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**LAKE DISAPPOINTMENT UPDATE
ASX ANNOUNCEMENT
29 AUGUST 2012**

Reward Minerals Ltd and subsidiary Holocene Pty Ltd are pleased to advise that the Company has received written notice from Western Desert Lands Aboriginal Corporation (WDLAC) recommending that Heritage Approval be granted in respect of the Lake Disappointment Clearance Area.

Heritage Approval completes the outstanding conditions of the Mining and Indigenous Land Use Agreement (MILUA) and paves the way for its registration and the granting of mining licences for the Lake Disappointment Project, allowing the Company to move ahead with its development programme.

The Company is very pleased with achieving this latest milestone, and we look forward to further building the close association with WDLAC and the Martu people on the development of the Lake Disappointment Project.

As a result of the Clearance Heritage Survey conducted late in February 2012, the Clearance Area has been precisely defined and agreed to by WDLAC and Reward.

Reward/Holocene have advised WDLAC of their agreement to comply with the conditions of the December 2011 agreement and the February 2012 Clearance Area Survey Report and to satisfy the commercial terms previously agreed to under the MILUA in December 2011.

Reward will proceed with payment of agreed costs and issue of the first tranche of Reward Options to WDLAC as required under the MILUA. The relevant agreement documents will also be lodged shortly with the Native Title Tribunal for Registration as an Indigenous Land Use Agreement.

Section 18 Works Approval Application

The Company has also prepared a Section 18 application for approval to establish an access track, exploration camp, pilot evaporation ponds and to conduct infill drilling of the Lake Disappointment Cleared Area. A copy of the application documentation has been approved by WDLAC for its lodgement with the Department of Indigenous Affairs (DIA) and the Aboriginal Cultural Materials Committee (ACMC) for approval.

Additional Tenement – EL(A)45/4090

Reward recently applied for Exploration Licence 45/4090 of 156km² adjoining its current Lake Disappointment project tenements. The new application if granted will extend the Company's land holdings north to the Talawana Track completely covering the Miscellaneous Licence 45/302 required for the project access track. The earlier objection to the grant of L45/302 by a third party which had previously applied for the ground but recently withdrew its application has now lapsed.

Further information will be provided as it becomes available.

***Dr Michael Ruane
Director
on behalf of the Board***