

Reward Applies for Large Acreage of New Tenements in the Officer Basin Highly Prospective for Sulphate of Potash

Reward Minerals Ltd is pleased to advise that it has applied for 5,521 km² of Exploration Licences in the Officer Basin (Figures 1 and 2) to the east of its Lake Disappointment Project. The Company also has exclusive rights to an additional 3,075 km² of Exploration Licences which are contiguous to its applications. Combined, these tenements make up a substantial land package in an area previously unexplored for buried Potash deposits.

The Officer Basin is one of a number of evaporite basins found in Western Australia that have historically been explored for oil and gas. Other basins in Western Australia, such as the Canning Basin, have also previously been explored potash however there has been no concerted effort to explore for potash in the Officer Basin.

Based on its research and interpretation Reward has concluded that the western part of the Officer Basin is highly prospective for hosting Sulphate of Potash (SOP) deposits *at relatively shallow depths*, which is the Company's prime target.

Reward's conclusion is based on the rationale that the brine hosted SOP deposits (such as Lake Disappointment, Lake Dora, Lake Auld, etc. which are all relatively high in Potassium and Sulphate and hence amenable to SOP production) that have been defined in multiple Palaeovalleys and Playas in central Western Australia are derived from the erosion of near surface Browne Formation evaporites. These evaporites are found in the Gibson Area (formerly Sub-basin) of the western Officer Basin.

The Licence applications are currently being processed through Department of Mines, Industry Regulation and Safety and Native Title discussions for access are underway. The grant of these Tenements is expected to be around mid-2019 with field activities planned to commence immediately thereafter.

A program of core holes to depths of 400 to 500 metres has been designed for completion during the 2019 field season to test the Gibson Area for shallow buried SOP mineralisation.

The Officer Basin Exploration Strategy is explained in substantial detail in the following pages of this release. For more information, please contact:

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KEY PROJECT

LD SOP Project

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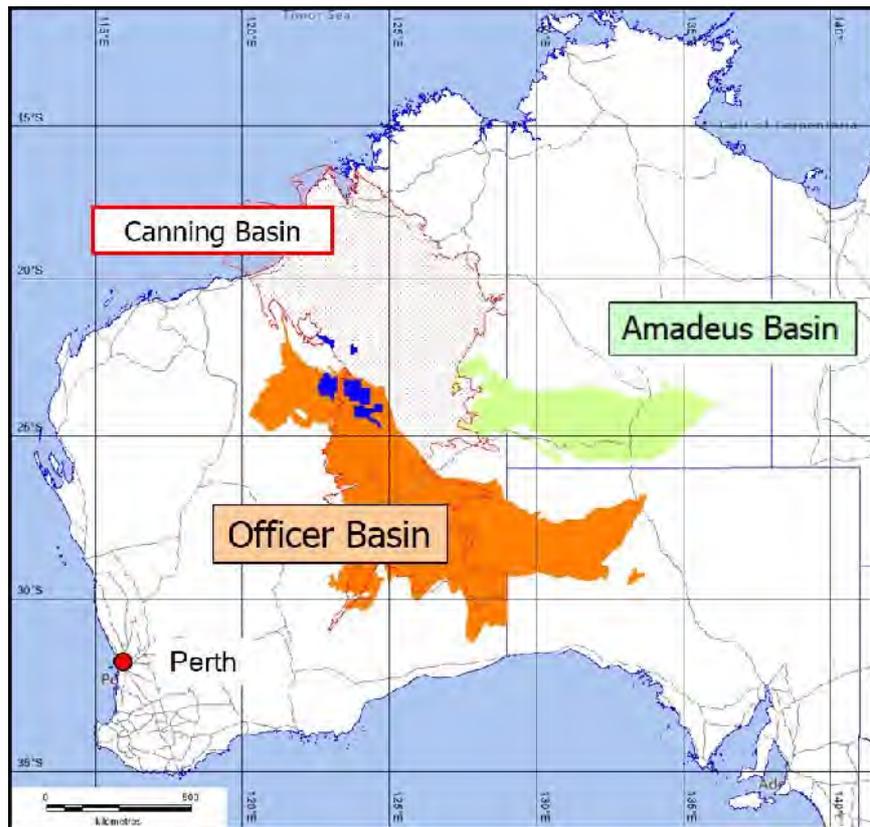


Figure 1 Location of WA's major evaporite basins. Reward's tenements are in blue.

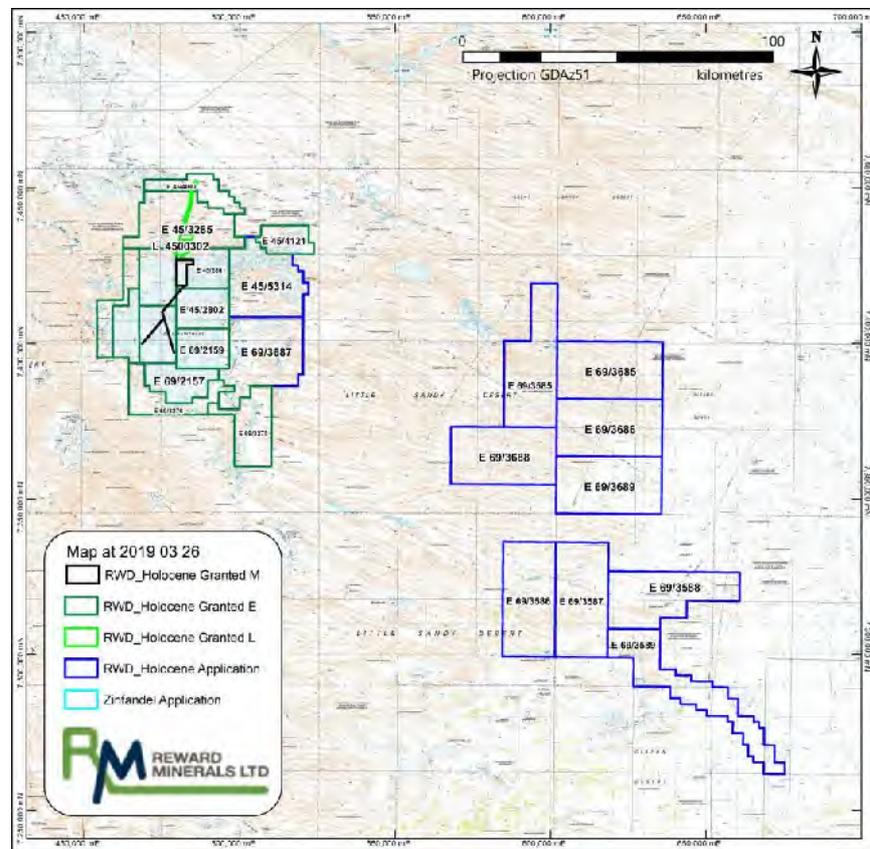


Figure 2 Officer Basin Tenements (Purple) Lake Disappointment Tenements (Green)

Background to Officer Basin Exploration Strategy

Shortly after its inception, Reward Minerals pursued a potash exploration strategy focused on some of the major known evaporite basins of Australia that have the potential to host large buried Potash deposits. These included the Amadeus Basin (Northern Territory), the Adavale Basin (Queensland) and the Carnarvon and Canning Basins in Western Australia. At the time Reward also held ground in the Officer Basin (Figure 1). However, subsequent to Reward's definition of the Tier 1 Lake Disappointment (LD) SOP Resource and the execution of the landmark Indigenous Land Use Agreement with the Martu people, the Company relinquished the tenements to enable it to focus on its world class asset at LD.

Historically, other companies of note have also explored for Potash in Western Australia. They include BHP (1985-89), Rio Tinto Exploration (2009), Sirius Minerals (2010) and Highfield Resources (2012). However, these programs were all focused on the Canning Basin.

Last year, Geological Survey of Western Australia (GSWA) scientists completed a reinterpretation of the Officer Basin stratigraphy based on a recent airborne gravity survey. Armed with this new interpretation Reward acquired reprocessed Seismic data of the Officer Basin and, working closely with well-known potash exploration specialists IMEx Consulting, developed a new perspective and optimism as to the potential for discovery of Potash (including SOP) at shallow depths in the western part of the Officer Basin.

Updated Geological Interpretation of the Officer Basin

Reward will initially be focused on its recently pegged prospects in the Gibson Area of the western Officer Basin where over 250,000 km² of the Browne Formation is known to occur at shallow depth and outcrop in numerous locations (Figure 3). In addition to its own EL's the Company also has exclusive rights to five other contiguous EL's held by Kesli Chemicals Ltd by meeting expenditure commitments. The area has the potential to host large Potash deposits at shallow depth.

For comparison, such deposits occur in the Danakil depression straddling Ethiopia and Eritrea in the north eastern part of Africa where over 6 billion tonnes of Potash evaporites are amenable to open pit mining. The Danakil mineral suite includes the high Sulphate mineral Kainite.

Reward's newly-pegged Prospects, named Midway Well and Madley, are believed to be where the top of the Browne Formation can be found at relatively shallow depth.

Given that most mapped salt walls and diapirs (a salt diapir forms when a bed of evaporite minerals, mainly salt (halite), found at depth, intrudes into overlying rock strata) correlate well with negative gravity anomalies it was encouraging to identify a large gravity low anomaly at the Midway Well Prospect. This appears to be a very good match for the seismically mapped Browne Formation salt uplifts. Also, two other well-known diapirs further south (Madley and Woolnough) correlate well with gravity lows in the Madley Prospect area (Figure 4 – gravity lows are shown in blue).

A simplified stratigraphy of the petroleum systems of the Officer Basin and the evaporite bearing Browne Formation is shown in Figure 5.

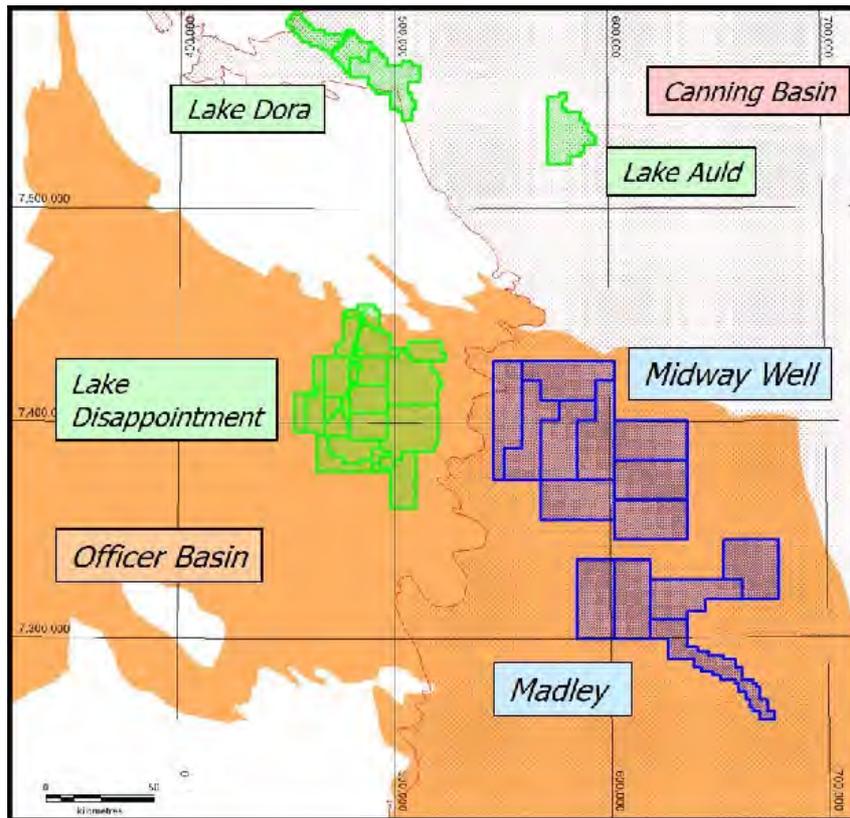


Figure 3 Officer Basin Gibson Area Exploration Licence Applications

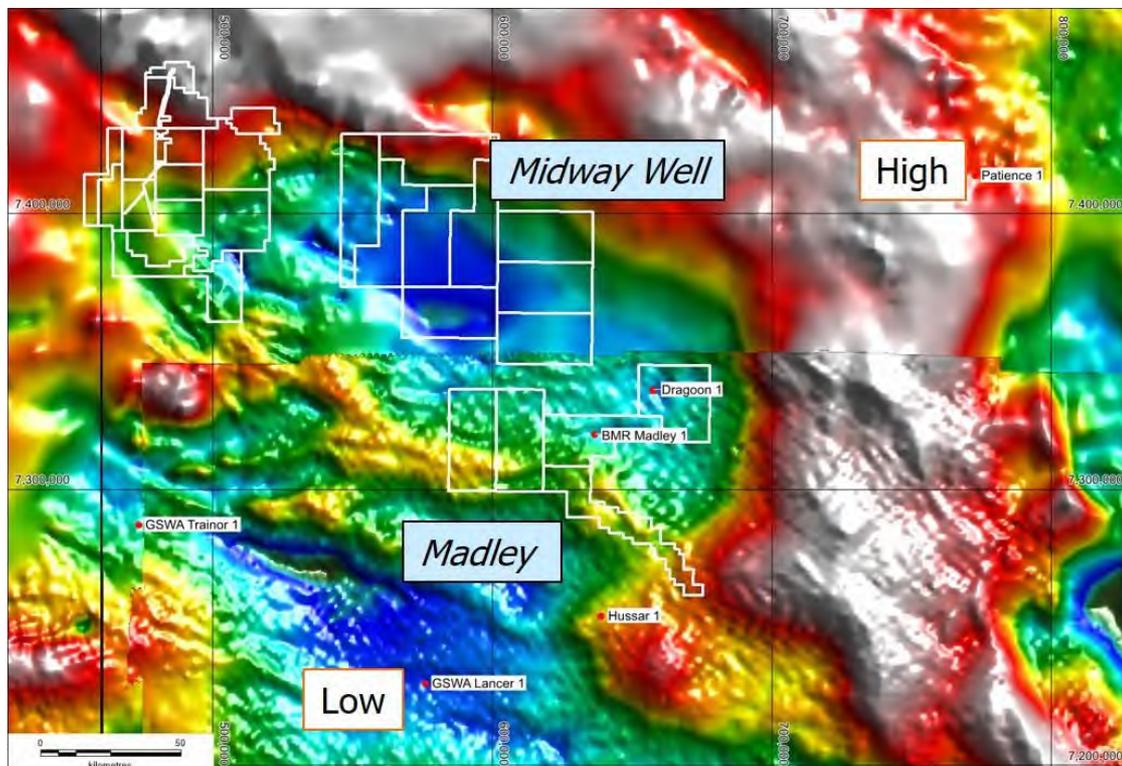


Figure 4 Officer Basin Regional Gravity Imagery, Sionova & Iaskey, 2005. GSWA Report 98.

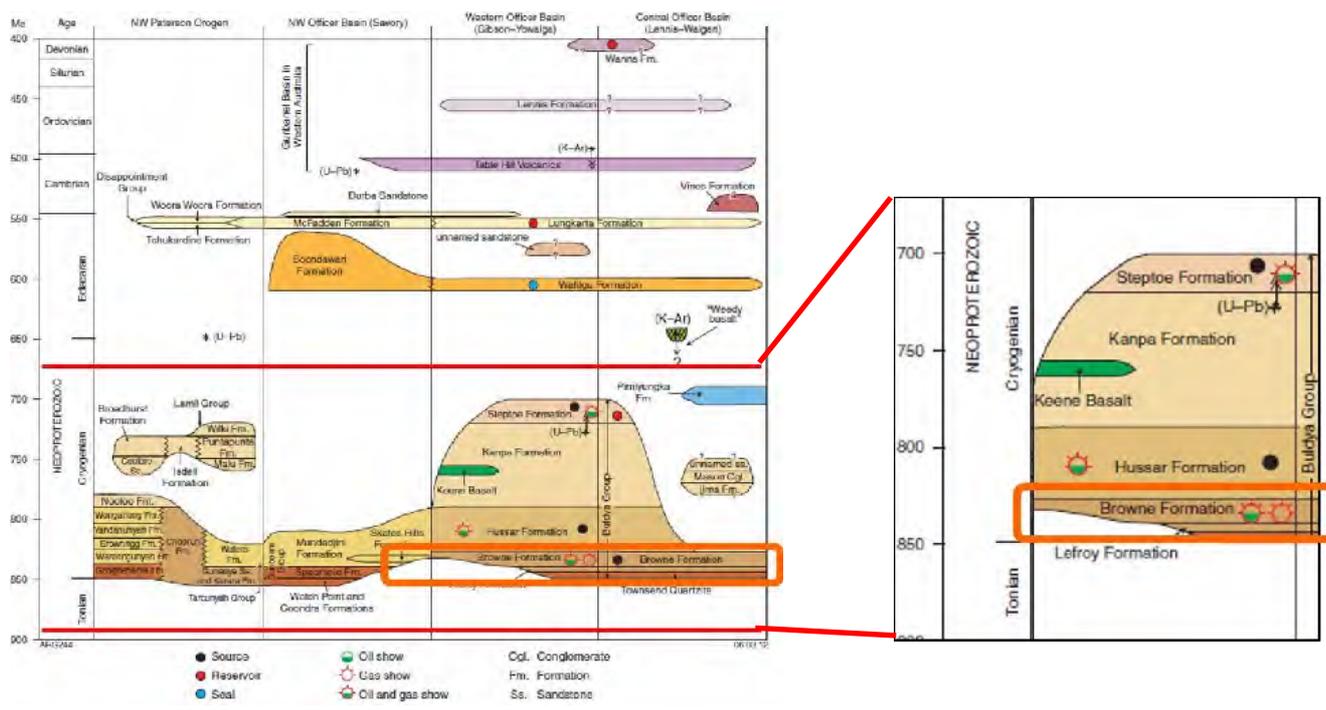


Figure 5 Simplified stratigraphy of the Officer Basin and the Browne Formation after Haines, GSWA 2012

Midway Well Prospect (Reward: 3,107 km², Kesli: 2,454 km²)

Historically, two seismic lines were shot over the area (Figure 6 overleaf) but there has been no drilling to date. The data were reprocessed and re-interpreted by GSWA in 2002 (Moors & Apak, GSWA Report 80). Three salt rupture zones were interpreted from the seismic data leading to the conclusion that the top of the Browne Formation is eroded away, presenting shallow drill targets. There are remnant sediment basins below the erosion profile and relatively high-grade SOP brines have been recovered from nearby lakes.

Seven surface features have been identified as possible salt expressions (the red shapes in Figure 7, overleaf) which could potentially be diapirs that have breached near surface sediments. Four possible salt ruptures have also been identified from the seismic data (the purple lines in Figure 7). The orange oval in Figure 7 is an area of overlap, making this a priority target.

A cross section has been included (Figure 8, Page 7) which clearly illustrates the Midway Well N83-001 Seismic Line interpretation.

Madley Prospect (Reward: 2,414 km², Kesli: 621 km²)

Historically, nine seismic lines were shot in the target area which also contains the deep Dagoon drill hole on Reward tenure. Follow-up BMR surface mapping at Madley over a line trending east-west of approximately 20 km identified 12 diapiric or salt wall structures. The seismic data were reprocessed by GSWA in 2002 after Moors & Apak (GSWA Report 80) and multiple salt rupture zones were interpreted.

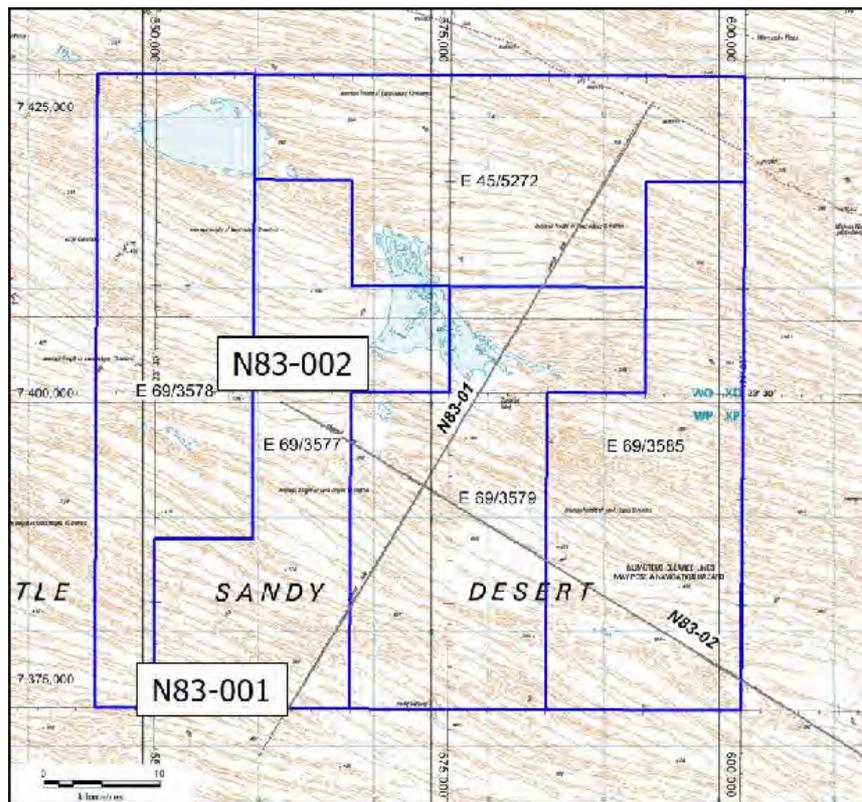


Figure 6 Midway Well Historical Seismic Lines

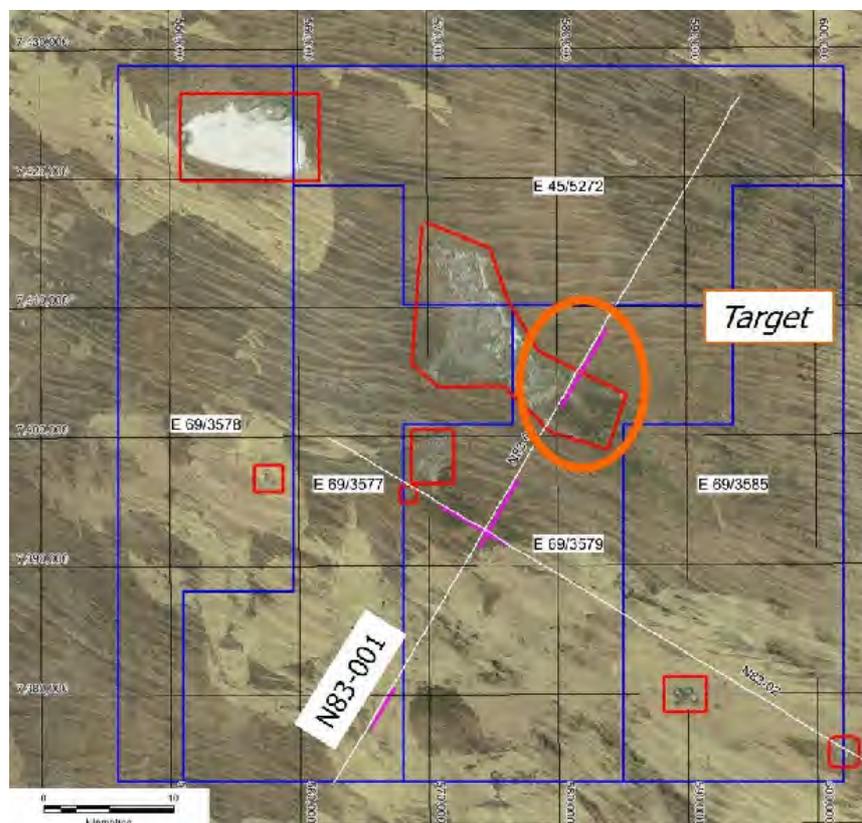


Figure 7 Midway Well, showing elements of Reward's Targeting

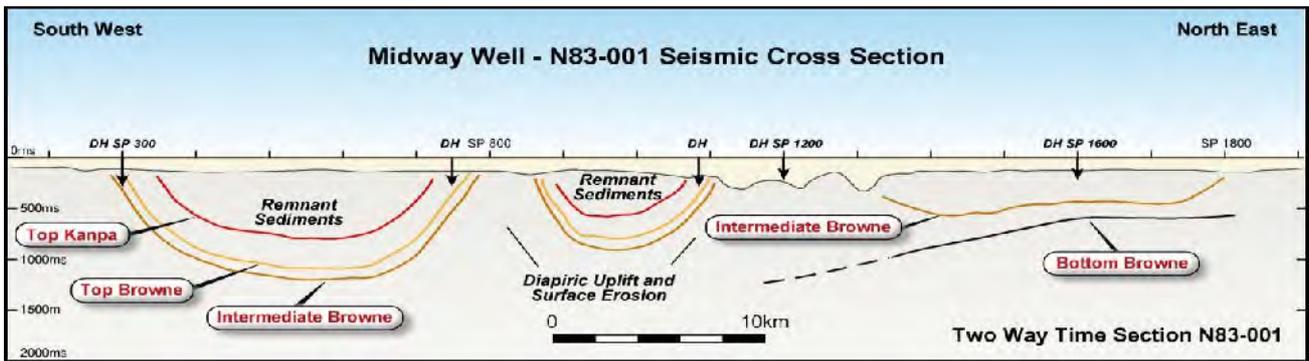


Figure 8 Seismic Cross Section of Midway Well. Seismic data was remodeled by Sionova & laskey (GSWA) in 2005.

Preliminary interpretation of the N83-007 Seismic Line has identified two likely salt rupture zones (shown in the solid orange colour in Figure 9) and these are also shown in the section in Figure 10, with a possible third salt rupture zone in dashed orange. The expanded section in Figure 10 is a location where the Browne Formation may have penetrated the surface and now outcrops.

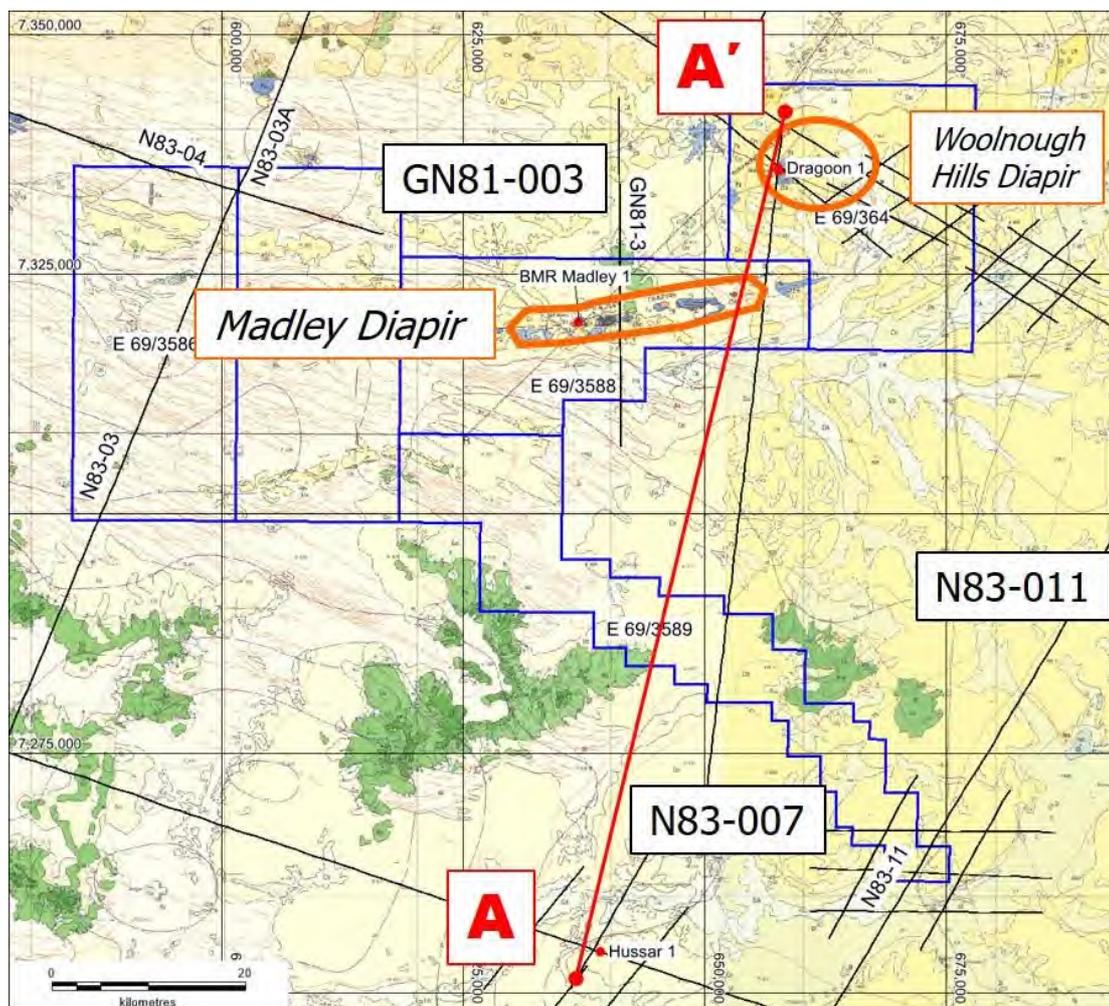


Figure 9 Midway Well BMR Surface Mapping, Geology after Jackson, 1981. BMR Bulletin 206

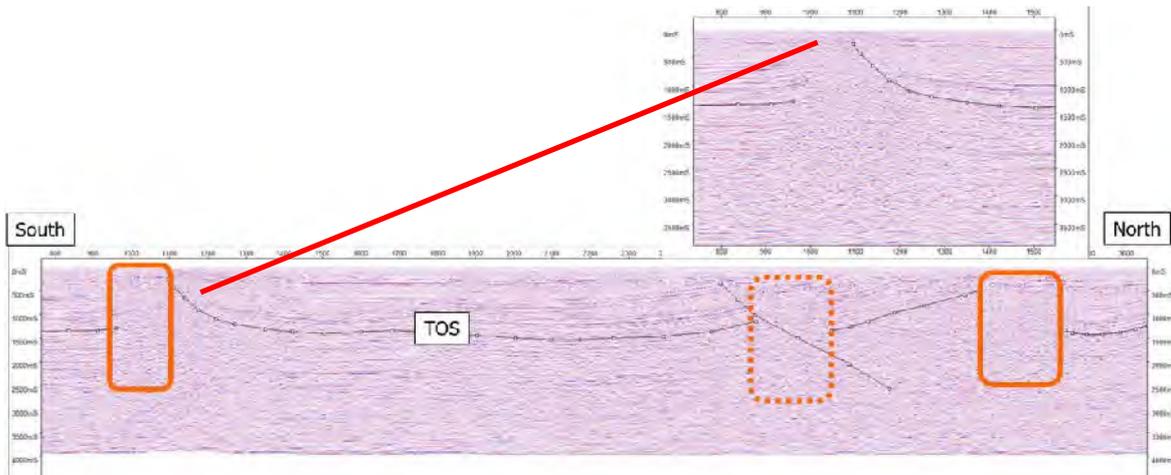


Figure 10 Preliminary Interpretation of Seismic Line N83-007

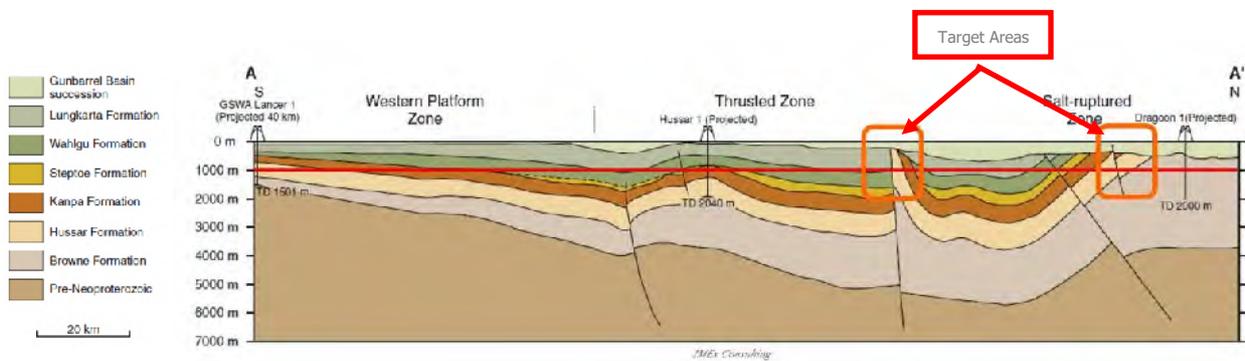


Figure 11 Cross Section from Preliminary Interpretation of Seismic Line N83-007
Sieronova & laskey, 2005. GSWA Report 98

Whilst the Browne Formation is generally found at depths of over 1,000 metres, salt ruptures at or near surface can provide attractive uplift targets for Potash (Figure 11). The diapiric targets at Madley are potentially similar to Spain's Cardona Potash Deposits (Figure 12) and the Zechstein Potash Deposits in Germany.

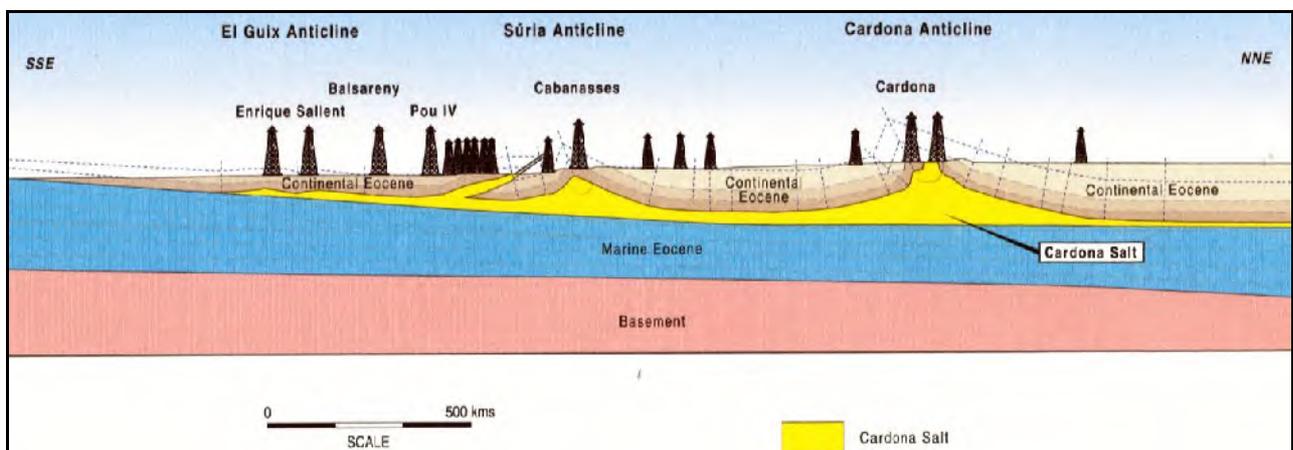


Figure 12 Cardona Salt Mine Cross Section

Additional interpretation of the Madley Prospect is shown in Figure 13 (Note: The purple-coloured staining in the image around the Madley diapir is associated with a bushfire scar). The blue outline is the 1982 GSWA seismic interpretation which shows the possible location of the top of the Browne Formation and an extensive Salt Wall / Salt Emplacement in the area.

Reward has identified an additional three surface features as possible salt expressions (highlighted in red), which includes the Madley diapirs, whilst others may be leakage from salt ruptures. There are a further 8 areas of possible salt rupture that have been identified from seismic interpretation (indicated by purple lines), whilst dashed lines are areas of lower confidence. Some discrepancies have been identified and these need to be evaluated.

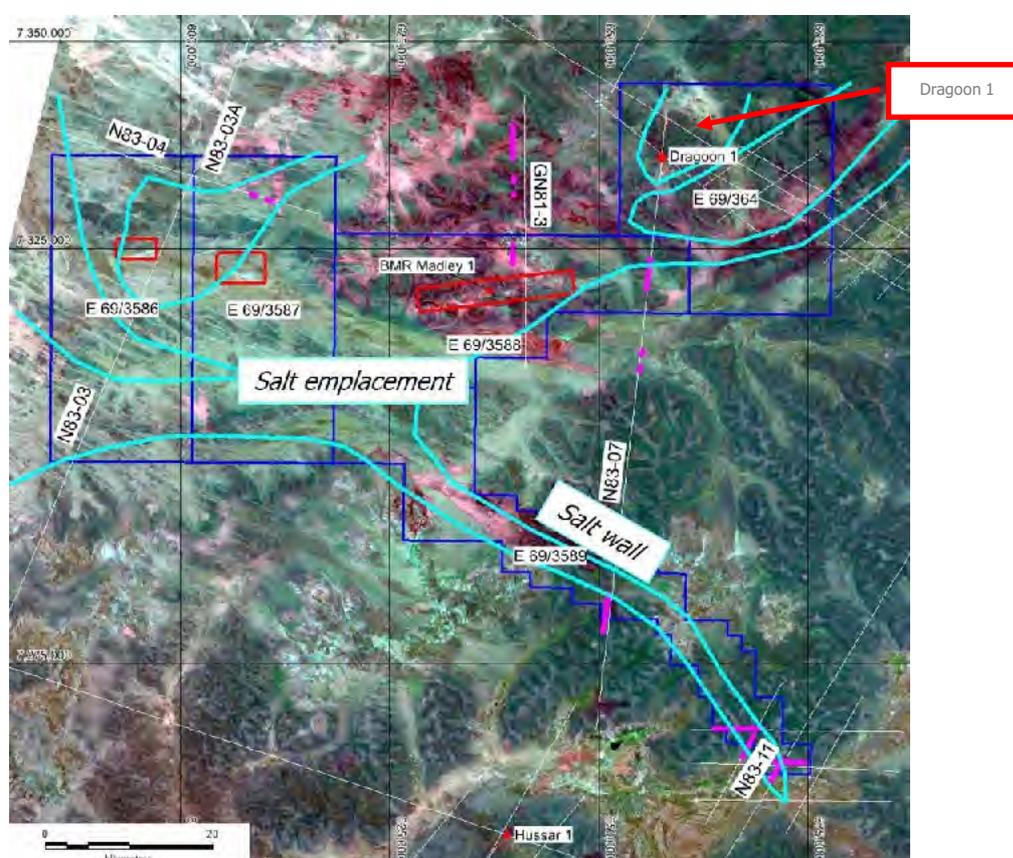


Figure 13 Madley Prospect – Reward and others Interpretation

An exploration bore hole drilled at Dagoon #1 in 1982 (Figure 14, Page 10) is instructive as it intercepted multiple evaporite beds with the top of the Browne Formation evaporites intersected at 407 metres. The top of the salt beds was found at a depth of 600 metres but was not analysed. A 10-metre section of salt was cored between 912 and 922 metres. Reward sampled this core in 2007 but the Potash content was low (<0.5% K). Salt was cored again at 1,900 metres but has not been analysed as yet.

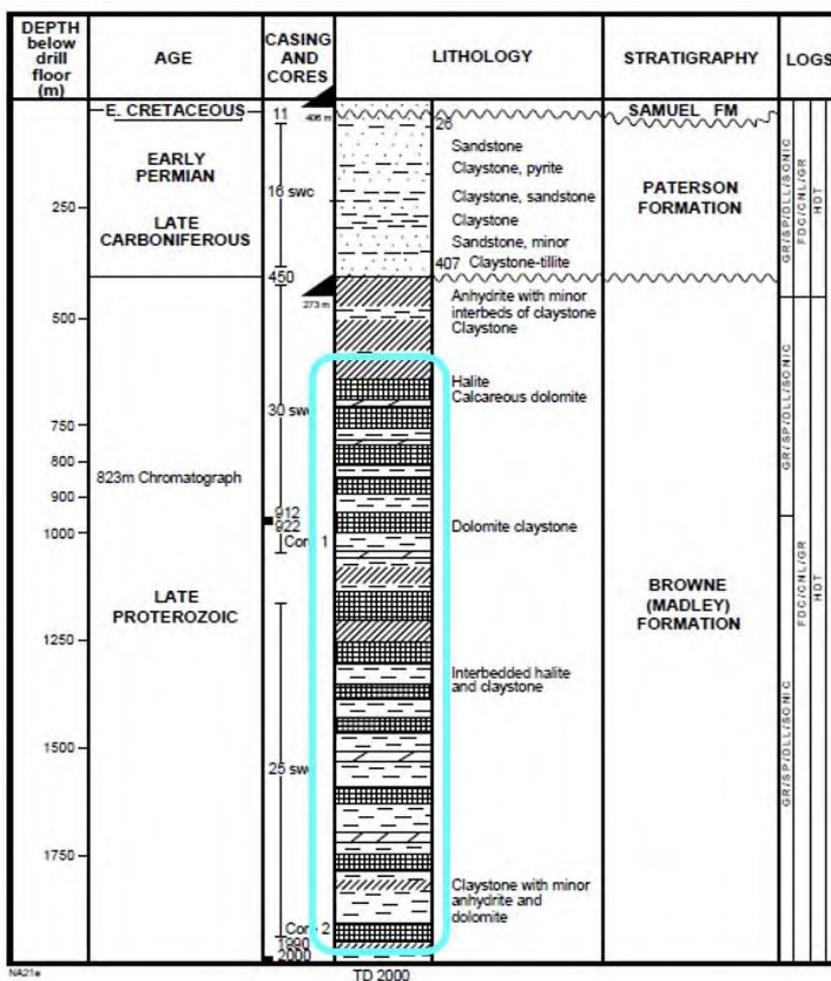


Figure 14 Dagoon #1 Drill Hole Log

Planned Work Program

Assuming the Exploration Licences are granted and subject to the availability of funding, the following program is planned for Reward’s new prospects in the Officer Basin:

Midway Prospect:

Holes have been planned at a number of Shot Point (SP) sites along Seismic Line N83-001. Two holes are planned at the northern evaporite exposure zone (annotated SP1200 and SP1600 in Figure 7) and three to test the southern Browne Formation outcrops (SP200, SP300 and SP800 in Figure 7).

Madley Prospect:

Initially the program will focus on the analysis of available “salt” cores to determine the regional Potash potential, which would include:

- Dagoon #1: ~1,900 metres;
- GSWA Empress #1A: Salt intersected between 1,247 – 1,351 metres and between 1,406 – 1,522 metres;

- GSWA Lancer #1: Salt intersected between 1,441 – 1,472 metres;
- BMR Warri #20: Salt intersected between 203 – 265 metres.

In addition, reprocessing and detailed analysis of all available seismic data will be conducted for drill target selection and once completed, shallow evaporite targets will be drill tested (see Figures 10 and 12) to assess the region's Potash prospectivity.

Funding Strategy

Reward is considering submitting an application to the Department of Mines, Industry Regulation and Safety of Western Australia (DMIRS) for co-funding under DMIRS' highly successful Exploration Incentive Scheme (EIS) flagship program. Under the Scheme, the State may contribute up to a maximum of \$200,000 for the drilling of a single deep hole or \$150,000 for the drilling of multiple holes. Reward believes that the nature of its targets in the Officer Basin can satisfy the objectives of the EIS as the program is focussed on greenfield exploration in an under-explored region of WA.

In addition, the Company is investigating an application under the Federal government's New Junior Minerals Exploration Incentive Program (JMEI). The JMEI allows a greenfields minerals explorer to attract new capital investment by passing on a portion of the exploration deductions to its investors in the form of a tax offset. In effect the JMEI converts an exploration company's tax losses into either a franking credit for corporate investors or a refundable tax offset for other investors that can be used to reduce their tax liability.

Reward Corporate Strategy

The Company's flagship asset unquestionably remains its advanced-stage Lake Disappointment SOP Project. Having completed a detailed Pre-Feasibility Study last year, Reward continues to make progress on numerous fronts prior to committing to a Definitive Feasibility Study. Whilst the resource work it commenced late last year and the ongoing metallurgical testwork are both important, permitting remains the top priority.

The Company's executives and its highly experienced and credentialed environmental consultants continue to engage with regulators at State and Federal level. Now that the Project's Public Environmental Review (i.e. public consultation) period is over, Reward is eagerly anticipating feedback from the EPA Services branch of the WA's Department of Water and Environmental Regulation so that it can address any submissions received during the Review.

Over the longer-term, Reward envisages that the successful development of LD could be akin to Patience Lake, the first potash mine to be developed in Saskatchewan's Elk Point Basin in 1958 and still operating today. In pursuing this Officer Basin Greenfields Potash Exploration strategy, Reward hopes to capture first-mover advantage in which LD ultimately becomes the foundation upon which a whole new potash basin is discovered and developed.

Forward Looking Statements & Disclaimer

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About Reward

Reward Minerals Ltd (Reward) is a potash-focused exploration and development company listed on the Australian Securities Exchange (ASX Code: RWD) with a portfolio of advanced exploration projects in Australia hosting significant sulphate of potassium (SOP) resources. The Company's extensive tenements contain a series of highly prospective playa-style lakes and palaeovalleys known to host substantial volumes of high-density potassium rich brines. Reward's newly acquired tenements in the Officer Basin are highly prospective for shallow evaporites potentially hosting Potash and specifically Sulphate of Potash minerals.

Reward's flagship project is its **100% owned Lake Disappointment SOP Project ("LD" or "The Project")**, located 340 km east of Newman in the Little Sandy Desert of north-western Western Australia. LD consists of a tenement package that covers over 3,000 km² which hosts an Indicated and Inferred *drainable* Mineral Resource of 153 Mt of SOP grading approximately 11.3 kg/m³ of SOP brine in sediments from surface to a depth of approximately 90 metres. The Project has a registered Indigenous Land Use Agreement with the Martu people, the traditional owners of the land, as well as a granted Mining Lease and associated Miscellaneous Licence. A Pre-Feasibility Study for the LD Project was completed at the end April 2018 and updated in July 2018 whilst the Project's Public Environmental Review Period, under Western Australia's EPA, recently closed.

Acknowledgement

Reward Minerals Ltd wishes to acknowledge the significant input of IMEx Consulting in the review of technical data and preparation of its targeting strategy for the Officer Basin.
