

15 September 2014

ASX CODE
RWD

SHARE PRICE
\$0.55

SHARES ON ISSUE
111.1M

OPTIONS
24.3M (\$0.25 - \$1.09)

MARKET CAPITALISATION
\$61.1M (undiluted)

CASH POSITION
~\$5.4M
(Jun'14 Qtrly + Listed Investments)

DIRECTORS & 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

Reward Minerals Ltd
159 Stirling Highway,
Nedlands WA 6009

PO Box 1104,
Nedlands WA 6909

T: 08 9386 4699

F: 08 9386 9473

E: admin@rewardminerals.com

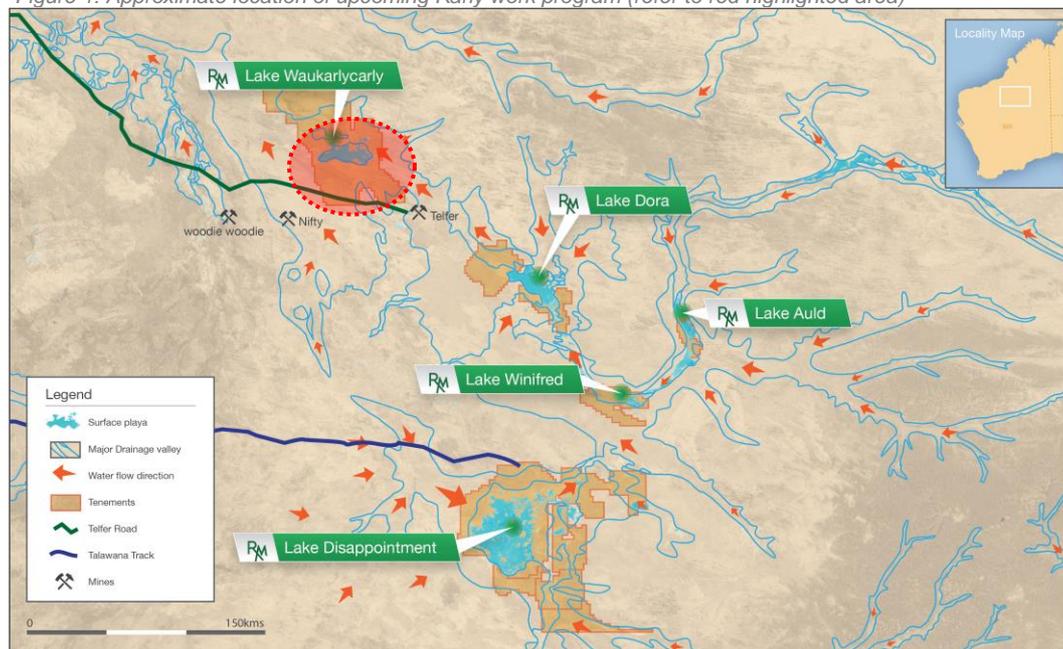
KARLY PROJECT COMMENCEMENT OF DRILLING

Highlights

- Statutory approvals received for proposed drilling at the Karly Project.
- Heritage clearance obtained for proposed drill sites.
- Mobilisation for Karly drilling commenced.
- Two core holes (for ~240m) recently completed at LD adjacent to previous holes LDRC1461 and 1462.
- Drilling is in progress at the LDRC1462 site for the installation of a cased bore to obtain definitive brine flow data versus previous airlift data at that site.
- The Company is well funded for upcoming drill programs and project studies.

Reward Minerals Limited (“Reward” or the “Company”) wishes to advise that it has now received relevant approvals for the planned Karly Project drilling program within the Waukarlycarly Embayment, Western Australia. Heritage surveys have been completed over the southern half of the Karly tenement area and some 40 reverse circulation (RC) drill holes are planned for completion over the next three months.

Figure 1: Approximate location of upcoming Karly work program (refer to red highlighted area)



The program will target Sulfate of Potash (SOP) brine resources. The drilling program has been formulated to target the areas of high conductivity as identified by Geoscience Australia in its 2010/12 Record – Aerial Electromagnetic Survey (AEM) of the Paterson Province, WA.

Other Drilling Activities

Two core holes have been completed at the location of previously drilled holes LDRC1461 and 1462 which are located on the Wiljabu track to the north of Lake Disappointment. Solid core samples have been recovered and are currently subject to geotechnical assessment.

In addition, drilling is in progress at the location of LDRC1461 for the installation of a cased bore hole. This will better define previous flow test results as well as enable definitive measurement of brine flow rates at various depth horizons. (to ~150m). The results of these tests will assist the Company to firm up its forthcoming drilling program on Lake Disappointment to expand the current SOP resource.

Upon completion of this hole, the rig will move immediately to the Karly Project with drilling expected to commence shortly.

Results from drilling will be released to the ASX as they become available.

The Karly Project – Overview and Prospectivity

Geoscience Australia in its 2010/12 Record – Aerial Electromagnetic Survey (AEM) provided the results of its survey of the Paterson Province, WA (refer to Figure 2). The survey data highlighted an extensive palaeoriver system running through Lake Disappointment and extending several hundred kilometers to the Waukarlycarly Embayment (refer to Figure 1).

The AEM traverses suggest that high conductivity brines exist within the palaeovalleys. On the assumption that any brines present have similar chemistry to those in LD, the Potash resource potential of the palaeovalleys and buried lake systems is considerable.

Reward has previously completed a sampling program on the tenement area which confirmed the presence of Potassium rich brines near surface with chemistry amenable

to the production of SOP (refer to announcement dated 10 December 2013 for full details and results).

Figure 3 below shows the two of the aforementioned AEM traverses and includes the near-surface sample results from LW5 and LW6 proximate to the traverse. Analytical results referenced to the AEM traverses suggest a potential correlation between the high conductivity detected and Potash bearing brine. Further exploration is required to establish the reliability of the preliminary sampling performed to date.

Figure 2 – Geoscience Australia – 2010/12 Record Paterson Province AEM Survey

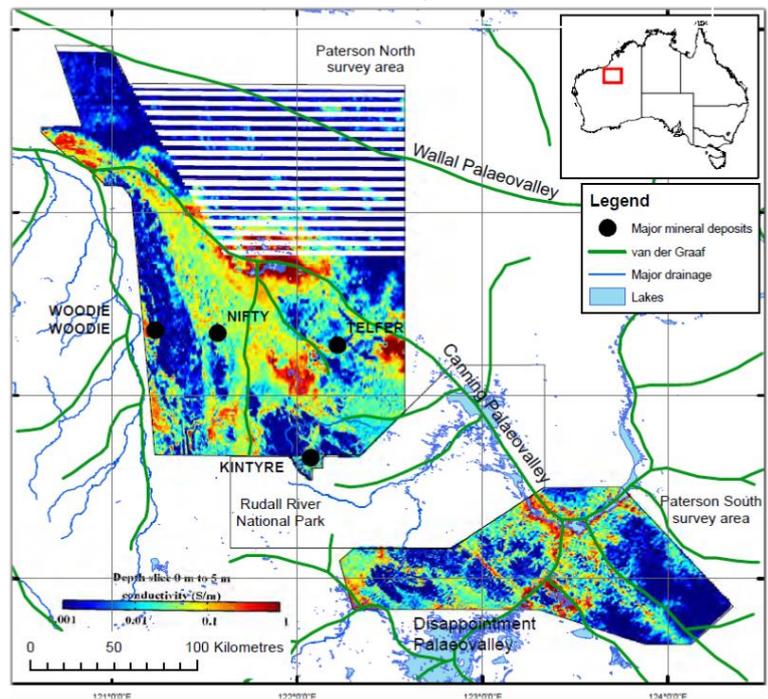
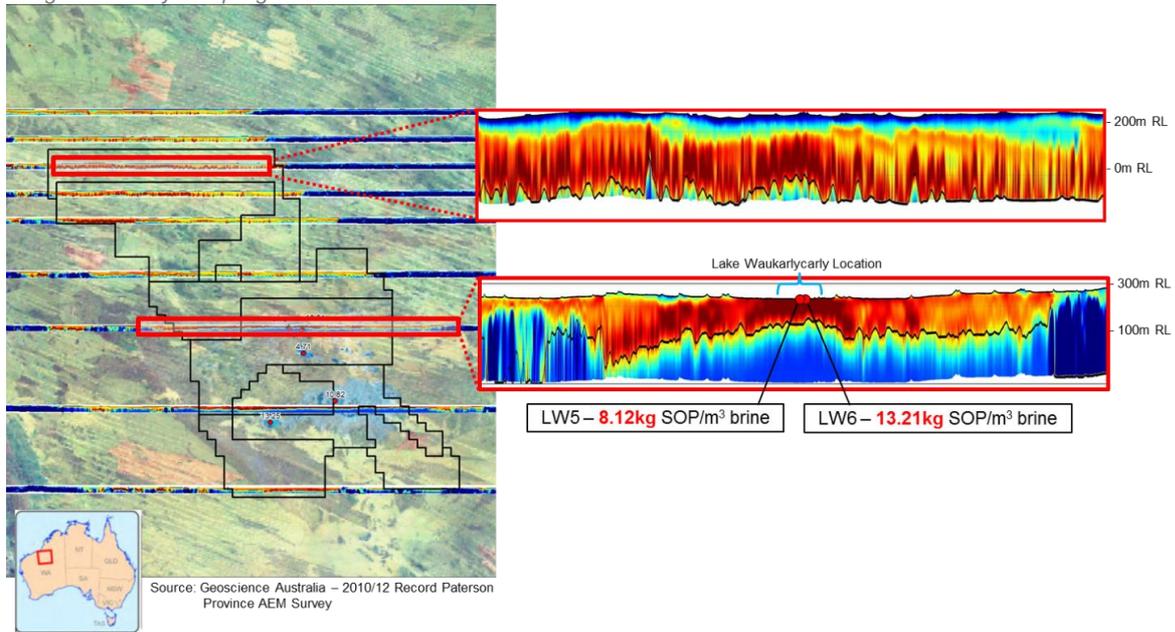
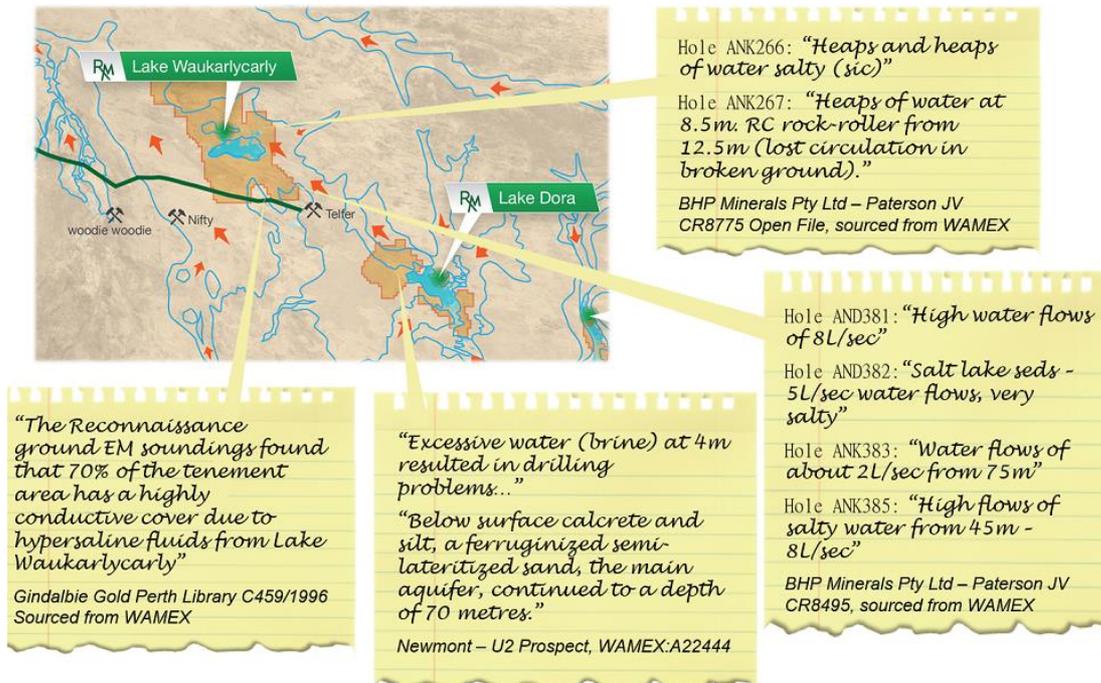


Figure 3 – Karly Sampling Results and Proximate AEM Traverses



There has been limited historical exploration in the area by parties targeting Telfer-style deposits. The common theme in drill logs has been high flows of very saline water down to significant depths. Excerpts from publically available historical exploration in the area and the approximate location of holes in relation to the Karly Project area are provided in Figure 4 below.

Figure 4 – Historical drilling proximate to the Karly Project (data retrieved from WAMEX)



Yours faithfully,

Michael Ruane
Director
on behalf of the Board

For personal use only

For personal use only

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr David O'Farrell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant to Reward Minerals Ltd. Mr O'Farrell 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 O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.