

## QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2018

### Highlights

- **EPA provides feedback on LD Project Environmental Review Document;**
- **Response documents to be lodged with the EPA shortly;**
- **Reward hosts LD site visit for EPA and other Regulator representatives;**
- **LD Pre-Feasibility Study progressed and nearing completion;**
- **Positive independent review of LD's flowsheet.**

### Corporate

Expenditure by Reward during the March 2018 quarter was \$1.0M primarily on pilot scale trench pumping and evaporation trials at LD, as well as the PFS.

Cash position at the end of the period was approximately \$1.68M following borrowings of \$1.0M, on commercial terms, from Director, M Ruane.

### LD SOP Project

#### Environmental Review Document (ERD)

During the period, Reward received feedback from relevant Regulatory bodies via the Environmental Protection Authority (EPA) in response to the Company's ERD submission.

Reward's Environmental team worked throughout the quarter to address queries and provide additional information requested by the EPA. The work was still underway at the end of the quarter with completion anticipated during the June quarter.

The final response documents will be lodged with the EPA and once accepted the EPA will authorise the release of the ERD for the 6-week Public Environmental Review (PER) process.

Post the end of the quarter, Reward hosted a site visit at LD for representatives from the EPA and other regulatory departments involved in LD's environmental assessment. Members of Reward's Environmental team accompanied the visitors over the two days which allowed the regulators to clarify and resolve a number of outstanding questions.

#### Prefeasibility Study (PFS)

The PFS was advanced throughout the quarter but was not quite completed as previously forecast. This was mainly due to the fact that Reward has sought to achieve a very high level of definition of capital and operating cost parameters for the LD project, many of which are not readily available or easily assessable for a brine based SOP project in a remote location.

Nevertheless we anticipate that the Study outcome will be available by the end of April 2018.

30 April 2018

**ASX CODE**  
RWD

**SHARE PRICE**  
\$0.20

**SHARES ON ISSUE**  
135,760,396

**MARKET CAPITALISATION**  
\$27M (undiluted)

#### DIRECTORS

Colin McCavana  
*Chairman*

Michael Ruane  
*Director*

Rod Della Vedova  
*Non-Executive Director*

#### MANAGEMENT

Greg Cochran  
*Chief Executive Officer*

Daniel Tenardi  
*Projects Director*

Bianca Taveira  
*Company Secretary*

#### KEY PROJECT

Lake Disappointment Project

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## LD Flowsheet – Independent Review

Reward engaged *ERCOSPLAN Ingenieurbüro Anlagentechnik GmbH*, one of Germany's leading potash processing consultants, to conduct an independent review of LD's process design. LD's flowsheet was developed in-house over many years with some 45 different phases of metallurgical testwork. In its report, ERCOSPLAN concluded that the design was state of the art and that the flowsheet had the potential to produce a comparatively high purity SOP product of approximately 98%. ERCOSPLAN noted in its report that often SOP products of 96% or less are produced depending on specific market requirements. It added that reducing purity to around 96% would generally be acceptable to the market and would increase recovery.

ERCOSPLAN identified other opportunities to enhance the flowsheet and process design, specifically to optimise water demand and recovery. (Note: It takes approximately 10 tonnes of process water to produce 1 tonne of SOP, including auxiliaries, and water is an expensive commodity at the site). Reward will continue its in-house research and development activities aimed at capturing some of the potential benefits identified by ERCOSPLAN. These efforts could not only lead to an enhanced process but could also improve resource utilisation and possibly generate saleable by-products.

## LD Site Works – Trench Pumping Trials

As reported in the two previous quarters, Reward excavated two 1 km x 2 m deep brine collection trenches in the northern sector of LD where the project evaporation ponds are to be located.

Pumping over 26 days prior to 20 December 2017 provided steady state brine flow from the eastern trench of 10.7 l/sec/km at a remarkably consistent grade of 13 g/litre SOP with minimal drawdown.

The Company aimed to recommence pumping early in 2018 but heavy rainfall prevented lake access until mid-March. At the time of reporting the two trenches had been cleaned out ready for recommencement of test pumping and drawdown modelling. Deepening of the eastern trench to approximately 5 metres was in progress when mechanical problems with the amphibious excavator were encountered. Repairs to the excavator have been completed and excavation recommenced.

The clean out of the two 1 km trenches during the period had important ramifications for the LD project in the context of potential Acid Sulfate Soil (ASS) generation within the LD Playa as a result of sub-surface trenching and brine extraction from the lakebed sediments. This issue was raised in the EPA's comments on the LD ERD submission and explored further during the recent site visit.

A detailed sampling program was therefore undertaken to assess potential ASS generation at the LD site. Comprehensive analysis of brines and sediments removed from the trenches after a period of inactivity and lake surface flooding showed no discernible generation of Monosulfidic Black Oozes (MBO's) or evidence of acid generation (ASS) effects.

Volatile sulfur and heavy metal ion levels were generally below laboratory detection levels. Brines extracted were near neutral in pH and had significant Acid Neutralizing Capacity (ANC). The outcome of the test program is regarded as very encouraging as ASS generation can be a significant environmental problem in inland lakes and waterways.

## Pilot Ponds – Evaporation/Seepage Trials

Brine addition and monitoring of two pilot evaporation ponds continued during the quarter to assess evaporation and brine seepage rates for two different pond construction methods at the LD site.

Data monitoring commenced late in October 2017 and continued to through the current quarter. Results are particularly interesting in the context of evaporation rates in the period prior to heavy summer rainfall and through the rainfall period.

During the period, LD received approximately 400 mm of rain most of which fell between the last week of December 2017 and the first week of February 2018.

Prior to the rainfall (Nov-Dec) pond evaporation rates were 10+ mm per day. The average pond evaporation rate for Pond 2 for the whole period was 6.5 mm per day (assuming zero seepage – see below). The 400 mm rainfall equates to 2.3 mm per day for the period for a total evaporation of approximately 8.8 mm per day. It is assumed that cloud cover and humidity factors contributed to the lower evaporation rate recorded in January to March vs October to November periods. Pond 2 (230 m<sup>2</sup>) was effectively a fully (membrane) lined pond for which seepage was expected to be negligible and was in fact so.

Concentrations of K, Mg and other ions increased in Pond 2 in accordance with observed evaporation rates by the end of the period (5 g/litre K – 16 g/litre K). However, the flooding of the brine supply trench resulted in dilution of the pond feed brine during the period, delaying concentration of the brine to the Potassium salt crystallization stage. (38-40 g/l K). By the end of the period the halite thickness in Pond 1 was 200 mm and Pond 2, 350 mm.

Pond 1 (400 m<sup>2</sup>) was partially lined and significant seepage occurred from this pond. However the seepage rate from Pond 1 is decreasing with time and valuable design data has been derived from the trial. Additional pilot ponds are planned to establish pond designs which can provide brine seepage rates below 0.25 mm per day.

*For further information please contact:*

**Greg Cochran**  
**Chief Executive Officer**  
**on behalf of the Board**

## Tenement Holdings as at 31 March 2018

Tenement	Status	RWD Ownership at Quarter End	% Interest Acquired During the Quarter	% Interest Disposed During the Quarter
<b>Lake Disappointment, Western Australia</b>				
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%	-	-
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%	-	-
LA46/128	Application	100%	-	-
<b>Dora West, Western Australia</b>				
E45/3246	Granted	100%	-	-
E45/4292	Granted	100%	-	-
ELA45/4321	Application	100%	-	-
ELA45/4488	Application	100%	-	-