoEE - Federal) and the Environmental Protection Authority (EPA – WA) with regard to the LD Project.

During the Quarter, discussions with, and submissions to, these authorities continued and the Company's understanding of necessary requirements for environmental approval progressed substantially.

The proposed development of the LD Project is to be assessed via a Public Environmental Review (PER) process. Accordingly, an Environmental Scoping Document was prepared and agreed to between the EPA – WA and Reward during the Quarter.

The activities required by this agreed Scope of Works is in progress, but has been delayed several times by additional requests or requirements from the respective authorities and the heavy rainfall experienced in the eastern Pilbara region of Western Australia during the Quarter.

Studies and activities undertaken or underway include additional Flora and Fauna surveys:

- for the proposed Talawana Track upgrade;
- the Process Water borefield site; and
- surface vegetation and subterranean fauna.

Reward is also required to undertake significant additional drilling, flow testing and hydro modelling of the proposed process water borefield in order to confirm its environmental sustainability. The drilling is in progress, but has been hampered by the continual wet weather in the region.

Pre- Feasibility Study

The Company is currently undertaking 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.

During the Quarter works and activities related to the PFS advanced.

Capital and Operating cost estimates have now been developed for most cost centres with estimates for the remaining costs currently underway.

In particular, cost estimates for the construction of the evaporation ponds and brine supply trenches are currently being established under a formal tender process via well respected contractors on the basis of pond and trench design parameters prepared by Knight Piesold Engineering late in 2016.

Upon receipt and final assessment of the evaporation ponds and brine supply trenches cost data, the estimated project capital and operating cost data will be compiled by Lycopodium Engineers for inclusion within the PFS.

Lake Dora SOP Project (100% owned)

No significant activities were undertaken during the March quarter on the Lake Dora SOP Project.

Corporate Activities

Expenditure of \$1.36 million was incurred during the quarter primarily on matters related to environmental submissions for the LD Project and pre-feasibility study activities.

Cash on hand at the end of the Quarter was approximately \$3.6 million.

Appointment of new Managing Director

Effective from 3 April 2017, Gary Lethridge joined Reward as the Company's new Managing Director.

Mr Lethridge has more than 30 years of corporate expertise in resources and finance-related roles. He was previously Managing Director of Talisman Mining Limited and Chief Financial Officer of Jubilee Mines NL, a very successful nickel miner acquired by Xstrata in 2008 for \$3.1 billion.

ENDS

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Competent Person's Statements

The information in this ASX Release that relates to exploration results, Mineral Resources Estimates and Scoping Study results are extracted from the relevant ASX Releases and are available on www.asx.com.au and Company's website on www.rewardminerals.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX Releases and, in the case of the Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the ASX Release on 7 February 2017 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the previous ASX Releases.

Forward-Looking Statements

This ASX release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Reward Minerals Limited's current expectations, estimates and assumptions about the industry in which Reward Minerals Limited operates, and beliefs and assumptions regarding Reward Minerals Limited future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Reward Minerals Limited. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecasts. Actual values, results or events may be materially different to those expressed or implied in this report. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this report speak only at the date of issue of this report. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Reward Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this report or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

Tenement Holdings as at 31 March 2017

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
Lake Disappointment, Western Australia				
E45/2801	Granted	100%	-	-
E45/2802	Granted	100%	-	-
E45/2803	Granted	100%	-	-
E45/3285	Granted	100%	-	-
E45/3286	Granted	100%	-	-
E45/4090	Granted	100%	-	-
E45/4121	Granted	100%	-	-
E45/4257	Granted	100%	-	-
E45/4258	Granted	100%	-	-
E45/4259	Granted	100%	-	-
E69/2156	Granted	100%	-	-
E69/2157	Granted	100%	-	-
E69/2158	Granted	100%	-	-
E69/2159	Granted	100%	-	-
E69/2902	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
LA46/128	Application	100%	100%	-
Dora West, Western Australia				
E45/3246	Granted	100%	-	-
E45/4292	Granted	100%	-	-
ELA45/4321	Application	100%	-	-
ELA45/4488	Application	100%	-	-