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**LAKE DISAPPOINTMENT POTASH PROJECT UPDATE
ASX ANNOUNCEMENT
04 JANUARY 2012**

On 23 December 2011, Reward Minerals Ltd advised that it had reached agreement with the Western Desert Lands Aboriginal Corporation (WDLAC) and the Martu people on the terms of a Mining and Indigenous Land Use Agreement (ILUA) for the Company's Lake Disappointment Potash Project.

Following queries from a number of shareholders, the Company provides the following additional information for clarification.

1. On 20 December 2011, at a Special General Meeting of Martu held at Parngurr, the Resolution in respect of the proposed Agreement between WDLAC and Reward Minerals Ltd was put to the members present.

The meeting resolved in favour of WDLAC/Martu people entering into the Agreement on the terms and conditions negotiated between WDLAC and the Company over the past twelve months.

A Members Certificate was signed at the meeting by the Common Law Holders as required under the Native Title Act for registration of an ILUA.

2. The Mining and Indigenous Land Use Agreement was executed by WDLAC on 23 December 2011 in Perth with Chairman, Brian Sampson and Deputy Chairman, Teddy Biljabu signing on behalf of WDLAC and Chairman, Colin McCavana and Director, Michael Ruane signing on behalf of Reward.

The ILUA provides for Reward, WDLAC and the Martu people to work in close association on the development of the Lake Disappointment Project. The Company is enthusiastic about building a strong working relationship with WDLAC and the Martu people that will provide training, employment and economic benefits to the Martu people as well as increased shareholder value for all Reward shareholders.

The Company is now in the process of engaging new staff to recommence activities on the Lake Disappointment Project including resource upgrade, feasibility activities and the Clearance Heritage Survey scheduled to occur in March to advance the project as rapidly as possible.

Dr Michael Ruane
Director
on behalf of the Board