

30 September 2024

**ASX CODE: RWD****DIRECTORS**

Colin McCavana  
Chairman

Rod Della Vedova  
Non-Executive Director

Michael Ruane  
Executive Director

**MANAGEMENT**

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## REWARD TO ACQUIRE BEYONDIE POTASH PLANT

### Highlights

- Reward to acquire Beyondie Potash Plant, administration and operations offices and minor associated infrastructure for \$2.13 million (excluding GST)
- Purchase price is a small fraction of replacement cost
- Reward to update the engineering scoping study for its Carnarvon Potash project assuming use of the newly acquired plant components

### Lorry Hughes, CEO of Reward commented:

“Reward is delighted to announce this strategic, low cost and potentially transformative proposed acquisition that reinforces the Company’s commitment to pursuing opportunities which exist for recovery of Potassium Sulphate (Potash, SOP or  $K_2SO_4$ ) from Western Australian solar salt operations.

Reward aspires to use its technologies and experience in combination with components of the Beyondie Plant to establish a new facility at significantly reduced capital cost relative to that indicated in Reward’s September 2023 Engineering Scoping Study<sup>1</sup> (ESS) for its Carnarvon Potash Project (CPP).

The 2023 ESS demonstrated that a technically sound and commercially attractive operation could be established utilising the Reward Process<sup>2</sup> and reject brines (Bitterns) from typical seawater solar salt operations that exist at several established or proposed development sites in Northwest Western Australia between Shark Bay and Port Hedland.

The established salt operations have been operating continuously for up to 50 years using seawater as feed brine. If Reward can establish a SOP operation in partnership with one of these operations, we believe it will change the landscape of the SOP industry in Australia.

Reward’s ESS considered nominal production of 100,000tpa standard SOP (>52%  $K_2O$ ) and generated estimated operating costs of \$273/t SOP (excluding contingency of \$27.3/t SOP) which is FOB ex. Geraldton Port in Western Australia. These operating costs are estimated to be amongst the cheapest in the world.

Specific components from the plant acquisition and capital cost estimates for the relocation of them to the CPP, or any other more suitable site identified, will be included in an ESS update, with planning for this to commence shortly.

The use of alternative new processing technologies which are currently under development by Reward<sup>3</sup> will also be included in the ESS update to determine which process and Potassium Sulphate product is the most attractive to produce.

There is obvious potential to advance the ESS update and/or feasibility studies in partnership with a salt producer or development company.

The Beyondie Plant Acquisition is another key step toward commercialisation of Reward’s processing technology IP that has the potential to transform the SOP industry in our view”.

<sup>1</sup> Refer to ASX announcement dated 28 September 2023, <sup>2</sup> Refer to ASX announcement dated 24 June 2024, <sup>3</sup> Refer to ASX announcement dated 26 July 2024 page 3.

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PERTH, Western Australia (30 September, 2024) - Reward Minerals Limited (ASX: RWD) (**Reward** or the **Company**) is very pleased to announce it has entered into a binding asset sale agreement (**Asset Sale Agreement**) under which Reward will, subject to shareholder approval, acquire the Beyondie Potash Plant, administration and operations offices and minor associated infrastructure (the **Transaction**) for \$2.13 million (excluding GST).

The assets located ~160kms south-east of Newman in Western Australia were previously part of the Beyondie Potash Project which was constructed between 2020-2022 and operated by Kalium Lakes Limited (ASX: KLL) (Kalium) up until Administrators and Receivers & Managers were appointed in August 2023<sup>1</sup>.

Upon completion of the Transaction, Reward will acquire the assets on an “as is, where is” basis. Reward will manage care and maintenance activities at the site until it is able to relocate the plant. Reward will be responsible for:

- Dismantling and removing the assets from the plant area; and
- Rehabilitating the plant and facilities area (only).

The Company notes that the Transaction does not include acquisition of the power station, gas or brine supply facilities, evaporation ponds, accommodation camp and some other minor items of the greater Beyondie Potash Project (See figures 1 & 2 below).

#### Operations ceased in September 2023 and site transitioned to Care & Maintenance ahead of a sale process

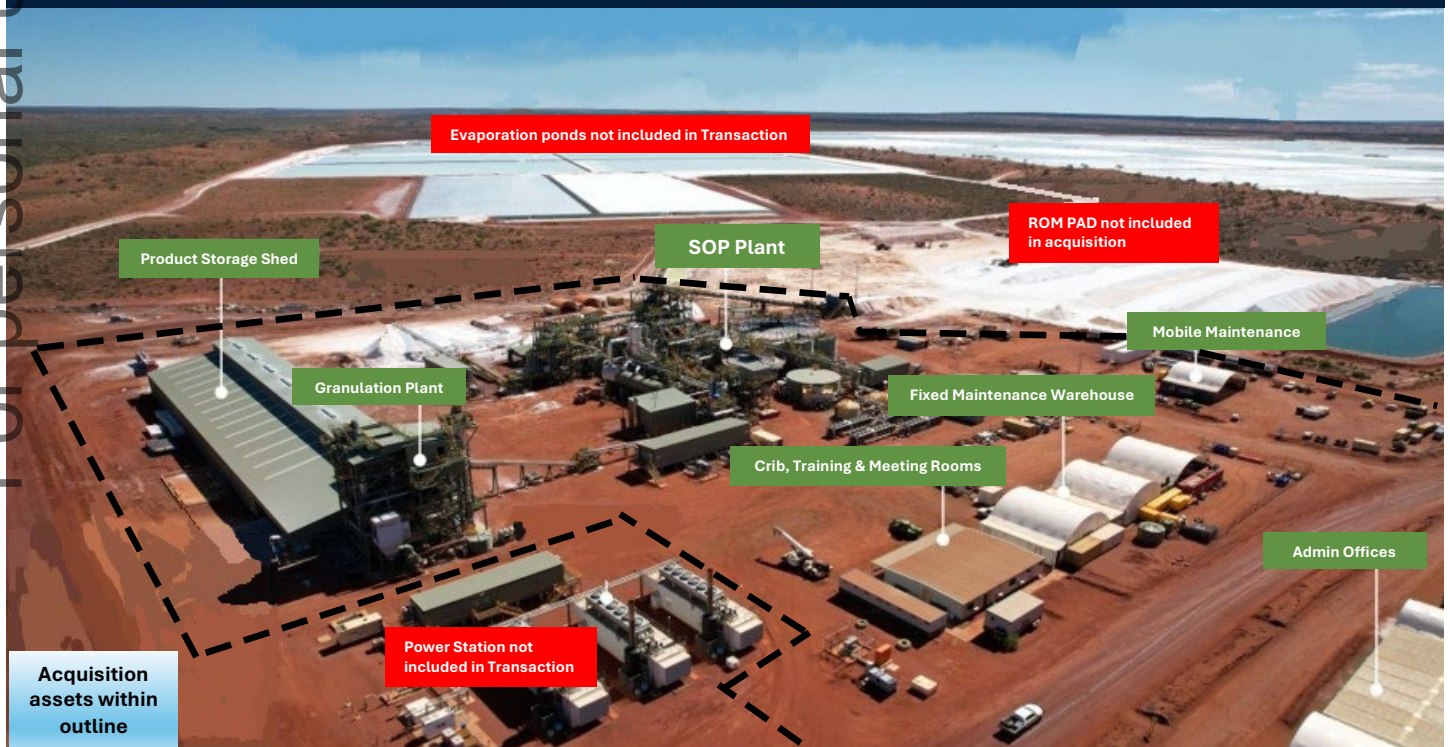


Figure 1 – Photograph of the Beyondie Potash Project in 2023 when operated by Kalium. The Transaction comprises a fully constructed processing plant, site offices and maintenance infrastructure. Specific plant components include, KTMS crushing circuit, Kainite conversion circuit, column flotation circuit, liquor cooling heat exchangers, evaporative cooling circuit, product separation centrifuges, SOP recovery and granulation units, RO water plant and a bulk storage shed.

<sup>1</sup> Refer to KLL ASX announcement dated 4 August 2023.

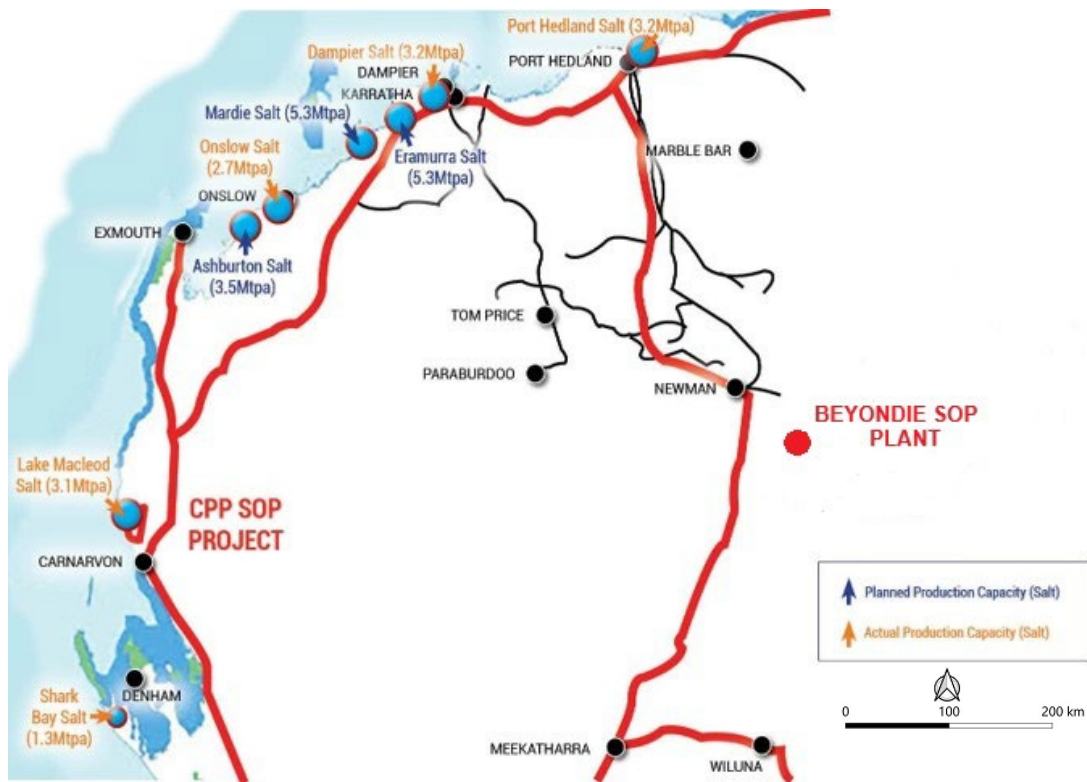


Figure 2 – The Beyondie SOP Plant site in relation to the location of Reward’s Carnarvon Potash Project and Western Australian Salt operations and development projects (Producers shown in orange text, approved or planned production capacity is labelled). All the Salt projects shown are potential sites for SOP production using waste brines (Bitterns).

Acquisition Details

Reward will acquire the Beyondie Plant, administration and operations offices and minor associated infrastructure, via an agreement with Executive Director and major shareholder, Dr. Michael Ruane, who recently secured the purchase of the assets from PVT Sales Pty Ltd (an entity associated with Pickles Auctioneers), who had previously purchased the assets from the Receivers of Kalium (and Kalium’s subsidiaries).

The Transaction and purchase price of \$2.13 million (excluding GST) are under the same terms as the agreement entered into between Dr. Michael Ruane and PVT Sales Pty Limited on 30 August 2024.

Completion of the Transaction is subject to Reward obtaining shareholder approval for the Transaction pursuant to ASX Listing Rule 10.1 as required by the ASX. ASX has confirmed that Listing Rules 11.1.2 and 11.1.3 do not apply to the Transaction.

A Notice of Meeting in accordance with ASX Listing Rule 10.1 will be lodged ASX in due course for Transaction approval. Importantly, ASX Listing Rule 10.1 approval requires the Company to obtain an independent expert report opining on whether the Transaction is fair and reasonable to Reward’s Shareholders.

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## Acquisition Rationale

Directors and management of Reward believe that the Beyondie Plant acquisition will provide an exciting opportunity for the Company to progress its long-held ambition of producing SOP fertilizer from brine resources on a viable commercial basis.

The low cost Beyondie plant purchase will provide an avenue for Reward to conduct definitive pilot studies required for project feasibility studies at a fraction of the cost associated with a new pilot plant facility. Reward's directors and management are of the view that potential joint venture partners will see this as an attractive scenario with a greatly reduced risk profile.

While the Beyondie SOP operation did not achieve viable production status, the plant facility has many suitable components required for successful operation in a more favourable location. By combining this infrastructure with simplification of SOP production from resource brines using Reward's recent advances in SOP technology, Reward believes that successful production of SOP on a commercial scale is more likely as a near term outcome.

## Acquisition Funding

The Transaction will be funded by an extension to the loan facility provided by Director Dr. Michael Ruane on commercial terms with interest of 7.5% p.a. applicable:

Current loan and interest outstanding	- \$4.60 million
New loan for Beyondie SOP Plant	- \$2.13 million
Total loans	- <u>\$6.73 million</u>

The loan amounts above are repayable at call, however Dr. Michael Ruane has advised that he will not call up the loans provided in the next twelve months unless requested by the Company to do so.

## Next Steps

Over the next two quarters Reward will focus on the following key activities;

- Engagement and facilitation of an Independent Expert and obtaining shareholder approval for the Transaction pursuant to ASX Listing Rule 10.1;
- Continue advancement of its processing technologies toward commercialisation;
- Design and statutory approval of initial work programs at the CPP;
- Continue engagement with solar salt, fertilizer and seawater desalination companies worldwide to discuss the application of Reward's technology and proposed SOP developments for possible joint venture participation and investment;
- Establish the logistical and cost parameters for relocation of the Beyondie SOP Plant to an alternative site.

*Authorised by the Board of Reward.*

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### **About Reward**

Reward is an ASX-listed advanced-stage sulphate of potash exploration and development company. Reward's flagship is its 100%-owned Carnarvon Potash Project, located just north of Carnarvon in north-western Western Australia. Heritage agreements have been executed with the Yinggarda Aboriginal Corporation RNTBC (YAC) who holds native title rights and interests on trust for the Yinggarda common law holders and the Nganhurra Thanardi Garrbu Aboriginal Corporation RNTBC (NTGAC) who holds native title rights and interests on trust for the Baiyungu and/or Thalanyji common law holders respectively as defined in the Gnulli Determination (WAD 22 of 2019, WAD 366 of 2018 and WAD 261 of 2019).

Reward is also the 100% owner and developer of new processing technology for recovery of high-purity SOP from seawater and other high sulphate brines (Reward Process). The Company submitted an Australian Provisional Patent Application (Application Number - 2022902277) for the Reward Process on 11 August 2022 and completed the international application prior to 11 August 2023. On 24 June 2024 Reward received a positive preliminary report on the patentability of the Reward Process from the International Preliminary Examining Authority.

Reward refers to its Engineering Scoping Study completed in September 2023 (Refer ASX announcement dated 28 September 2023) and confirms that all material assumptions underpinning the production target, or the forecast financial information derived from the production target continue to apply and have not materially changed.

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