

## CHAIRMAN'S ADDRESS TO SHAREHOLDERS

31 May 2016

The 2015 year has been an extremely productive one for Reward Minerals.

The Company's sole focus in 2015 has been the rapid advancement of the LD Project. We have achieved a number of significant milestones during the year, culminating in substantial value being added to the Lake Disappointment Project.

Early in the year we announced results of our Scoping Study which demonstrated the strong economics underpinning the LD Project and was based on an Indicated Resource of 24.4 million tonnes of SOP.

Early in the year we also commenced a drilling program on LD proper to define the potential for a greatly enhanced SOP resource. The existing 24.4Mt resource was contained within the top 4 metres of the lake and exploration conducted during 2014 suggested that the area is likely to host substantial brine resources to a much greater depth.

In April, as a result of the drilling program, we were pleased to announce an in situ Mineral Resource estimate of 564 million tonnes of SOP contained in brine grading 13.7kg/m<sup>3</sup> SOP.

These two major events of the positive Scoping Study and significant upgrade to the LD Resource have confirmed the LD Deposit as a globally significant SOP deposit and have encouraged us to push toward production as soon as possible.

The Company has made significant progress recently at LD with the following:

- Completion of a detailed survey of the Talawana Track and earthworks volumes required for upgrade costings;
- Drilling of 17 boreholes to confirm adequate fresh water availability for processing;
- Excavation of ten test trenches on LD to establish brine availability/drawdown parameters and thereby kilometres of trenching required for the Project brine supply with pumping trials currently in progress; and
- Construction of three pilot (50x25m) evaporation ponds on LD to confirm evaporation, seepage and design parameters for pond and associated access causeway.

Results from this year's LD exploration program and early test pumping trial brines has led to refinement of the process flowsheet, which has in turn led to the appointment of a North American based engineering consulting firm to advance the plant modelling and design.

Our Company has worked diligently against many obstacles over the past several years to advance the LD Project and this year we have started to see the fruits of our labour. We are on the cusp of the development of this world class project and we are excited at the prospect.

Global demand for Potash continues to improve, in particular for SOP, and it is our intention to advance the LD project as quickly as possible to take advantage of these favourable conditions.

On behalf of the Board I would like to thank our directors and staff for their efforts and shareholders for their continued support.

Yours sincerely,

**Colin McCavana**  
Chairman

ASX CODE  
RWD

## DIRECTORS &amp; MANAGEMENT

Colin McCavana  
*Chairman*

Rod Della Vedova  
*Non-Executive Director*

Michael Ruane  
*Managing Director*

Daniel Tenardi  
*Projects Director*

Paul Savich  
*Corporate Development Officer*

Bianca Taveira  
*Company Secretary*

## KEY PROJECTS

Lake Disappointment Project  
Karly Project

## HEAD OFFICE

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