

Chairman's Address
Reward Minerals Ltd - AGM - 31 May 2012

Shareholders,

As most of you would be aware, the 2011 year for Reward Minerals has been dominated by activities related to native title negotiations and clearances for the Lake Disappointment Potash Project, which culminated in the signing of the Mining and Indigenous Land Use Agreement (MILUA) for the project with Western Desert Lands Aboriginal Corporation (WDLAC) and the Martu people.

Considerable time and effort from all parties was required to complete the MILUA. We are confident that the MILUA is the beginning of a close association between Reward Minerals, WDLAC and the Martu people on the development of the Lake Disappointment Project. We are pleased at the very positive and constructive manner in which the MILUA negotiations were conducted and we believe that it augers well for the timely development of the project.

We are pleased to have announced yesterday, that we have received written advice from the Western Desert Lands Aboriginal Corporation (WDLAC) that the Board of WDLAC, by Resolution on 2 May 2012, approved the Lake Disappointment Clearance Area Survey Report.

The approval of the Lake Disappointment Clearance Area Survey Report by WDLAC is an exciting and significant event for the Company. It paves the way for the registration of the MILUA and ultimately the development of the Lake Disappointment Project to production. We expect the MILUA to be lodged for registration with the Native Title Tribunal in June 2012 following completion of necessary documentation.

The Lake Disappointment Project is a world class Potash project containing the largest JORC compliant Potash resource in Australia of some 24.5 million tonnes of potassium sulphate. The Lake Disappointment Project has the potential to supply all of Australia's Potash needs for almost 50 years and we are excited to now be in a position, in conjunction with WDLAC and the Martu people, to bring the Lake Disappointment Project to production.

We have appointed the Project Manager who has commenced activities related to the development of the project in order to bring it to production as soon as possible.

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As reported on 15 May 2012, we have applied for the first Mining Lease and Miscellaneous Licence for the project and we expect grant of these tenements by 30 September 2012.

We anticipate that the 2012 year will be dominated by activities related to the development of the Lake Disappointment Project; however, the Company also has a significant and highly prospective portfolio of other Potash projects that it is keen to progress in tandem with its development of the Lake Disappointment Project.

In respect of Reward's other lakebed Potash resource – Lake Mackay, the Company has previously advised that negotiations with Traditional Owners on development of this resource had stalled in 2011 despite very encouraging outcomes early on.

It is the understanding of Reward that the majority of the Tjamu Tjamu and other Aboriginal stakeholders are in favour of a Potash operation at Lake Mackay subject to agreement on terms for a Mining and Indigenous Land Use Agreement for the project.

A Negotiation Protocol was entered into by the Company and the Traditional Owner group in September 2010 and a draft Mining Agreement was provided by Reward for consideration by the Native Title parties.

Central Desert Native Title Services (CDNTS), the representative body for the Tjamu Tjamu Aboriginal Corporation subsequently advised Reward that it expected that a formal response or decision on a Mining Agreement would take in the vicinity of two years to achieve and that funding of negotiations would be required of Reward during the extended negotiating period. The Company believes that the timeline and costs proposed are unrealistic, particularly in view of the strong interest from the Tjamu Tjamu in advancing the negotiations on the project expeditiously.

In view of the successful outcome of the Lake Disappointment project negotiations the Company now proposes to reactivate the Lake Mackay negotiations process to establish if an agreement can be reached with the Native Title Parties for the development of that project, and is hopeful that progress can be made in the near future on a revised timeline and cost structure for a Mining Agreement.

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The Company has also been involved in negotiations with several parties interested in farming in to the Adavale prospect tenements and we are optimistic that discussions with the freehold land owners and potential farm in partners will be fruitful.

The Company's Officer Basin tenements are located within the Martu lands and have remained in pending status while negotiations between the Company and the Martu people regarding Lake Disappointment progressed. Since reaching agreement with the Martu people on the MILUA for Lake Disappointment, discussions regarding the Officer Basin project have recommenced; and although negotiations in this regard are at an early stage, the Company believes that it may be able to reach agreement to allow exploration and possible mining of the Company's Officer Basin tenements in the foreseeable future.

The Karinga Lakes project, 120km south of Alice Springs, is being explored for Potash under management by Rum Jungle Minerals Ltd (ASX: RUM). Early work indicates that high sulfate brines of favourable composition for SOP production exist within this lake system, however, the Company has decided to focus its efforts at Lake Disappointment and will not contribute funds for exploration at Karinga Lakes this year.

We look forward to an exciting and productive year ahead.

On behalf of the Board I would like to thank all members of the Reward team and in particular our Managing Director, Dr Michael Ruane, for their contribution to the Company in 2011.

I would also like to thank WDLAC and the Martu people for their contribution to the MILUA and for the concessions offered by Martu to improve the feasibility and potential of the Lake Disappointment Project.

I would also like to take this opportunity to thank shareholders for their ongoing support and look forward to sharing with them the success from development of the Lake Disappointment Project.

Colin McCavana
Chairman