

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

Highlights

- *Advancement of Reward's new potash brine processing technology including completion of a first order SysCAD Model, Flowsheet and Mass Balance by an independent global engineering firm – further confirmatory laboratory test work underway*
- *Design of updated Engineering Scoping Study parameters for the Kumpupintil Lake Potash Project using the new technology including evaluation of potash production using brines derived from typical seawater solar salt operations*
- *RC drilling completed at the McKay Range JV – assays pending*

PERTH, Western Australia (January 31, 2023) - Reward Minerals Limited (ASX: RWD) ("Reward" or the "Company") is pleased to provide its Activities Report for the December Quarter 2022.

Research and Development

During the period, work continued on the development of the Company's new process ("Reward Process") for recovery of Potassium Sulfate ("SOP") directly from brines of wide ranging chemical compositions, including those discarded at typical solar seawater salt operations.

The key benefits of the Reward Process compared to commonly used SOP brine recovery processes are;

- it does not require mechanical harvesting of mixed potash salts;
- it does not require the conventional Schoenite or Kainite flotation steps;
- it may significantly reduce capital and operating costs per unit of SOP.

On 11 August 2022, the Company filed an Australian Provisional Patent Application protecting Intellectual Property related to the Reward Process¹.

As part of an updated engineering scoping study ("ESS") and to provide additional detail for the final international patent applications ("PCT") due to be submitted prior to 11 August 2023, a first order SysCAD Model, Flowsheet and Mass Balance analysis was finalised for the Reward Process by an independent global engineering firm.

To support the technical findings of the ESS, Reward has commenced a confirmatory laboratory testing program to simulate expected brine composition and evaporation conditions anticipated in the operational mode. The new laboratory program and subsequent ESS is expected to be finalised in the June Quarter 2023.

Further, as the Reward Process has flexibility for recovery of SOP from many lake and sea water derived potash brines, Reward has commenced initial discussions with several operating and developing solar salt/potash companies worldwide to examine the potential for involvement with these entities and a commercial outcome for Reward.

¹ Refer ASX announcement dated 23 August 2022.

31 JANUARY 2023

ASX CODE: RWD

DIRECTORS

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Executive

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Kumpupintil Lake (“KP Lake”) Potash Project

Jamukurnu-Yapalikurnu Aboriginal Corporation (“JYAC”) (the Martu land council) and Martu Traditional Owners (“Martu”) have been undertaking on-country work in preparation for the Reward-JYAC Cultural Heritage Management Plan (“CHMP”) required by the project Indigenous Land Use Agreement (“ILUA”).

This work included Martu considering the cultural landscape characteristics in the project area and adjoining country during two excursions completed in the September Quarter 2022. A third excursion planned for the December Quarter 2022 was unfortunately postponed due to unforeseen circumstances and is now planned to occur in the June Quarter 2023.

The Company looks forward to progressing the CHMP in preparation for the development of the KP Lake Project. The ILUA between Reward and JYAC includes opportunities for Martu employment and business development when operations commence.

McKay Range Farm-In and Joint Venture (“FJV”)

During the quarter, joint venture partner FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd (“Fortescue”), completed a maiden drilling program at the McKay Range Project within tenements in the northern part of the KP Lake Potash Project (Figure 1).

Seven reverse circulation (“RC”) holes for a total of 1,338m were completed to test the stratigraphy to the south of the McKay Dome to determine if there was a regionally reduced unit that had the potential to host a sedimentary copper mineral system (Table 1 and Figure 2). The targeted unit was identified by Fortescue using geological, geochemical and geophysical datasets acquired since the joint venture began in 2019.

A total of 764 samples have been dispatched to a Perth laboratory for analyses and assay results are expected to be returned in the March Quarter 2023.

The project is a Farm-in and Joint Venture (“FJV”) between Holocene Pty Ltd (“Holocene”), a wholly owned subsidiary of Reward and Fortescue which was executed on 12 November 2019².

Table 1 – RC drill collar information for the 2022 drilling program.

Hole Id	East	North	RL	Depth	Tenement Id
MO0001	482701	7440507	340	88	E45/3285
MO0002	483623	7439706	340	232	E45/3285
MO0003	484156	7439117	340	210	E45/3285
MO0004	485753	7438212	364	226	E45/3285
MO0005	487212	7437424	394	244	E45/3285
MO0006	477193	7439766	346	124	E45/3285
MO0007	476664	7438523	368	214	E45/3285

² Refer ASX announcements dated 18 October 2022 and 13 November 2019.

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

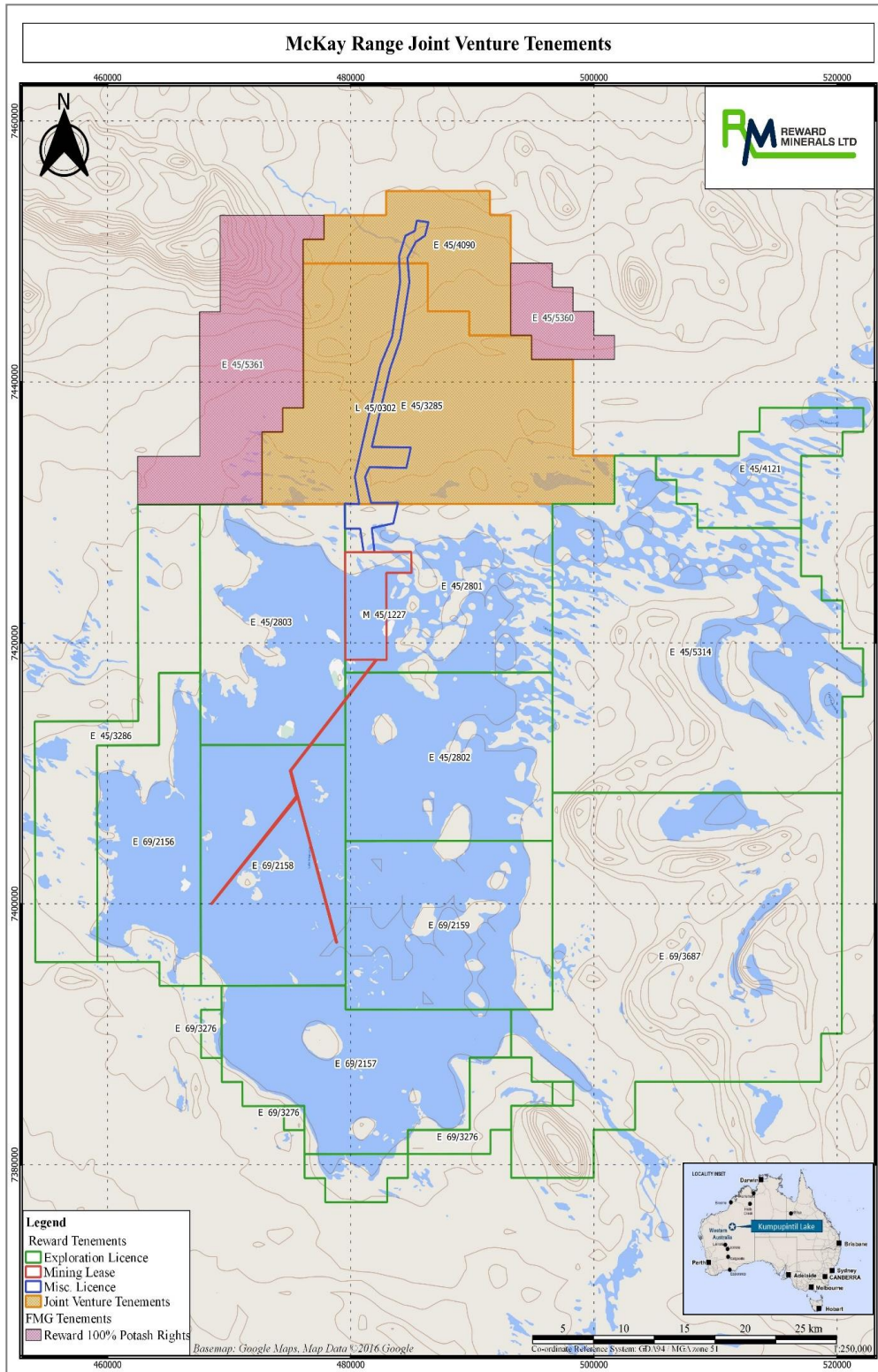
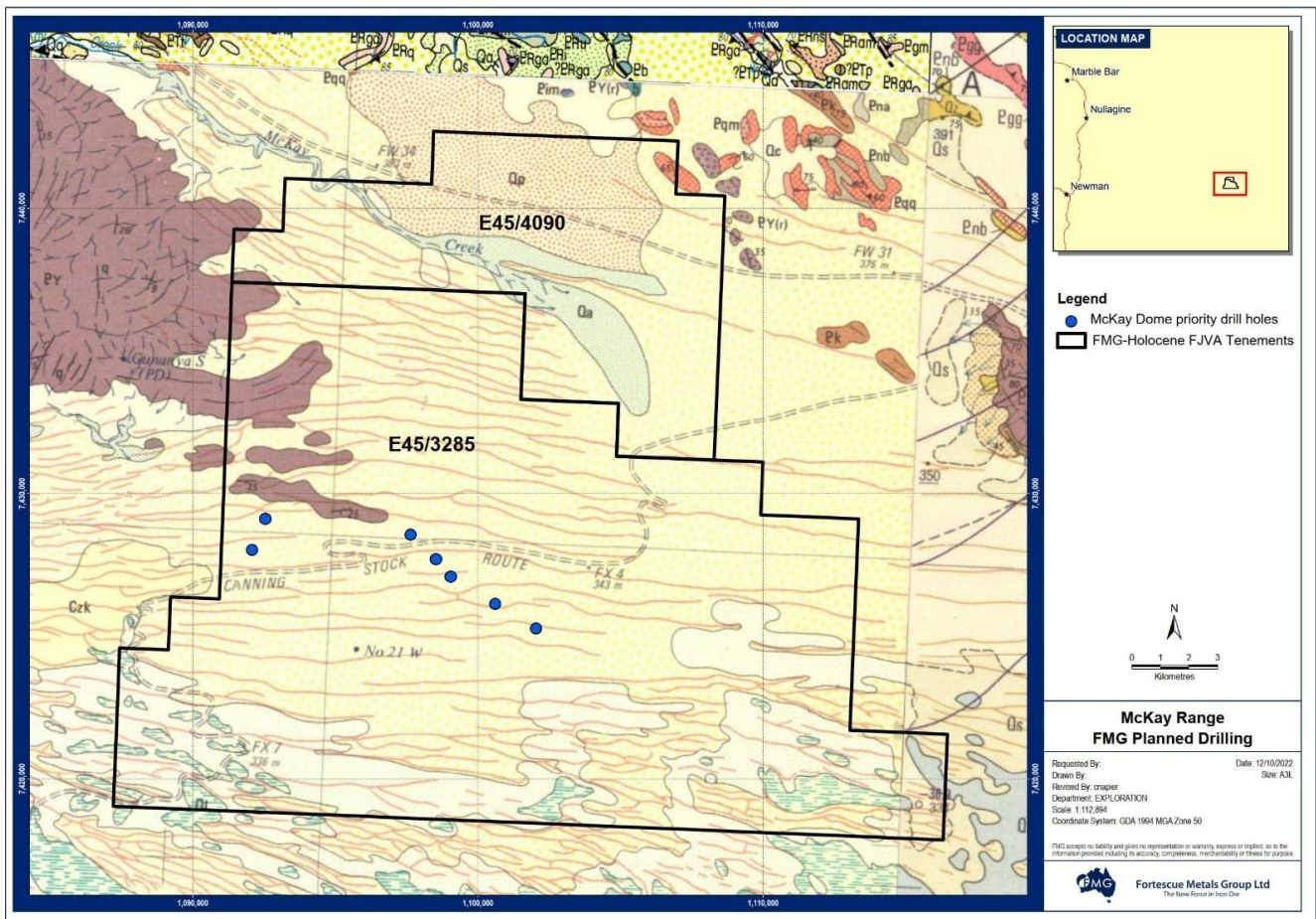


Figure 2 – Map of RC drilling locations on Exploration Licence 45/3285



Corporate

During the quarter and subsequent to quarter-end, the Company undertook visits to a number of countries within the Gulf Cooperation Council (“GCC”) to initiate engagement with strategic investors involved in the chemical, fertilizer and seawater desalination industries. In addition to companies located in the GCC, Reward is investigating the potential to form partnerships using the Reward Process in Australia at existing solar salt and potential new operations to produce SOP.

Expenditure by Reward during the December Quarter was approximately \$974,000; primarily related to tenement holding costs due in the quarter for the Kumpupintil Lake Project. This expenditure was partly offset by proceeds from borrowings of \$500,000 and a return of \$121,000 from AusIndustry’s Research and Development Tax Incentive program.

Available cash at the end of the period was approximately \$1.7 million.

In accordance with ASX Listing Rule 5.3.5, during the quarter a total of \$17,000 was paid to related parties or their associates of the Company relating to non-executive Director fees.

Next Steps

Over the next two quarters the Company will focus of the following key activities;

- Advancement of the Reward Process, international patent and licensing to third parties
- Completion of an ESS for the KP Lake Potash Project utilising the Reward Process
- Engagement with chemical, seawater solar salt, fertilizer and seawater desalination companies worldwide to discuss the application of its technology within proposed potash developments and production joint ventures
- Receiving results from Fortescue's drilling program.

Authorised by the Board of Reward.

For further information please contact:

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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 Potash 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 JYAC, the prescribed body corporate for Martu, the 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.

About the FJV

The FJV tenements include Holocene's E45/3285 and E45/4090 located in the northern part of Reward's Kumpupintil Lake Potash Project and Reward retains 100% of the potash rights including on FMG tenements E45/5360 and E45/5361.

FMG is the operator of the FJV and has the right to earn an 80% interest in E45/3285 and E45/4090 by spending \$2 million over four years on exploration. If the \$2 million expenditure threshold is met, a Joint Venture will be established after which both parties will either contribute to expenditure in accordance with their respective FJV 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.

Tenement Holdings as at 31 December 2022

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%	-	-
E69/3276	Granted	100%	-	-
L45/302	Granted	100%	-	-
M45/1227	Granted	100%	-	-
E45/5314	Granted	100%	-	-
E69/3687	Granted	100%	-	-
Dora, Western Australia				
E45/4321	Pending	100%	-	-
E45/4488	Pending	100%	-	-
Macleod, Western Australia				
E09/2763	Pending	100%	100%	-

Notes:

1. Farm-in and Joint Venture Agreement with Fortescue Metals Group Ltd ("FMG") 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.

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")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	120	120
1.2 Payments for		
(a) exploration & evaluation	(781)	(1,581)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(77)
(e) administration and corporate costs	(160)	(553)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	121	121
1.8 Other – net GST (paid) / refunded	26	21
1.9 Net cash from / (used in) operating activities	(703)	(1,944)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(15)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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 (12 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	-	(15)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	500	500
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	500	500
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,904	3,160
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(703)	(1,944)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(15)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	500

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,701	1,701

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	1,701	1,904
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)	1,701	1,904

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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	2,800	2,800
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,800	2,800
7.5 Unused financing facilities available at quarter end		0
7.6 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>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. In December 2021, an additional \$1 million was loaned to the Company by Dr M Ruane. During the December 2022 quarter, Dr M Ruane loaned a further \$500,000. 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 \$2.8 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)	(703)
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)	(703)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,701
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,701
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.4
<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: 31 January 2023

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.