REWARD MINERALS LTD

ANNUAL REPORT 2021

Contents

Corporate Directory

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Stock Exchange	ASX Code: **RWD**

Chairman's Letter

Dear Shareholders,

On behalf of the Directors, I am pleased to report on the Company's progress for the year ended 31 December 2021.

The Company has had a very busy and productive year, enhancing the Kumpupintil Lake SOP Project and advancing the Officer Basin exploration project.

We were encouraged by the results of a review of our PFS and assessment of new options for the Kumpupintil Lake SOP Project from Bechtel, one of the world's leading engineering, construction and project management companies. The review concluded that from a process perspective Reward's PFS Base Case provided the best development option for the Project.

In an important milestone for the Company and of particular importance following on shortly after receipt of State and Federal Environmental Approvals for the Kumpupintil Lake SOP Project, we were advised by the Australian Government Major Projects Facilitation Agency that the Kumpupintil Lake SOP Project had been awarded Major Project Status by the Agency. Major Project Status recognises the importance of the project to Australia's economy and exports and vindicates our belief in the project.

The main thrust of exploration activities for the Company was the investigation of the Officer Basin Project, where the exploration concept is based on the potential for Potash mineralisation to occur at shallow depths in the Browne Formation evaporites, known to cover a very large area in the Officer Basin.

Over the year the Company has navigated the challenges presented by COVID-19 and conducted exploration programs in very remote areas during a time of high demand for labour and drilling services.

Our exploration team drilled 8 holes in very difficult and trying conditions to establish that a substantial salt water palaeovalley exists in the area where holes OB001 – OB008 have been drilled.

While Potash results were mixed and there is some doubt as to whether the difficult drilling conditions allowed the targeted Browne Formation rock sequences to be reached, OB008 demonstrated a significant Potash content in groundwater drawn from the bottom of hole at 202 metres.

Results have given sufficient encouragement to suggest that additional work be carried out to define depth of cover, shallow stratigraphy and direction and depth of palaeovalley salt water resources. Our exploration team is planning a geophysical Passive Seismic Survey, which is a relatively low-cost, non-ground disturbing technique to obtain this information.

We presently seeking approval from WDLAC and our partners, the Martu Traditional Owners, to access areas in the Officer Basin which are of Cultural Significance to the Martu and are registered heritage sites. We are optimistic that we will be permitted to conduct further activities in the area.

We look forward to further progress in developing the best-case scenario for the Kumpupintil Lake SOP Project and to defining the extent of the salt water palaeovalley in the Officer Basin in the 2022 year.

As always, I would like to thank our staff, consultants and contractors for their tireless effort throughout 2021 and I thank you, our shareholders for your patience and continuing support.

I would also like to thank our partners, the Martu People, for their continuing support, assistance and cooperation.

Colin McCavana
Chairman
31 March 2022

Operations Report

Corporate

Funding - Rights Issue Raised $4.3M

The successful non-renounceable pro-rata rights issue to Eligible Shareholders was finalised in December 2020 raising approximately $4.3M. The issue price was 14 cents per New Share and came with New Options that would be issued on the basis of 1 free attaching New Option for every 2 New Shares issued. The New Options have an exercise price of 20 cents and an expiry date of 30 September 2023.

Australian Government Research and Development Incentive Program

A total of $268,313 in rebate funds was received in August 2021 from the Australian Government Research and Development Incentive Program.

At 31 December 2021, the Company had cash available of $3.16 million.

Operations

Kumpupintil Lake Potash Project

Overview

The Kumpupintil Lake (KP) Potash Project is Reward's flagship asset and has the potential to be the largest, longest-life brine sulfate-of-potash (SOP) operation outside of China. Exploration and development results indicate the potential for a brine operation bringing benefits to the State including by way of mineral royalties and employment opportunities.

Situated within the Little Sandy Desert of Western Australia, the Project is ideally located for a brine operation with the highest evaporation rate in Australia and low average annual rainfall. Amongst its peers, it has the second shortage distance to Port Hedland, the world's largest and most efficient bulk export port.

A registered Mining and Indigenous Land Use Agreement is in place with the Martu Traditional Owners of the lands upon which the Project is situated.

Full environmental approvals are in place at both State and Commonwealth level for life-of-mine production (currently 40 years but can be extended) at 400,000tpa SOP and Major Project Status has been awarded to the Project.

Reward completed a Pre-Feasibility Study (PFS) in 2018 (see RWD ASX Announcements dated 1 May 2018[1] and updated on 13 July 2018[2]). The PFS, conducted to a high level of detail by Perth-based engineering consultants CPC Project Design demonstrated that the Project is both technically sound and financially robust and is forecast to generate attractive returns.

The total capital expenditure required to develop the Project was estimated at $450.6M, including Indirects, Owners' Costs, a $59.9M Contingency and Pre-Production expenses. Approximately $75M was also included for infrastructure investment, which could potentially be debt-funded via the Australian Government's Northern Australia Infrastructure Fund. Highlights of the Project's economics (using a conservative price assumption of US$500/tonne SOP FOB Port Hedland and a 0.75 USD/AUD exchange rate) include:

Pre-tax $NPV_{8\%\ Real}$	$517.6M	Post-tax IRR	14.9%
Post-tax $NPV_{8\%\ Real}$	$292.8M	EBITDA margin	44.6%
Pre-tax IRR	18.8%	Average annual EBITDA	$118M
AISC SOP/T	$394/T		

During 2021 (the reporting period), Reward's Project activities in respect of the KP SOP project focused on technical matters relating to updating the PFS and conducting further Potash recovery studies. On-ground activity at the Project was limited to site maintenance works. Exploration for Potash in the Officer Basin continued (see below).

Resource development, mine planning, metallurgical test work, hydrological and hydrogeological studies and environmental monitoring are continuing, alongside a genuine plan and commitment to develop the Project. Conversion of Resource-Reserve status is also an aspiration for Reward. However, these activities will be executed alongside Rewards desire to bring this Project closer toward production, with a keen awareness of the current market position of other SOP developers in Australia.

Operations Report

Kumpupintil Lake Potash Project continued

Adoption of Kumpupintil Lake Title

In June 2021, Reward activated the name change of Lake Disappointment to the Martu Traditional Owners title of Kumpupintil Lake for the Project. Kumpupintil Lake was registered as the official name of the site in November 2020 (see mediastatements.wa.gov.au).

Reward's announcement in respect of the change was released on 14 July 2021 following consultation with Western Desert Lands Aboriginal Corporation (WDLAC), the Prescribed Body Corporate representing the Martu Traditional Owners of the Lands within the Martu Determination Area.

The name Kumpupintil describes how the lake was formed and is linked to the Martu creation story where Martu warriors fought mighty giants in epic battles over the lake. The name also defines the ecological richness of the desert landscape which is important to Martu people for spiritual and ceremonial reasons and an important place for water and traditional food.

Reward acknowledges the significance of Kumpupintil Lake by assigning the name to its flagship SOP Project and seeks to work closely with WDLAC and Martu Traditional Owners in development of the Project.

Bechtel Appointed to Conduct PFS Review, Trade-Off Study and SysCAD Modelling

Since completion of the PFS in May 2018 Reward has progressed with additional technical and environmental work programs. As a result of these additional works and other industry-related technical developments, Reward appointed globally-recognised EPCM company, Bechtel, to complete a review of the Kumpupintil Lake Potash Project and explore options to unlock additional value. The review was completed in March 2021.

A Trade-Off study was undertaken in addition to the PFS review which identified several pertinent matters, being that:

- The 2018 PFS Base Case for the Project would satisfy Reward's project realisation and keep the project and process simple;
- Evaporation ponds are considered as the most efficient way of producing the KTMS feedstock for a SOP process plant;
- The base case trucking option was the most economically feasible with the ability to achieve speed-to-market. Moreover, there would be an opportunity to attract Northern Australia Infrastructure Facility (NAIF) funding for road development between KP and Newman, which would reduce upfront CAPEX for road development; and
- Renewable energy alternatives proved quite attractive from not only an OPEX savings perspective, but also the fact that it would likely to be looked upon favourably by project financiers and the community.

The Trade-Off Study considered leading edge renewable energy solutions, alternative processing flow sheet options and the Project's development schedule as well alternative logistics solutions. It analysed a number of variations to the Back Mix arrangement (base case). The process route variations included flotation (for Halite removal), Hot and Cold Leaching and the 'Langbeinite' route; a hot route with benefits and producing either an intermediate on the way to SOP or a secondary product along with SOP. The overall conclusion recommended the base case Back Mix route as the best option.

The study also looked at energy consumption and use of alternative energy sources e.g. solar power.

Amongst Bechtel's Study were the following recommendations:

- SysCAD process model review of input assumptions from the 2018 PFS models. The models could be reviewed and updated with process data from the test work once available. The review should include a review of model coding that would confirm model accuracy, and with test work data would support yield and recoveries.
- Conduct Financial modelling with input from SysCAD modelling results after the test work results have been incorporated. This would address current gaps and opportunities
- Define the Project Development Plan (Business Plan)
    - Continue to brief NAIF but hold funding discussions while the Bankable Feasibility Study (BFS) is in progress or nears completion
    - Publish Trade-off Study results
    - Hold Project Development Plan preparation until Metallurgical testwork in progress is finalised

Operations Report

Kumpupintil Lake Potash Project continued

- Discuss with potential JV partners at the earliest
- Ongoing environmental monitoring
- Conversion of Exploration Licenses to Mining Licenses (tenure considerations)

On consideration of these potential enhancements, Reward commissioned Bechtel to conduct a further near-term revision of the Project Flowsheet and Metallurgical Balance (SysCAD Modelling) incorporating updated technical parameters. This study was completed late in June 2021. Reward is confident with the reworking of the SysCAD model and is satisfied that the output model is a more accurate guide. The updated model calls for smaller pondage in the front end Evaporation circuit whilst still meeting the 400,000tpa SOP production target.

Following receipt of the SysCAD study from Bechtel, Reward commissioned Northshore Capital Advisors Pty Ltd to update the Project's PFS Financial Model, incorporating the revised operational parameters from the SysCAD model and other study based recommendations. The Northshore study commenced in June and an outline of Key Parameters was received during Q3. Reward will evaluate and incorporate these into the new PFS model in order to advance the PFS revision in a reasonable timeframe. The Northshore PFS revision was delayed whilst further metallurgical testwork was undertaken and due to time commitments by Northshore on other projects.

The Company continues its work on the review of the PFS. A preliminary review of the PFS material movement parameters has been completed so that an update of engineering, capital and unit operational costs can be sought from the appropriate technical firms. Staffing issues due to COVID-19 restrictions have complicated this part of the exercise, delaying the anticipated completion of the revised PFS.

Laboratory testwork continued during the year to enhance the Company's SOP recovery flowsheet and to test several alternative low-cost routes for Potash recovery currently undergoing development at the Project.

Meanwhile, Reward continues to investigate financing options / Joint Venture routes to advance the development of the Project.

Application and Grant of Major Project Status

In Q1 of 2021, Reward finalised an application for Major Project Status. Later in June, Reward was advised by the Australian Government Major Projects Facilitation Agency that the Project had been awarded Commonwealth Government Major Project Status (see ASX release dated 29 June 2021).

A joint Ministerial Media Release from honourable Ministers' Christian Porter and Keith Pitt announcing the award was received by the Company on 29 June 2021.

Reward regards the Award as an important milestone for the Project's development and recognition of the importance to Australia of the future supply of strategic commodities such as SOP potentially available from the Project which is primarily used as agricultural fertiliser.

The Award is also of particular importance after receipt of State and Federal Environmental Approvals for the Project, at a time that Reward is actively seeking a strategic partner for project development.

The Major Projects Facilitation Agency assessed the Project on a standard set of criteria, and to qualify it needed to:

Be of strategic significance to Australia and must either:

- Contribute significantly to economic growth, exports, employment and/or infrastructure development.
- Have an economic benefit to regional Australia, considering a region's investment needs.

Require Commonwealth Government approvals or involvement, for example:

- Foreign Investment approval or import tariff concessions.
- Significant involvement through government employment and training programs, or immigration programs.
- Be commercially viable.

"The Lake Disappointment (Kumpupintil Lake) project will strengthen the security of Australia's agriculture sector and support the Government's Ag2030 agenda to boost Australia's agricultural production to $100 billion a year by 2030." Minister Porter said.

Minister Pitt said *"Importantly, the project will create new opportunities to export potash, and is in an ideal location to supply growing markets in Southeast Asia, India and potentially East Africa. The project will also provide employment opportunities and royalties to the Martu Traditional Owners."*

Operations Report

Officer Basin Potash Project

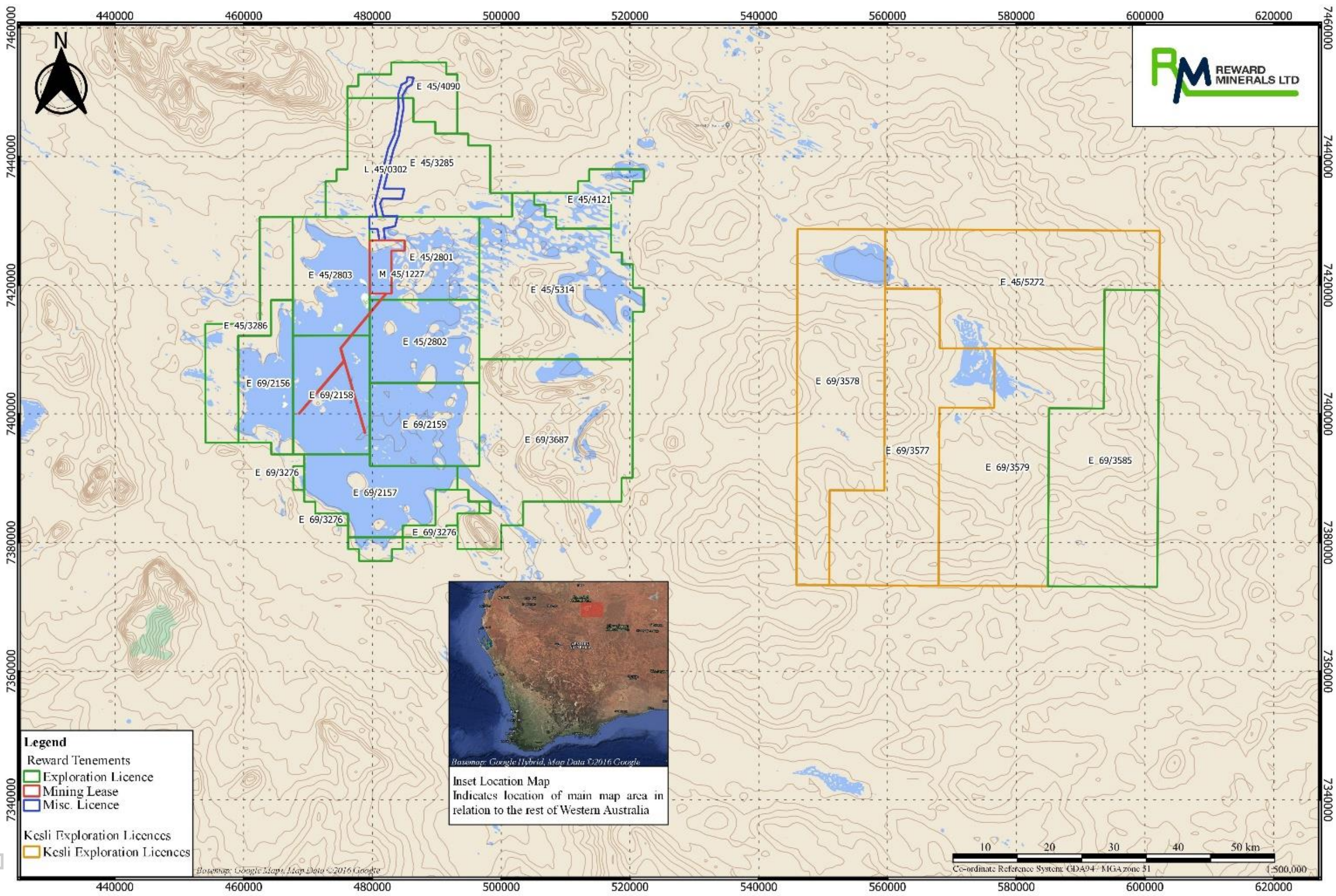
Overview

Reward holds one exploration licence located in the Officer Basin (OB) as well as exclusive rights to an additional four granted exploration licences held by Kesli Chemicals Pty Ltd by meeting expenditure commitments (see ASX release dated 3 April 2019 titled "Reward Applies for Large Acreage of New Tenements in the Officer Basin Highly Prospective for Sulphate of Potash").

The exploration licences cover approximately 3,100km^2 of highly prospective ground and lie 100km east of Reward's flagship Kumpupintil Lake Potash Project in Western Australia (see Figure 1).

Combined, the tenements provide substantial coverage of the Officer Basin which is regarded as highly prospective for Potash mineralisation to occur at shallow depths in the Browne Formation evaporites, known to cover a very large area in the Officer Basin.

Figure 1. Kumpupintil Lake Potash Project (left) and Officer Basin Potash Project (right) Tenements



Phase 1 Drilling Completion

During 2020, Reward drilled core holes OB001 and OB002 to depths of 419m and 706m respectively without intersecting anticipated solid (soluble) evaporites. Three subsequent holes (OB003 - OB005) were drilled to shallow depths only, to assess the potential of the brine aquifer discovered in the initial holes. The brine encountered during pumping of the completed drill holes contained significant Potassium and Sulphate values - see ASX release dated 27 January 2021 and Table 1. The lateral extent of the transect covered by holes OB001 - OB005 along Seismic Line N83-01 is 9.7km.

Drilling at Phase 1's final drill site - OB005, commenced in October 2021. Exploration activity during 2021 was disappointingly slow and technically difficult. Access to the Project was restricted for a significant period of time due to heavy rains late in the summer season.

The drilling encountered a high-flow freshwater aquifer at shallow depth (30 - 40m). Attempts to case-off this aquifer and continue drilling to depth resulted in loss of the drill string and equipment. Consequently, a second hole (OB005B) was collared adjacent to the original hole, OB005(A); which was then used to supply water for mud rotary drilling of OB005B.

Operations Report

Officer Basin Potash Project continued

2021 Heritage Clearance Survey

Reward undertook a second Heritage Clearance Survey (HERKES002) with the Western Desert Lands Aboriginal Corporation (WDLAC) and Martu traditional Owners, for expansion of the Officer Basin drilling program as planned by the Company during Q3.

The Clearance was obtained on October 1 and allowed Reward to drill a further eleven (11) exploration holes at the Project (see ASX Release 21 January 2022).

Phase 2 Drilling

This drilling was conducted to provide east-west extension of approximately 25km and NE-SW extension of 5km along Seismic Line N83-01. See Figure 3 and ASX Release dated 7 October 2021 for details of Phase 2 Drill planned holes.

OB006 – OB008 were drilled during Q4 as part of the Phase 2 drilling program, following receipt of Heritage Clearance. All holes were executed using mud rotary drilling techniques for a total of 1,147 metres.

The purpose of the drilling was to follow up on significant, Potash-rich brine flows encountered previously in holes OB001 – OB004 drilled during 2020 (see ASX Release 27 January 2021).

Locations of drill holes and chemical analyses of brines recovered by airlifting techniques are provided in Tables 1 and 2 respectively. A Location Plan is provided in Figure 2.

Table 1. Drill Hole Collar information for 2021 drilling at Officer Basin

Drilling Program	Hole ID	Easting (MGA Zone 51)	Northing (MGA Zone 51)	Elevation (masl)	Hole Depth (m)	Dip (°)	Azimuth (°)
Phase 1 (2020 - 2021)	OB004B	578125	7399201	350	216	90	360
	OB005B	583907	7408866	363	276	90	360
Phase 2 (2021)	OB006 (MW2)	580001	7407389	342	231	90	360
	OB007 (MW4)	577900	7410454	337	222	90	360
	OB008 (MW8)	571443	7416392	346	202	90	360

Table 2. Geochemical Assay Results for 2021 drilling at Officer Basin

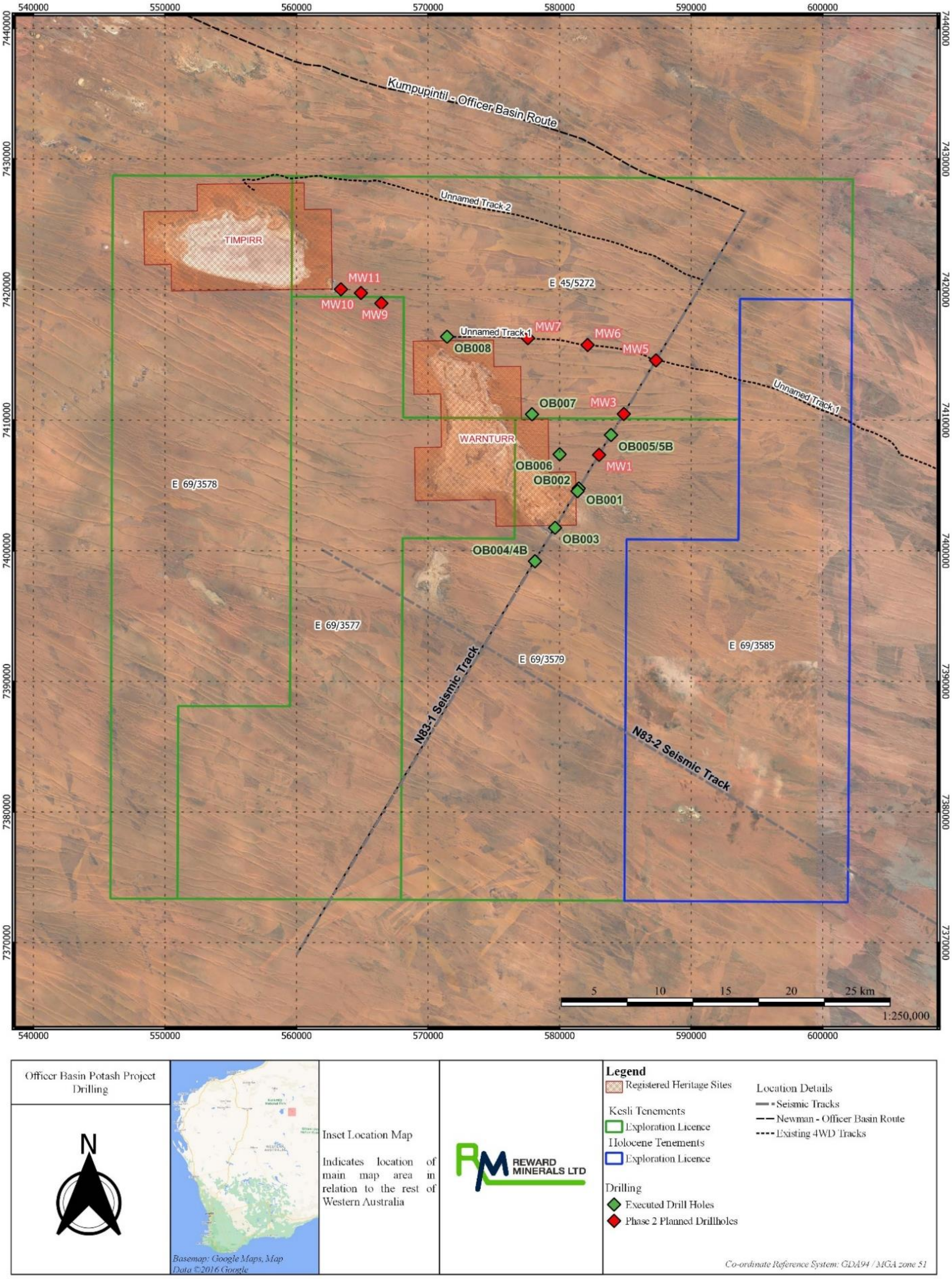
Drilling Program	Hole ID	Hole Depth (m)	Sample Depth (m)	Ca (mg/l)	K (mg/l)	Mg (mg/l)	Na (mg/l)	SO_4 (mg/l)	Cl (mg/l)	Specific Gravity	Total Dissolved Ions*
Phase 1 (2020 - 2021)	OB004B	216	40	1525	450	600	46275	8100	74230	1.085	131180
	OB005B	276	276	113	590	67	1937	1770	3337	1.000	7814
Phase 2 (2021)	OB006 (MW2)	231	32	325	430	292	3748	3870	5190	1.006	13855
			219	700	570	96	2374	3690	3320	1.003	10750
			225	785	500	96	2166	3810	3010	1.003	10367
	OB007 (MW4)	222	39	455	330	464	12690	4500	20650	1.023	39089
			222	640	460	658	18030	6030	29120	1.034	54938
			196	910	430	668	16570	5460	27610	1.028	51648
	OB008 (MW8)	202	202	900	1480	1526	58300	13470	92620	1.107	168296
			202	940	1500	1590	60560	14400	97940	1.114	176930

**Total Dissolved Ions numbers quoted correspond to the sum of the ion concentrations of columns 5 – 10 in Table 2. This figure may differ somewhat from Total Dissolved Solid (TDS) figures. To convert K values to SOP multiply by 2.228.*

Operations Report

Officer Basin Potash Project continued

Figure 2. Officer Basin executed and planned drill holes as of January 2022, located 100km east of Reward's JORC-defined SOP Resource of Kumpupintil Lake



Note: Officer Basin Tenements are Registered under Kesli Chemicals Pty Ltd, which holds 100% beneficial interest in its Tenements on behalf of Reward Minerals Ltd.

Operations Report

Officer Basin Potash Project continued

Exploration Results Summary

The 2021 drilling at Officer Basin confirms substantial groundwater presence in the area/s drilled to-date.

However, generally the tenor of dissolved salts in the groundwater recovered from the latest drill holes was disappointing, considering the much higher Total Dissolved Ion (TDI) content of brines encountered in holes OB001 – OB004 during 2020.

While it appears that near-surface groundwater is relatively fresh and that TDI generally increases with depth, the drilling crew experienced great difficulty in isolating the upper, freshwater aquifers from deeper aquifers of significantly higher salinity. Thus, it is difficult to quantify the dilution effect on deeper groundwater by shallower inflow during the process of pumping and subsequent airlift recovery despite efforts to isolate the different aquifer horizons.

Ground conditions including running sands underlain by dense clay formations made drilling difficult with frequent loss of mud circulation and drilling equipment getting stuck or lost downhole on a regular basis.

Results of the Officer Basin Potash Project to-date provide the following indications:

1. Drilling of the deeper holes OB001 and OB002 (cored to 419.45m and 705.6m respectively) failed to return solid evaporites containing water-soluble potash salts. Core analysis of OB002 to include formation dating to confirm whether the targeted rock sequences were in fact reached, has yet to be finalised. These dating results may provide a guide as to whether deeper drilling to penetrate the Browne Formations sediments is warranted.

2. The shallower drilling executed in 2021 in holes OB005 – OB008 and limited groundwater recovery trials support Reward's view that a large palaeovalley system runs from (at least) OB001/OB002 in the east across the Warnturr and Timpirr Lakes corridor to the west, a distance of >40km. The low-density tenor of groundwater in recent holes OB005, OB006 and OB007 suggests that these holes are located on the margins of the postulated palaeovalley aquifer. OB008 demonstrated a significant Potash content in groundwater drawn from the bottom of hole at 202 metres. Potassium analysis of 1.49kg/m^3 and sulphate of 13.9kg/m^3 are regarded as encouraging (SOP equivalent of 3.3kg/m^3 of brine).

Reward believes that a substantial water and brine palaeovalley exists in the area where holes OB001 – OB008 have been drilled to-date.

Based on that assumption, Reward proposes to conduct a geophysical Passive Seismic Survey, both across and perpendicular to the postulated flow direction of the palaeovalley. Survey lines will effectively run parallel to Seismic Line N83-1 (see Figure 2).

Passive seismic is a relatively low-cost, non-ground disturbing technique used extensively in Western Australia to define depth of cover, shallow stratigraphy and direction and depth of palaeovalley water and brine resources for mining and other (Potash) operations. Follow-up drilling has confirmed the effectiveness of the method in other regions.

The implementation of the Passive Seismic Survey will require approval from WDLAC and the Martu Traditional Owners in order to gain access to the Warnturr and Timpirr Lake areas which are of Cultural Significance to the Martu and are Registered Sites under the Aboriginal Heritage Act 1972 (see Figure 2). Reward will seek to discuss access considerations prior to any further planning of geophysical survey activities.

Operations Report

Notes, Cautionary Statements and No New Information or Data

1. Please refer to the assumptions, sensitivities, risk factors and cautionary statements disclosed respectively in Table 2 (pages 4-6), Table 3 (pages 7-8) and on pages 12 and 13 of Reward's ASX release dated 1 May 2018 entitled "PFS confirms LD Project as a globally significant SOP Project", as well the details included in the PFS Executive Summary appended thereto, which may adversely impact upon the information and forecasts in this report.

Apart from the enhancement described in (2) below all other material assumptions and technical parameters underpinning the PFS continue to apply and have not materially changed. The Company confirms that the form and context in which the results of the PFS were presented in the original ASX announcement have not been materially modified.

2. Refer to ASX announcement dated 13 July 2018 titled "LD SOP Project PFS Enhancements" which presented the full details of an improvement in product logistics costs for the LD Project. Apart from the improvement in trucking cost presented in that release all other material assumptions and technical parameters underpinning the PFS continue to apply and have not materially changed.

3. The Company has concluded that it has a reasonable basis for providing the forward-looking statements in this report. However, the Pre-Feasibility referred to in this report does not provide certainty that the conclusions of the said study will be realised. Furthermore, Reward cautions that there is no certainty that the forecast financial information derived from the production targets quoted in this report, in the Pre-Feasibility Study or in subsequent announcements, will be realised.

4. The estimated mineral resources underpinning the Pre-Feasibility Study production targets have been prepared by competent persons in accordance with the current JORC Code 2012 Edition, the Canadian Institute of Mining and Metallurgy and Petroleum Best Practice Guidelines for Resource and Reserve Estimation for Brines, the JORC-approved AMEC Brine Resource Estimation guidelines and the current ASX Listing Rules.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Matthew Wheeler, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Wheeler is contracted to Reward Minerals Ltd. 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 Wheeler consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to the existing Lake Disappointment Project Mineral Resource Estimate and hydrogeology is extracted from the report titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" published in an ASX announcement dated 7 February 2017 and available to view on www.rewardminerals.com. The information in the original report was 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 was employed by Strategic Water Management and was a consultant to Reward. He 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 report that relates to 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.

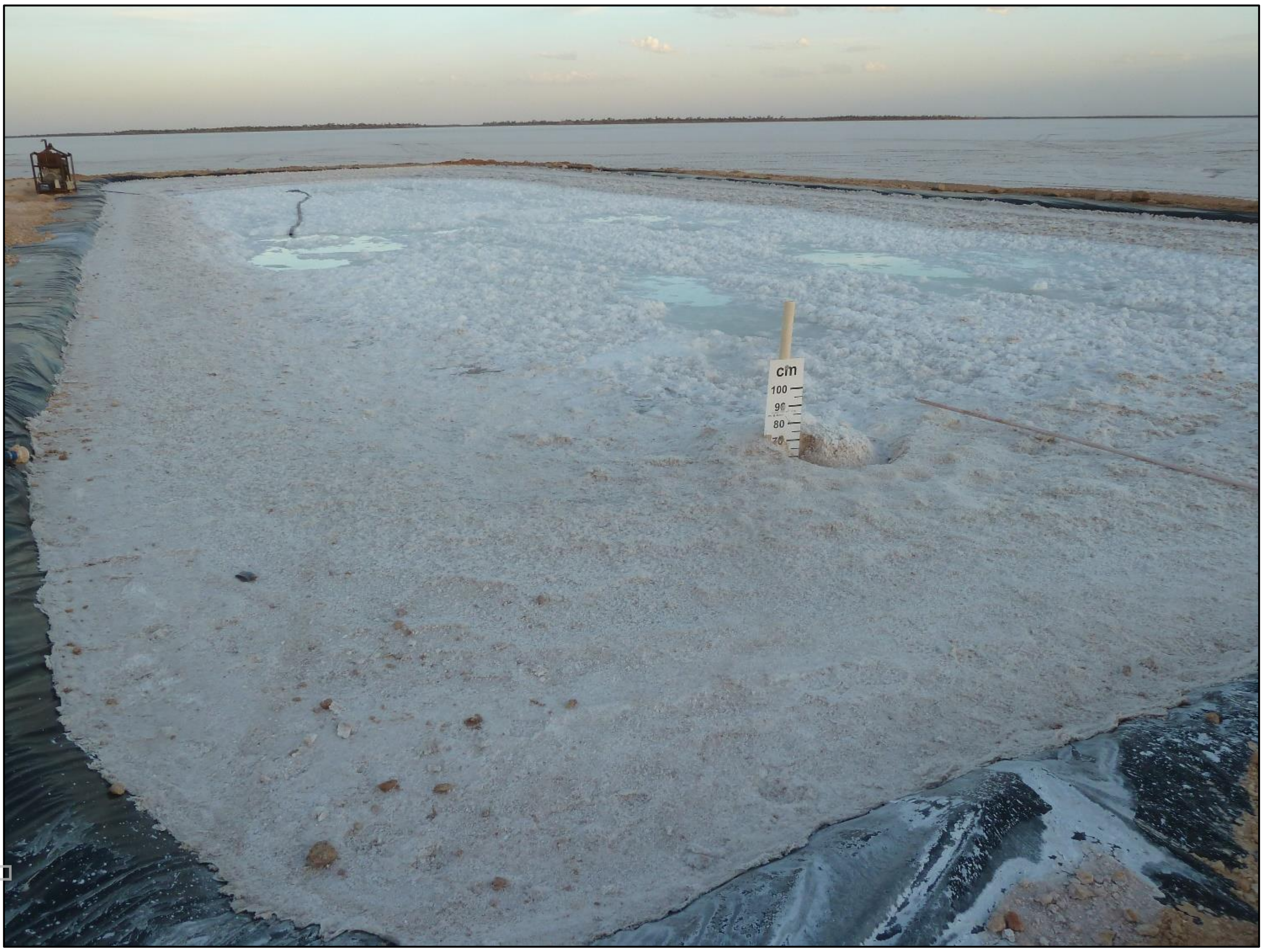
The Company confirms that it is not aware of any new information or data that materially affects the information included in the 2017 mineral resource announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.

Operations Report

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 Quarterly 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 Annual Report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



Salts crystalised in one of Reward’s trials at Lake Disappointment

Tenement Schedule

Prospect Area	Tenement	Area	RWD Equity	Registered Holder/Applicant
Kumpupintil Lake, WA	E45/2801	70 blocks	100%	HOL
	E45/2802	70 blocks	100%	HOL
	E45/2803	70 blocks	100%	HOL
	E45/3285[1]	120 blocks	100%	HOL
	E45/3286	56 blocks	100%	HOL
	E45/4090[1]	34 blocks	100%	HOL
	E45/4121	28 blocks	100%	HOL
	E69/2156	53 blocks	100%	HOL
	E69/2157	70 blocks	100%	HOL
	E69/2158	70 blocks	100%	HOL
	E69/2159	70 blocks	100%	HOL
	E69/3276	24 blocks	100%	HOL
	L45/302	3,258 ha	100%	HOL
	M45/1227	3,437 ha	100%	HOL
	E45/5314	163 blocks	100%	HOL
	E69/3687	188 blocks	100%	HOL
Officer Basin, WA	E45/5272[2]	200 blocks	100%	KES
	E69/3577[2]	190 blocks	100%	KES
	E69/3578[2]	200 blocks	100%	KES
	E69/3579[2]	200 blocks	100%	KES
	E69/3585	200 blocks	100%	HOL
Balfour, WA	LA46/128	744 ha	100%	HOL
Dora, WA	ELA45/4321	165 blocks	100%	HOL
	ELA45/4488	61 blocks	100%	HOL

Notes

1. Tenements subject to a Farm-in and Joint Venture Agreement with a wholly owned subsidiary of Fortescue Metals Group Ltd ("FMGL"). FMGL has the right 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. Reward retains the rights to all evaporite minerals on the tenements. (See ASX release dated 13 November 2019 entitled "Fortescue and Reward execute $2 million Farm-in and Joint Venture Agreement").

2. Tenements owned by Kesli Chemicals Pty Ltd to which Reward has 100% ownership by meeting expenditure commitments (see ASX release dated 3 April 2019 titled "Reward Applies for Large Acreage of New Tenements in the Officer Basin Highly Prospective for Sulphate of Potash").

HOL Holocene Pty Ltd
E Exploration Licence
ELA Application for Exploration Licence
KES Kesli Chemicals Pty Ltd
L Miscellaneous Licence
LA Application for Miscellaneous Licence
M Mining Lease

Directors' Report

Your Directors have pleasure in presenting their report together with the financial statements of the consolidated entity (hereafter referred to as the Group) for the year ended 31 December 2021 and the auditor's report thereon.

Directors

The names of the Directors of Reward Minerals Ltd during the financial year and to the date of this report are:

Colin McCavana (Chairman)
Michael Ruane (Executive Director)
Rod Della Vedova (Non-Executive Director)

Directors have been in office since the start of the financial year to the date of this report.

Corporate Information

Reward Minerals Ltd is a Company limited by shares and is domiciled in Australia.

Principal Activities

During the year, the Group was involved in mineral exploration.

Results of Operations

The net loss of the Group for the year ended 31 December 2021 was $635,947 (2020: Loss $240,298).

Covid-19 Impact

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity and future results of operations. Management continues to actively monitor the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for the 2022 financial year.

The health and wellbeing of all Reward employees remain a key focus in response to the ongoing COVID-19 pandemic. The work practices and measures implemented to mitigate COVID-19 related risks have so far proven successful with no known COVID-19 cases across our workforce and minimal disruption to our operations to date.

Dividends

No dividends were paid or declared since the end of the previous year. The Directors do not recommend the payment of a dividend.

Significant Changes in the State of Affairs

There were no significant changes to the state of the consolidated entity's affairs during the year.

Matters Subsequent to the End of the Financial Year

At the date of this report there are no other matters or circumstances which have arisen since 31 December 2021 that has significantly affected or may significantly affect:

(i) the operations of the Group;

(ii) the results of its operations; or

(iii) the state of affairs of the Group subsequent to 31 December 2021.

Likely Developments and Expected Results of Operations

Further information on the likely developments in the operations of the Group and the expected results of operations has been included in the Operations Report.

Directors' Report

Directors Information

Colin McCavana - Non Executive Director and Chairman (appointed 24 February 2010 and Chairman on 30 November 2010)

Mr McCavana has over 40 years' experience in mining and earthmoving industries, including the management, acquisition, exploration and development of projects in Australia, USA, Tanzania, Mozambique and Indonesia.

Directorships held in other listed companies in the past 3 years:
- Northern Minerals Ltd, Non-Executive Chairman, appointed 22 June 2006 (resigned 17 November 2021)
- PVW Resources Ltd, Non-Executive Director, appointed 1 February 2018

Dr Michael Ruane PhD MRACI – Executive Director (appointed 02 December 2004)

Dr Ruane holds a PhD in Chemistry and has over 40 years' experience as a Technical Consultant in the chemical and metallurgical fields.

Directorships held in other listed companies in the past 3 years:
- Empire Resources Ltd, Non-Executive Chairman, appointed 3 October 2018
- NTM Gold Limited, Non-Executive Director, appointed 24 April 2020, resigned 15 March 2021 following the merger with Dacian Gold Limited.

Rod Della Vedova, BSc - Non Executive Director (appointed 16 January 2013)

Mr Della Vedova holds a post graduate degree in Chemical Engineering and has over 30 years' experience in large scale commercial production of salt by solar evaporation techniques.

Directorships held in other listed companies in the past 3 years:
- Nil

Bianca Taveira - Company Secretary

Mrs Taveira was appointed as Company Secretary on 15 April 2010. Mrs Taveira is an experienced company administrator and manager who has acted as Company Secretary to a number of unlisted public and ASX listed natural resource companies for over 20 years.

Directors' Interests in Shares and Options

As at the date of this report the relevant interest of each Director in the shares and options of the Company are:

	Ordinary Shares		Options	
Directors	Direct Interest	Indirect Interest	Direct Interest	Indirect Interest
Colin McCavana	1,024,998	29,999	-	-
*Michael Ruane	49,815	72,716,391	-	7,142,856
Rod Della Vedova	92,500	-	9,250	-

*Michael Ruane is the Director of Tyson Resources Pty Ltd and Kesli Chemicals Pty Ltd.

Shares under Option

As at the date of this report, the unissued ordinary shares of the Company under option are as follows:

Date of Grant	Expiry Date	Exercise Price of Options	Number under Options
23 October 2020	30 September 2023	$0.20	15,853,260

Option holders do not have any rights to participate in any issue of shares or interest of the Group.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

Directors' Report

Indemnification and Insurance of Directors and Officers

During the financial year, the Group maintained an insurance policy which indemnifies the Directors and Officers of Reward Minerals Ltd in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Group. The Group's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

Directors' Meetings

The number of directors' meetings attended by each of the Directors of the Group during the year were:

Director	No. of Meetings while in office	No. of Meetings attended
Colin McCavana	4	4
Michael Ruane	4	4
Rod Della Vedova	4	4

Environmental Issues

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. There are no bonds currently in place in respect of the Group's tenement holdings.

The Directors advise that during the year ended 31 December 2021, no claim has been made by any competent authority that any environmental issues, condition of license or notice of intent has been breached, and no claim has been made for increase of bond.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 January 2021 to 31 December 2021 the Directors have assessed that there are no current reporting requirements but may be required to do so in the future.

Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by section 300A of the *Corporations Act 2001*.

A Principles Used to Determine Amount and Nature of Remuneration

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using the Black-Scholes or Binomial methodologies.

The board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the annual general meeting (currently $150,000). Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in employee option plans.

The objective of the Group's executive reward framework is set to attract and retain the most qualified and experienced Directors and Senior Executives. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

Directors' Fees

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors' Report

Performance Based Remuneration

The Group uses both short term and long term incentive programs to balance the short and long term aspects of business performance, to reflect market practice, to attract and retain key talent and to ensure a strong alignment between the incentive arrangements of Executives and the creation and delivery of shareholder return.

Executives are encouraged by the Board to hold shares in the company and it is therefore the Group's objective to provide incentives for participants to partake in the future growth of the group and, upon becoming shareholders in the Company, to participate in the group's profits and dividends that may be realised in future years. Refer below and Note 17 of the financial statements for full terms of the incentives issued. The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. This is facilitated through the issue of options or performance rights to Directors and Executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

Voting and comments made at the Group's 2021 Annual General Meeting

The approval of the remuneration report was passed as indicated in the results of Annual General Meeting dated 28 May 2021. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The Group received 99.97% of "yes" votes on its resolutions to re-elect Mr Rodney Della Vedova as Director.

B Details of Remuneration of Key Management Personnel of the Group

The key management personnel ("KMP") of the Group for the year ended 31 December 2021 are the Directors and its CEO, Greg Cochran, who resigned on 1 July 2021.

Details of the nature and amount of each element of remuneration of each Director and key management personnel of the Group for the financial year are as follows:-

2021	Short Term							
Name	Consulting Fees $	Salary $	Termination Payment $	Directors' Fee $	Post Employment Superannuation $	Share Based Payments Expense $	Total $	Performance Related %
Directors								
Colin McCavana	-	-		36,000	-	-	**36,000**	-
Michael Ruane	148,500*	-		-	-	-	**148,500**	-
Rod Della Vedova	-	-		30,000	-	-	**30,000**	-
Other KMP								
Greg Cochran – CEO (Resigned 1 July 2021)	-	195,601	75,875	-	24,473	105,000	**400,949**	**26%**
	148,500	**195,601**	**75,875**	**66,000**	**24,473**	**105,000**	**615,449**	**-**

*Consulting fees for Dr Ruane have been accrued in the financial statements. No amounts related to the 2021 remuneration were paid during the year to him or his related entities. The amounts accrued may be paid in future periods.

Directors' Report

B Details of Remuneration of Key Management Personnel of the Group continued

2020	Short Term						
Name	Consulting Fees $	Salary $	Directors' Fee $	Post Employment Superannuation $	Share Based Payments Expense $	Total $	Performance Related %
Directors							
Colin McCavana	-	-	36,000	-	-	**36,000**	-
Michael Ruane	145,000*	-	-	-	-	**145,000**	-
Rod Della Vedova	-	-	30,000	-	-	**30,000**	-
Other KMP							
Greg Cochran - CEO	-	303,500	-	25,000	-	**328,500**	-
	145,000	**303,500**	**66,000**	**25,000**	**-**	**539,500**	**-**

*Consulting fees for Dr Ruane have been accrued in the financial statements. No amounts related to the 2020 remuneration were paid during the year to him or his related entities. The amounts accrued may be paid in future periods.

C Share-Based Compensation

(i) Shares

(a) During the year, 750,000 shares at $0.14 per share were issued to Greg Cochran as part of his termination package. The shares are escrowed until 2 July 2022. An amount of $105,000 has been expensed in the financial statements in the year ended 31 December 2021.

(b) There were no shares issued to Key Management Personnel during the year ended 31 December 2020.

(ii) Options

There were no options issued to Key Management Personnel during the year ended 31 December 2021 and 31 December 2020.

(iii) Performance Rights

In December 2017, Greg Cochran was issued performance rights, of which Class B rights were on foot during part of the year. The performance rights will vest and convert to one fully paid share subject to satisfaction of certain performance conditions, as follows:

Class B – 1,000,000 rights: Prior to 1 December 2022, completion and availability of full funding for the development of the LD SOP Project. These rights lapsed during the year ended 31 December 2021 when Greg Cochran resigned on 1 July 2021.

Directors' Report

D Service Contracts

Directors have all been appointed pursuant to letters of engagement setting out the terms of their appointment. Directors may be paid consulting fees at commercial rates calculated according to the amount of time spent on Group business. All Directors may receive consulting fees on an hourly basis which are paid from time to time for specialist services beyond normal duties. No Directors have received loans from the Group during the annual period.

Mr Greg Cochran, the Chief Executive Officer, was appointed on 1 December 2017 and resigned 1 July 2021. His contract had no fixed term and provided for a remuneration of $300,000 plus statutory superannuation and share based compensation. Refer to ASX announcement dated 1 December 2017 regarding Mr Cochran's employment benefits. Mr Cochran was issued with 750,000 shares at $0.14 each for no consideration as part of his termination package.

E KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel Interests in the Shares and Options of the Company

Shares

The number of shares in the Company held during the financial year by each Key Management Personnel ("KMP") of Reward Minerals Ltd, including their personally related parties, are set out below.

2021	Balance at the start of the year	Shares issued as remuneration	Shares sold	Shares acquired	Balance at the end of the year
Directors					
C McCavana	1,054,997	-	-	-	1,054,997
M Ruane	70,161,077	-	-	2,112,283	72,273,360
R Della Vedova	92,500	-	-	-	92,500
Other KMP					
G Cochran (resigned 1 July 2021)	1,265,686	750,000*	(843,696)		1,171,990**
	72,574,260	**750,000**	**(843,696)**	**2,112,283**	**74,592,847**

*Escrowed to 2 July 2022
** Balance held at resignation

2020	Balance at the start of the year	Received during the year on the exercise of options	Shares sold	Shares acquired	Balance at the end of the year
Directors					
C McCavana	1,054,997	-	-	-	1,054,997
M Ruane	62,218,053	-	(1,971,600)	9,914,624	70,161,077
R Della Vedova	74,000	-	-	18,500	92,500
Other KMP					
G Cochran	950,000	-	-	315,686	1,265,686
	64,297,050	**-**	**(1,971,600)**	**10,248,810**	**72,574,260**

Directors' Report

E KEY MANAGEMENT PERSONNEL DISCLOSURES continued

Key Management Personnel Interests in the Shares and Options of the Company continued

Options

The number of options over ordinary shares in the Company held during the financial year by each Key Management Personnel of Reward Minerals Ltd including their personally related parties are set out below:

2021	Balance at start of the year	Options issue through Rights Issue	Options expired during the year	Exercised during the year	Options sold	Balance at the end of the year	Vested and exercisable at the end of the year
Directors							
C McCavana	-	-	-	-	-	-	-
M Ruane	14,872,217		(7,729,361)			7,142,856	7,142,856
R Della Vedova	11,250	-	(2,000)	-	-	9,250	9,250
Other KMP							
G Cochran (resigned 1 July 2021)	189,274	-	(35,000)	-	-	154,274	154,274*
	15,072,741	**-**	**(7,766,361)**	**-**	**-**	**7,306,380**	**7,306,380**

* Balance held at resignation

2020	Balance at start of the year	Options issue through Rights Issue	Options expired during the year	Exercised during the year	Options sold	Balance at the end of the year	Vested and exercisable at the end of the year
Directors							
C McCavana	-	-	-	-	-	-	-
M Ruane	8,325,287	6,546,930	-	-	-	14,872,217	14,872,217
R Della Vedova	2,000	9,250	-	-	-	11,250	11,250
Other KMP							
G Cochran	2,035,000	154,274	(2,000,000)	-	-	189,274	189,274
	10,362,287	**6,710,454**	**(2,000,000)**	**-**	**-**	**15,072,741**	**15,072,741**

Performance Rights

Year ended 31 December 2021	Balance at the start of the year	Granted as remuneration during the year	Performance Rights Lapsed	Balance at the end of the year	% Vested
Directors					
C McCavana	-	-	-	-	-
M Ruane	-	-	-	-	-
R Della Vedova	-	-	-	-	-
Other KMP					
G Cochran	1,000,000	-	(1,000,000)	-	-

Year ended 31 December 2020	Balance at the start of the year	Granted as remuneration during the year	Performance Rights Lapsed	Balance at the end of the year	% Vested
Directors					
C McCavana	-	-	-	-	-
M Ruane	-	-	-	-	-
R Della Vedova	-	-	-	-	-
Other KMP					
G Cochran	2,000,000	-	(1,000,000)	1,000,000	0%

Directors' Report

E KEY MANAGEMENT PERSONNEL DISCLOSURES continued

[End of remuneration report]

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervened in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-Audit Services

The auditors have not provided any non-audit services to the Group in the current or prior financial years.

Auditors Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a Declaration of Independence from Rothsay Auditing, the Group's auditors, as presented on page 21 of this Annual Financial Report.

Dated this 31st day of March 2022 in accordance with a resolution of the Directors and signed for on behalf of the Board by:

Michael Ruane
Director

Auditor's Declaration of Independence

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the audit of Reward Minerals Ltd for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Reward Minerals Ltd and the entity it controlled during the year.

Rothsay Auditing

Daniel Dalla
Partner
31 March 2022

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Independent Auditor's Report

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

REWARD MINERALS LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Reward Minerals Ltd ("the Company") and its controlled entity ("the Group") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

REWARD MINERALS LTD (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter - Exploration and Evaluation Expenditure	***How our Audit Addressed the Key Audit Matter***
The Group incurred significant exploration and evaluation expenditure during the year. We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following: • We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. • We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. We have also assessed the appropriateness of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

REWARD MINERALS LTD (continued)

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

REWARD MINERALS LTD (continued)

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2021.

In our opinion the remuneration report of Reward Minerals Ltd for the year ended 31 December complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay

Rothsay Auditing

Dated 31 March 2022

Daniel Dalla
Partner

Directors' Declaration

The Directors of the Company declare that, in the opinion of the Directors:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position and performance of the consolidated entity; and

(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

(b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.

(c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

(d) There are reasonable grounds to believe that Reward Minerals Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Dated this 31st day of March 2022

Michael Ruane
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021

	Note	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Continuing Operations			
Revenue	2	426	3,926
Other income	2	513,582	822,568
		514,008	**826,494**
Depreciation	10	(89,172)	(118,680)
Audit fees		(30,000)	(30,000)
Consulting fees		(45,534)	(46,413)
Exploration expenses	3	(158,341)	(64,849)
Finance costs	14/20c	(100,788)	(71,548)
Legal expense		(5,800)	(18,199)
Employee benefits expense		(176,346)	(322,613)
Administration expenses		(308,634)	(271,138)
Building and occupancy costs	12	(128,207)	(102,352)
Share based payments	17a/17d	(107,133)	(21,000)
Loss from continuing operations before income tax		(635,947)	(240,298)
Income tax expense	5	-	-
Loss from continuing operations for the year		(635,947)	(240,298)
Other Comprehensive Income for the year		-	-
Total Comprehensive Loss Attributable to Members of Reward Minerals Ltd		**(635,947)**	**(240,298)**
Loss per share attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	6	(0.33) cents	(0.14) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2021

	Note	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Current Assets			
Cash and cash equivalents	7	3,160,211	4,652,492
Trade and other receivables	9	83,677	76,133
Total Current Assets		3,243,888	4,728,625
Non-Current Assets			
Right of use assets	12	185,894	259,962
Other assets		50,000	50,000
Property, plant and equipment	10	342,648	417,098
Exploration and evaluation expenditure	11a	43,697,070	41,438,942
Total Non-Current Assets		44,275,612	42,166,002
Total Assets		**47,519,500**	**46,894,627**
Current Liabilities			
Trade and other payables	13	808,124	781,537
Lease liabilities	12	73,868	68,775
Borrowings	14	2,479,795	1,379,007
Total Current Liabilities		3,361,787	2,229,319
Non-Current Liabilities			
Lease liabilities	12	121,673	195,541
Total Non-Current Liabilities		121,673	195,541
Total Liabilities		**3,483,460**	**2,424,860**
Net Assets		**44,036,040**	**44,469,767**
Equity			
Contributed equity	15a	44,428,077	44,227,990
Reserves	16b	11,236,488	11,234,355
Accumulated losses	16a	(11,628,525)	(10,992,578)
Total Equity		**44,036,040**	**44,469,767**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 31 December 2021

Consolidated Entity	Contributed Equity $	Share-Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2020	**39,957,900**	**11,234,355**	**(10,752,280)**	**40,439,975**
Comprehensive income for the year				
Loss for the year	-	-	(240,298)	(240,298)
Total Comprehensive Income for the Year	**-**	**-**	**(240,298)**	**(240,298)**
Transactions with owners in their capacity as owners:				
Share issue	4,310,929	-	-	4,310,929
Share issue costs	(61,839)	-	-	(61,839)
Shares granted (Note 17c)	21,000	-	-	21,000
Balance at 31 December 2020	**44,227,990**	**11,234,355**	**(10,992,578)**	**44,469,767**
Balance at 1 January 2021	**44,227,990**	**11,234,355**	**(10,992,578)**	**44,469,767**
Comprehensive income for the year				
Loss for the year	-	-	(635,947)	(635,947)
Total Comprehensive Income for the Year	**-**	**-**	**(635,947)**	**(635,947)**
Transactions with owners in their capacity as owners:				
Share issue	233,000	-	-	233,000
Share issue costs	(32,913)	-	-	(32,913)
Issue of performance rights	-	2,133	-	2,133
Balance at 31 December 2021	**44,428,077**	**11,236,488**	**(11,628,525)**	**44,036,040**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 31 December 2021

	Note	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Cash Flows from Operating Activities			
Receipts from customers		237,735	232,797
Payments to suppliers and employees		(587,047)	(597,121)
ATO cash flow boost		-	100,000
OSR COVID-19 grant		-	17,500
Interest received		416	3,844
Research and development tax rebate received (net of professional costs)		268,313	472,272
Net Cash (Used in)/ Provided by Operating Activities	7b	(80,583)	229,292
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(14,722)	(11,364)
Payments for exploration and evaluation expenditure		(2,492,063)	(2,261,410)
Net Cash Used in Investing Activities		(2,506,785)	(2,272,774)
Cash Flows from Financing Activities			
Proceeds from borrowings	20c	1,000,000	800,000
Proceeds from the issue of ordinary shares and options	15a	128,000	4,310,929
Share issue costs	15a	(32,913)	(61,839)
Net Cash Provided by Financing Activities		1,095,087	5,049,090
Net (Decrease)/ Increase in Cash Held		(1,492,281)	3,005,608
Cash and Cash Equivalent at the Beginning of the Financial Year		4,652,492	1,646,884
Cash and Cash Equivalents at the End of the Financial Year	7a	**3,160,211**	**4,652,492**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 ABOUT THIS FINANCIAL REPORT

Reporting Entity

This financial report of Reward Minerals Ltd ('the Company') for the year ended 31 December 2021 comprises the Company and its subsidiary (collectively referred to as 'the consolidated entity' or 'Group'). Reward Minerals Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report was authorised for issue in accordance with a resolution of Directors dated 30th March 2022.

The notes to the financial statements are organised into the following sections:

(a) **Key Performance:** Provides a breakdown of the key individual line items in the statement of profit or loss and other comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes

2 Revenue from continuing operations
3 Loss for the year
4 Segment information
5 Income tax expense
6 Loss per share

(b) **Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

7 Cash and cash equivalents
8 Financial risk management

(c) **Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

9 Trade and other receivables
10 Property, plant and equipment
11 Exploration and evaluation and mine development expenditure
12 Right of use assets and lease liabilities
13 Trade and other payables
14 Borrowings

(d) **Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves:

Notes

15 Contributed equity
16 Reserves and accumulated losses
17 Share-based payments

(e) **Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity and controlled entities. Disclosure on related parties is also provided in the section:

Notes

18 Parent entity information
19 Investment in controlled entities
20 Key management personnel disclosures & related party transactions

(f) **Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

21 Remuneration of auditors
22 Commitments for expenditure
23 Contingencies
24 Events occurring after reporting period
25 Summary of significant accounting policies
26 Critical accounting estimates and judgements
27 Company details

Notes to the Financial Statements

1 ABOUT THIS FINANCIAL REPORT continued

1a Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Reward Minerals Ltd is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRSs

The financial statements of Reward Minerals Ltd also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

New, revised or amending Accounting Standards and Interpretations adopted

Standards and Interpretations applicable to 31 December 2021

For the year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 January 2021.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Group.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 31 December 2021.

There is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

1b Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 31 December 2021 and the results of its subsidiary for the year then ended.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1c GST

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated as inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Notes to the Financial Statements

	Consolidated Entity	
	2021 $	2020 $
2 REVENUE FROM CONTINUING OPERATIONS		
ATO cash flow boost	-	100,000
OSR COVID-19 grant	-	17,500
Interest income	426	3,926
Other income	245,269	232,796
Research and development tax rebate received (see Note 5d)	268,313	472,272
	514,008	**826,494**
3 LOSS FOR THE YEAR		
Loss for the year includes the following specific expenses:		
Rental expense on operating leases (refer Note 12 (ii))	128,207	102,352
Exploration expenditure not capitalised	158,341	64,849

4 SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity operates predominantly in one business segment which is Potash mineral exploration and predominantly in one geographical area which is Western Australia.

The company is domiciled in Australia. All revenue from external parties is generated from Australia only. All the assets are located in Australia.

Notes to the Financial Statements

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
5 INCOME TAX EXPENSE		
5a Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
5b Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(635,947)	(240,298)
Prima facie income tax at 25% (2020: 26%)	(158,987)	(62,477)
Tax-effect of exploration expenditure claimed	(564,532)	(612,640)
Other timing differences	98,547	41,216
Permanent differences	13,144	(18,713)
Tax loss not recognised	678,906	775,405
Research & development rebate not assessable	(67,078)	(122,791)
Income tax expense	-	-
5c Unrecognised temporary differences		
Deferred tax assets and liabilities (2021: 25%, 2020: 26%) not recognised relate to the following:		
Deferred tax assets	-	-
Tax losses	9,670,333	9,464,758
Deferred tax liabilities - Capitalised exploration expenditure	(9,668,330)	(9,467,950)
Other temporary differences	104,539	78,904
Net Deferred Tax Assets	**106,542**	**75,712**

The deferred tax assets arising from these balances have not been recognised as an asset because recovery of tax losses is not probable at this point in time.

The potential tax benefit will only be obtained if the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised; and

i. the relevant company continues to comply with the conditions for deductibility imposed by the law; and
ii. no changes in tax legislation adversely affect the relevant company in realising the benefit.

5d Research & Development tax rebate

During the year ended 31 December 2021, the Group applied for and received rebates from the Australian Taxation Office of $268,313, representing the tax value of research and development costs for the year ended 31 December 2020. These have been included as revenue from continuing operations, refer Note 2.

Notes to the Financial Statements

6 LOSS PER SHARE

	2021 Cents Per Share	2020 Cents Per Share
Basic loss per share	(0.33)	(0.14)

	2021 $	2020 $
The loss for the year and the weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Loss for the year after income tax	(635,947)	(240,298)

Diluted earnings per share is not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Group.

	2021 No.	2020 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	194,781,575	168,020,493

7 CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2021 $	2020 $
7a Reconciliation of Cash		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and short term deposits	3,160,211	4,652,492
7b Reconciliation of Net Cash used In Operating Activities to Operating Loss after Income Tax		
Loss for the year	(635,947)	(240,298)
Depreciation	89,172	118,680
Impairment of assets/exploration costs expensed included in investing activities	158,341	64,849
Share-based payment (refer Note 17a and 17d)	107,133	21,000
Change in assets and liabilities during the financial year:		
Receivables	(7,544)	9,560
Payables	202,969	251,148
Other – lease liabilities (refer Note 12)	5,293	4,353
Net cash (outflow)/ inflow from operating activities	**(80,583)**	**229,292**

Notes to the Financial Statements

8 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

	Note	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Financial Assets			
Cash and cash equivalents	7a	3,160,211	4,652,492
Trade and other receivables	9	83,677	76,133
Total Financial Assets		**3,243,888**	**4,728,625**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	13	808,124	781,537
Borrowings	14	2,479,795	1,379,007
Total Financial Liabilities		**3,287,919**	**2,160,544**

Risk management is carried out by the Board of Directors, who identify, evaluate and manage financial risks as they consider appropriate.

8a Market Risk

(i) Cash Flow Interest Rate Risk

Refer to (d) below.

8b Credit Risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this, the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 8.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Financial assets that are neither past due and not impaired are as follows:

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Cash and cash equivalents		
'AA' S&P rating	3,160,211	4,652,492

8c Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and, the availability of funding through the ability to raise further equity or through related party entities. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources. The Group has no financial liabilities at the year-end other than normal trade and other payables incurred in the general course of business. Borrowings from Director, Michael Ruane are repayable at call. However, Dr Ruane has advised that he will not call up the loan for a period of at least 12 months from the date of the financial report unless requested to do so by the Company. All financial liabilities mature in less than 6 months.

Notes to the Financial Statements

8 FINANCIAL RISK MANAGEMENT continued

8d Cash Flow Risk

As the Group has significant interest-bearing assets in the form of cash, the Group's income and operating cash flows are exposed to changes in market interest rates.

Based on the year-end balances, a 1% increase in interest rates would have increased the consolidated profit by $31,602 (2020: $46,525) and increased the cash balances by a corresponding amount. There were no other amounts included in Net Assets subject to material interest rate risks.

	Consolidated Entity	
	2021 $	2020 $
9 TRADE AND OTHER RECEIVABLES		
Prepayments	24,474	15,066
GST assets	29,392	28,968
Trade and other receivables	29,811	32,099
	83,677	**76,133**
No receivables are impaired or past due but not impaired. Refer to Note 8 for Financial Risk considerations. The carrying value of all receivables approximates their fair value.		
10 PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment at cost	1,639,949	1,625,227
Less provision for depreciation	(1,297,301)	(1,208,129)
	342,648	**417,098**
Reconciliations:		
Plant and Equipment		
Carrying amount at the beginning of the year	417,098	524,414
Additions	14,722	11,364
Depreciation	(89,172)	(118,680)
Carrying amount at the end of the year	**342,648**	**417,098**
11 EXPLORATION AND EVALUATION AND MINE DEVELOPMENT EXPENDITURE		
11a Exploration and evaluation expenditure		
Mining tenements at cost	43,697,070	41,438,942
	43,697,070	**41,438,942**
Tenements		
Carrying amount at the beginning of the year	41,438,942	25,437,522
Additions	2,258,128	2,356,307
Reclassification of mine development expenditure (i)	-	13,645,113
Carrying amount at the end of the year	**43,697,070**	**41,438,942**

The future realisation of these non-current assets is dependent on the granting of native title rights and obtaining funding necessary to commercialise the resources or realisation through sale.

(i) During the year ended 30 December 2020, the Group determined that the Company may be some time away from mining operations and accordingly decided to reclassify prior allocated mine development expenditure (refer Note 11b) as exploration expenditure. Amounts capitalised relate to the Kumpupintil Lake Potash Project in Western Australia. The project is currently ongoing and amortisation will be charged when production commences.

Notes to the Financial Statements

11 EXPLORATION AND EVALUATION AND MINE DEVELOPMENT EXPENDITURE continued

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
11b Mine Development Expenditure		
Mine development expenditure at beginning of year	-	13,645,113
Reclassification of mine development expenditure to exploration and evaluation expenditure	-	(13,645,113)
Carrying amount at the end of the year	**-**	**-**

12 RIGHT OF USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the Group is a lessee.

The Group adopted AASB 16 from 1 January 2019.

The Group applied AASB 16 on its leases as follows:

Lease	Impact on the Group's Financial Position or Performance	
	December 2020	December 2021
Office space	In June 2020, the Group renegotiated the lease on its office space and accordingly resolved to record the obligations under this lease as a liability and a corresponding right of use asset, effective 30 June 2020. Refer (i) and (ii) below.	The Group records its lease obligations as a liability and a corresponding right of use asset. Refer (i) and (ii) below.
Office equipment/ photocopiers	Lease agreement is > 12 months however equipment is determined to be a low value asset, therefore exempt and no impact.	Lease agreement is > 12 months however equipment is determined to be a low value asset, therefore exempt and no impact.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Right-of-use assets		
Premises	296,994	296,994
Accumulated amortisation	(111,100)	(37,032)
Net carrying value of right-of-use assets	**185,894**	**259,962**
Lease liabilities		
Current	73,868	68,775
Non-current	121,673	195,541
Total lease liabilities	**195,541**	**264,316**

The Directors have used an incremental borrowing rate of 6% p.a. in calculating the lease liability as at the date of initial application.

Notes to the Financial Statements

	Consolidated Entity	
	2021 $	2020 $
12 RIGHT OF USE ASSETS AND LEASE LIABILITIES continued		
Reconciliation of right-of-use assets:		
31 December 2021		
Initial adoption at 30 June 2020	-	296,994
Opening balance	259,962	-
Amortisation expense	(74,068)	(37,032)
Closing balance	**185,894**	**259,962**
Recognition of lease liabilities:		
31 December 2021		
Initial adoption at 30 June 2020	-	296,994
Opening balance	264,316	-
Principal repayments	(82,727)	(41,160)
Interest expense	13,952	8,482
Closing balance	**195,541**	**264,316**

(ii) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

The Statement of Profit or Loss and Other Comprehensive Income shows the following amounts relating to leases:

	2021 $	2020 $
Amortisation expense on right-of-use asset	(74,068)	(37,032)
Interest expense on lease liability	(13,952)	(8,481)
Rent expense in relation to leases not capitalised	(40,187)	(56,839)
	(128,207)	**(102,352)**

13 TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade Payables	418,786	546,705
Accrued Expenses	389,338	234,832
	808,124	**781,537**

14 BORROWINGS

During the year ended 31 December 2019, the Company's Managing Director, Michael Ruane, loaned funds to the Company. Further amounts have since been advanced. The loan was unsecured for a period of 12 months, carrying an interest rate of 7.5% p.a. with interest payable quarterly in arrears. Dr Ruane has advised that he will not call up the loan for a period of at least 12 months from the date of the financial report unless requested to do so by the Company.

	2021 $	2020 $
Loan from Director	2,300,000	1,300,000
Accrued interest	179,795	79,007
	2,479,795	**1,379,007**

$100,788 in interest was accrued during the year ended 31 December 2021.

Notes to the Financial Statements

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
15 CONTRIBUTED EQUITY		
15a Share capital		
At the beginning of the financial year	44,227,990	39,957,900
Issue of shares – rights issue at $0.14 each	128,000	4,310,929
Issue of shares – payment for drilling services provided (Note 17c)	-	21,000
Issue of shares – redundancy securities (escrowed to 2 July 2022, Note 17a)	105,000	-
Share issue costs	(32,913)	(61,839)
At the End of the Financial Year	**44,428,077**	**44,227,990**

	2021 No. Shares	2020 No. Shares
At the beginning of the financial year	193,538,405	162,596,057
Shares issued during the year – rights issue	914,285	30,792,348
Shares issued during the year – payment for drilling services provided	-	150,000
Shares issued during the year – redundancy securities (escrowed to 2 July 2022)	750,000	-
At the End of the Financial Year	**195,202,690**	**193,538,405**

15b Terms and Condition of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	2021 Options	2020 Options
15c Movement in Options		
Balance at beginning of year	28,563,983	15,167,866
Options expired during the year	(13,167,866)	(2,000,000)
Options issued during the year	457,143	15,396,117
Options exercised during the year	-	-
Balance at End of Year	**15,853,260**	**28,563,983**

Closing balance is represented as follows:

Nature	Expiry Date	Exercise Price of Options	2021 Options	2020 Options	Options on Issue
Listed Options (Expired)	30 June 2021	$0.24	(13,167,866)	-	-
New Unlisted Options	30 September 2023	$0.20	457,143	15,396,117	15,853,260

Notes to the Financial Statements

15 CONTRIBUTED EQUITY continued

15d Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares, pay dividends or return to capital to shareholders.

Capital is calculated as 'equity' as shown in the Statement of Financial Position and is monitored on the basis of funding exploration activities.

	Consolidated Entity	
	2021 $	2020 $
16 RESERVES AND ACCUMULATED LOSSES		
16a Accumulated Losses		
Accumulated losses at the beginning of the year	(10,992,578)	(10,752,280)
Net loss for the year	(635,947)	(240,298)
Accumulated Losses at the end of the year	**(11,628,525)**	**(10,992,578)**
16b Reserves		
Share based payments reserve (i)	11,236,488	11,234,355
	11,236,488	**11,234,355**
(i) Share-Based Payments Reserve		
The share-based payments reserve is used to recognise the fair value of shares, options and performance rights issued.		
Balance at beginning of the year	11,234,355	11,234,355
Fair value of employee benefits issued during the year:		
- Performance rights (Note 17d)	2,133	-
Balance at the End of the Year	**11,236,488**	**11,234,355**

Notes to the Financial Statements

17 SHARE-BASED PAYMENTS

17a Employee share based payments

During the year ended 31 December 2021, Greg Cochran resigned as CEO of the Company. As part of his termination package, 750,000 shares at $0.14 per share was issued to him, totalling $105,000. This amount has been expensed during the year.

In the year ended 31 December 2017, Greg Cochran, the Chief Executive Officer of Reward Minerals Ltd was granted the share based remuneration as part of his employment agreement, of which remained on foot at 1 January 2020:

- 2,000,000 options – these options were vested on 1 December 2018. These options expired during 2020.
- Performance Rights – where each right will entitle Greg to one fully paid share in RWD at no additional cost. The Performance Rights do not have an exercise price and where not vested, will automatically lapse.
  - A – 1,000,000 rights – to vest on completion of a definitive feasibility study based on ±15% capital and operating costs on the LD SOP Project with a 3 year term to expiry from grant date. These rights lapsed during 2020.
  - B – 1,000,000 rights – to vest on completion and availability of full funding for the development of the LD SOP Project with a 5 year term to expiry from grant date. These rights lapsed in July 2021.

As at 31 December 2021, the fair value and model inputs for the share based payments granted and expensed are as follows:

	Termination Shares	2017 Options	2017 Performance Rights – A	2017 Performance Rights – B
Number granted	750,000	2,000,000	1,000,000	1,000,000
Exercise price	-	$0.443	-	-
Grant date	2 July 2021	1 December 2017	1 December 2017	1 December 2017
Vesting date	2 July 2022	1 December 2018	Completion of milestones[1]	Completion of milestones[1]
Expiry date - options	-	1 December 2020	-	-
Expiry date of milestone achievements	-	-	1 December 2020	1 December 2022
Share price at grant date	$0.14	$0.32	$0.32	$0.32
Expected price volatility of the company's shares	N/A	100%	N/A	N/A
Expected dividend yield	N/A	0%	N/A	N/A
Risk-free interest rate	N/A	4.00%	N/A	N/A
% vested as at 31 December 2021	100%	100%	0%	0%
Fair value of share based payments	$105,000	$367,009	$310,000	$310,000
Vesting period (days)	0	365	1,096	1,826
Amount expensed in prior year	$0	$367,009	$0	$0
Amount expensed in 2021	$105,000	$0	$0	$0
Expired/lapsed in 2020	-	(2,000,000)	(1,000,000)	-
Expired/lapsed in 2021	-	-	-	(1,000,000)

[1] The directors have assessed the likelihood of the conditions for vesting, for the class A and B Performance Rights, being met by the expiry date to be 0%. Therefore, the amounts previously expensed in respect of these rights were reversed as at 31 December 2018.

Notes to the Financial Statements

17 SHARE-BASED PAYMENTS continued

17b Option issue

(i) During 2021, 457,143 unlisted options were issued to participating investors as part of a rights issue pursuant to the Company's prospectus dated 16 September 2020.

These options were free attaching options with an exercise price of $0.20, expiring on 30 September 2023.

(ii) In August 2018, 13,167,866 listed options were issued to participating shareholders as part of a rights issue, pursuant to the Company's prospectus dated 16 July 2018. These expired during the year.

17c Shares issued for services provided

(i) There were no shares issued for services provided for the year ended 31 December 2021.

(ii) During November 2020, 150,000 shares were issued at $0.14, totaling $21,000 to satisfy payment for drilling services provided.

17d Performance rights issued

On 13 December 2021, an employee was granted a total of 200,000 performance rights.

The performance rights were granted at nil consideration, do not have an exercise price and will lapse if the vesting conditions are not met.

The Performance Rights are issued under the Company's Employee Incentive Plan (EIP), as approved by shareholders at the General Meeting held on 28 May 2021. The issue was granted on 13 December 2021.

Each Performance Right will, at the election of the holder, vest, and convert to one fully paid ordinary share, subject to the satisfaction of certain Service Conditions.

The terms of the Performance Rights will be as follows:

Class of Performance Rights	Service Condition
Class A Performance Rights	The holder remains engaged as an employee or until 10 May 2022
Class B Performance Rights	The holder remains engaged as an employee or until 10 May 2023

During the year ended 31 December 2021, $2,133 was expensed as a share based payment in respect of the Company's Class A and B performance rights, with the fair value being recognised over the vesting period. As at 31 December 2021, a total of 200,000 performance rights remain unvested.

Set out below is a summary of the performance rights on issue:

	Class A	Class B	Total
Number granted	100,000	100,000	200,000
Grant date	13 Dec 2021	13 Dec 2021	
Expiry date of milestone achievements	10 May 2022	10 May 2023	
Fair value per right	$0.13	$0.13	
Total fair value that would be recognised over the vesting period if rights are vested	$13,000	$13,000	$26,000
Number cancelled at 31 December 2021	0	0	0
Number vested at 31 December 2021	0	0	0
Number remaining at 31 December 2021	100,000	100,000	200,000
Amount expensed at 31 December 2021	$1,581	$552	$2,133

Notes to the Financial Statements

18 PARENT ENTITY INFORMATION

18a Summary Financial Information

	Parent 2021 $	Parent 2020 $
Financial Position		
Assets		
Current assets	3,242,804	4,727,541
Non-current assets	44,250,583	42,136,063
Total assets	**47,493,387**	**46,863,604**
Liabilities		
Current liabilities	3,361,787	2,229,320
Non-current liabilities	121,673	195,541
Total liabilities	**3,483,460**	**2,424,861**
Equity		
Issued capital	44,428,076	44,227,989
Reserves	4,177,702	4,175,569
Accumulated losses	(4,595,851)	(3,964,815)
Total equity	**44,009,927**	**44,438,743**
Financial Performance		
Loss for the year	(631,036)	(234,156)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(631,036)**	**(234,156)**

18b Other Commitments and Contingencies

Reward Minerals Ltd has no commitments to acquire property, plant and equipment. Refer to Note 23 for the Company's contingent liabilities.

Notes to the Financial Statements

19 INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2021 %	2020 %
Holocene Pty Ltd	Australia	Ordinary	100	100

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
20 KEY MANAGEMENT PERSONNEL DISCLOSURES & RELATED PARTY TRANSACTIONS		
20a Details of Remuneration of Key Management Personnel		
Short-term benefits	485,976	514,500
Post-employment benefits	24,473	25,000
Share-based payments (refer to Note 17a)	105,000	-
	615,449	**539,500**
20b Aggregate Amount Payable to Directors and their Director Related Entities at Balance Date		
Current liabilities:		
Trade payables	151,058	151,058
Accrued expenses	355,750	207,250
	506,808	**358,308**

20c Other Transactions with Director Related Entities

During the year ended 31 December 2021, the Company's Managing Director, Michael Ruane, loaned funds to the Company. The loan was unsecured for the period of 12 months, carrying an interest rate of 7.5% interest payable quarterly in arrears.

Movements for the year are as follows:	2021 $	2020 $
Opening balance	1,379,007	507,459
Funds received	1,000,000	800,000
Accrued interest	100,788	71,548
Funds repaid	-	-
Closing balance	**2,479,795**	**1,379,007**

There were no other transactions with Directors or Director related entities during the year.

Detailed remuneration disclosures are provided in the remuneration report on pages 15 – 20.

21 REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the Group:	2021 $	2020 $
For auditing the financial statements	30,000	30,000

No non-audit services have been provided to the Group by the auditor.

Notes to the Financial Statements

22 COMMITMENTS FOR EXPENDITURE

22a Mining Agreements

Upon making a 'Decision to Mine' on the Kumpupintil Lake Potash Project, the Company will issue 3.0 million options to WDLAC as per the 2011 Mining and Indigenous Land Use Agreement.

'Decision to Mine' is defined and means the date the Group has both completed feasibility studies on the Project, and made a formal decision to proceed with procurement and infrastructure development for the mine. A further 7.5 million options will be issued upon commencement of mining as per the above agreement. All options issued to WLDAC have an exercise price of $0.50 and will expire four years from the date of issue.

Per the 2011 Mining and Indigenous Land Use Agreement in regards to the Kumpupintil Lake Potash Project, the Company is committed to reimburse the WDLAC for Martu law and culture matters in the sum of $300,000 per year for the first five years, and after that when mining is occurring. The Company is currently in exploration phase and this commitment is deferred until mine development commences.

23 CONTINGENCIES

23a Contingent Liabilities

Upon commencement of mining of the Kumpupintil Lake Potash Project, the Company is liable to pay WDLAC $500,000 as per the December 2011 Mining and Indigenous Land Use Agreement. There are no other contingent liabilities at reporting date.

24 EVENTS OCCURRING AFTER REPORTING DATE

There have been no other events subsequent to reporting date.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

25a Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 26.

25b Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Notes to the Financial Statements

25 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

25b **Income Tax** continued

Reward Minerals Ltd and its wholly-owned Australian subsidiary formed an income tax consolidated Group under the Tax Consolidation Regime, effective 1 January 2015.

25c **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) **Interest Income**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) **Other Services**

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

25d **Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

Where independent valuations of areas of interest have been obtained, these are brought to account. Subsequent expenditure on re-valued areas of interest is accounted for in accordance with the above principles. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

At 31 December 2021 the Directors considered that the carrying value of the mineral tenement interests of the consolidated entity was as shown in the Statement of Financial Position and no further impairments arises other than that already recognised.

25e **Mine Development**

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine, the related infrastructure and capitalised exploration and evaluation expenditure transferred from capitalised exploration and evaluation expenditure account.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of proved and probable reserves.

Mine properties are tested for impairment in accordance with the policy in Note 25m.

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs from that stage. Site restoration costs include obligations relating to dismantling and removing mining plant, reclamation, waste dump rehabilitation and other costs associated with restoration and rehabilitation of the site. Such costs have been determined using estimates of the future costs and current legal requirements and technology, discounted to present value. Any changes in the estimates for the costs are accounted for on a prospective basis.

Notes to the Financial Statements

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

25f Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Profit or Loss during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a diminishing value over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10-66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

25g Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance for bad debts is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the Statement of Profit or Loss and Other Comprehensive Income. They are recognised initially at fair value and subsequently at amortised cost.

Deposits with maturity periods in excess of three months but less than twelve months are included in receivables and not discounted if the effect of discounting is immaterial.

25h Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

25i Employee Entitlements

(i) Wages, salaries and annual and sick leave

A liability for wages, salaries and annual leave expected to be settled within 12 months of the reporting date is recognised in other payables and is measured as the amount unpaid at balance date at current pay rates in respect of employees' services up to that date. No liability exists for sick leave.

(ii) Long service leave

A liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees' up to balance date.

Notes to the Financial Statements

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

25j Share-Based Payments

Share-based compensation benefits are provided to employees via the Group's Employee Incentive Plans. The incentive plans consist of the short term and long term incentive plans for Executive Directors and other Executives and the employee share scheme for all other employees.

The fair value of rights granted under the short term and long term incentive plans is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions and the impact of service conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit or Loss and Other Comprehensive Income, with a corresponding adjustment to equity.

The initial estimate of fair value for market based and non-vesting conditions is not subsequently adjusted for differences between the number of rights granted and number of rights that vest.

When the rights are exercised, the appropriate amount of shares are transferred to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

The fair value of deferred shares granted to employees for nil consideration under the employee share scheme is recognised as an expense over the relevant service period, being the year to which the incentive relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserve.

25k Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

25l Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the steering committee that makes strategic decisions.

The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

25l Segment Reporting continued

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

25m Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

25n Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

25o Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

25p Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

25q Comparative Figure

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

25r Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to other income in the Statement of Profit or Loss and Other Comprehensive Income in the year of receipt.

Notes to the Financial Statements

26 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. As at 31 December 2021, the carrying value of capitalised exploration expenditure is $43,697,070.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Valuation of share based payments

The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

Where options are issued to consultants, the Group values the service provided based on market rates. In the absence of market rates the share based payments are valued as above.

27 COMPANY DETAILS

The registered office of the Company is:

Reward Minerals Limited
159 Stirling Highway
NEDLANDS WA 6009

Shareholder Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 March 2022.

DISTRIBUTION OF SHAREHOLDERS Spread of Holdings			Number of Holders	Number of Shares	Percentage of Issued Capital
1	-	1,000	201	67,512	0.03%
1,001	-	5,000	302	896,246	0.46%
5,001	-	10,000	172	1,351,984	0.70%
10,001	-	100,000	388	14,393,531	7.40%
100,001	-	and over	190	177,743,417	91.41%
			1,253	**194,452,690**	**100.00%**

There were 386 holders of ordinary shares holding less than a marketable parcel.

Substantial Shareholders	Number of Shares	Percentage of Issued Capital
*Kesli Chemicals Pty Ltd <Ruane S/F A/C>	40,105,690	20.62%
* Kesli Chemicals Pty Ltd	21,010,079	10.80%
* Tyson Resources Ltd	11,600,622	5.97%

**Denotes unmerged data*

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All ordinary shares carry one vote per share without restriction.

	Top Twenty Shareholders - RWD	Number of Ordinary Shares Held	%
1	KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	40,105,690	20.62%
2	KESLI CHEMICALS PTY LTD	21,010,079	10.80%
3	TYSON RESOURCES PTY LTD	11,600,622	5.97%
4	BILL BROOKS PTY LTD <BILL BROOKS SUPER FUND A/C>	7,389,899	3.80%
5	HORIZON MINERALS LIMITED	7,112,862	3.66%
6	HILLBOI NOMINEES PTY LTD	4,255,000	2.19%
7	GASMERE PTY LTD	3,726,888	1.92%
8	HORNET COMPUTER SYSTEMS PTY LIMITED	2,574,863	1.32%
9	FRANWAY PTY LIMITED <KENNEDY FAMILY S/F A/C>	2,050,000	1.05%
10	MR PRASHANT KUMAR NEWNAHA	2,034,938	1.05%
11	NICKYBOY SUPER PTY LTD <NICKYBOY SUPER FUND A/C>	2,029,513	1.04%
12	WARAWONG PTY LTD <WARAWONG SUPER FUND A/C>	1,900,000	0.98%
13	MCCUSKER HOLDINGS PTY LTD	1,800,000	0.93%
14	RPM SUPER PTY LTD <RPM SUPER FUND A/C>	1,779,962	0.92%
15	GOLDFIRE ENTERPRISES PTY LTD	1,736,666	0.89%
16	CAREITHA PTY LTD <BANNISTER SUPER A/C>	1,680,000	0.86%
17	DR MARK BANNISTER	1,500,000	0.77%
18	MR KENNETH REX COATES & MS PAULINE FORGAN COATES	1,350,000	0.69%
19	CITICORP NOMINEES PTY LIMITED	1,349,677	0.69%
20	LEVARK PTY LTD <MELON SUPER FUND A/C>	1,312,500	0.68%
	Totals	**118,299,159**	**60.84%**
	Total Issued Capital	**194,452,690**	**100.00%**

Shareholder Information

	Top Twenty Optionholders – RWDAU **Options expiring 30/09/2023 @ $0.20**	**Number of Options Held**	**%**
1	TYSON RESOURCES PTY LTD	2,678,571	16.90%
1	KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	2,678,571	16.90%
2	KESLI CHEMICALS PTY LTD	1,785,714	11.26%
3	BILL BROOKS PTY LTD <BILL BROOKS SUPER FUND A/C>	1,518,771	9.58%
4	BILL BROOKS PTY LTD <BILL BROOKS FAMILY A/C>	476,512	3.01%
5	GOLDFIRE ENTERPRISES PTY LTD	298,848	1.89%
6	MR MICHAEL DAMIAN MURPHY	267,500	1.69%
7	NICKYBOY SUPER PTY LTD <NICKYBOY SUPER FUND A/C>	202,951	1.28%
8	MCCUSKER HOLDINGS PTY LTD	180,000	1.14%
9	EASTWOOD FINANCIAL & INVESTMENT SERVICES PTY LTD	178,571	1.13%
10	RPM SUPER PTY LTD <RPM SUPER FUND A/C>	177,996	1.12%
11	DR MARK BANNISTER	176,625	1.11%
12	WARAWONG PTY LTD <WARAWONG SUPER FUND ACCOUNT>	175,000	1.10%
13	MR BRIAN LEONARD	150,002	0.95%
14	MR BRENT FISHER	139,286	0.88%
15	MR ERROL BERTRAM GOLDSCHMIDT & MRS ZILLAH GOLDSCHMIDT <ACCUMULATED ACUMEN S/F A/C>	137,385	0.87%
16	LEVARK PTY LTD <MELON SUPER FUND A/C>	131,250	0.83%
17	MR EDWARD KEITH HAWKINS & MRS BARBARA JEAN HAWKINS	127,188	0.80%
18	MS BEVERLEY GAIL COCHRAN	125,000	0.79%
18	TIVERTON NOMINEES PTY LTD <TIVERTON SUPER FUND A/C>	125,000	0.79%
18	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	125,000	0.79%
18	HERA INVESTMENTS PTY LTD	125,000	0.79%
19	DR MARK BANNISTER <BANNISTER FAMILY A/C>	103,925	0.66%
20	CITICORP NOMINEES PTY LIMITED	103,145	0.65%
	Totals	**12,187,811**	**76.88%**
	Total Issued Capital	**15,853,260**	**100.00%**

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REWARD MINERALS LTD

ANNUAL REPORT 2021

Kumpupintil Lake – Pilot Pond, WA