

## **Chairman's Address Reward Minerals Ltd**

Dear Shareholders

The 2010 year for Reward Minerals has been a frustrating one, with activities dominated by Native Title negotiations and clearances related to the Company's key Potash projects.

Aboriginal Heritage and Native Title matters are complicated and time consuming issues involving many affected parties. They require patient, conciliatory and steadfast approach to achieve successful outcomes.

As Shareholders are aware negotiations with the Martu Traditional Owners in respect of Lake Disappointment, broke down in 2008 and the project has been on hold since that time. Late in 2010, Reward received some encouragement from WDLAC, the Martu representative body indicating that the Martu people may reconsider their position on the mining of Potash from Lake Disappointment. Negotiations have continued over the past few months. Preparations are in progress for an on-country meeting for Martu to consider Reward's proposals for the development. Unfortunately, the first meeting programmed for early May had to be cancelled following a bereavement in the Traditional Owner group. It is hoped that the meeting can be held in June 2011.

At Lake Mackay, progress on Native Title clearances has also been slow although the Traditional Owners appear enthusiastic about a Potash recovery project at Lake Mackay.

During the year the Company arranged a visit by a group of Tjamu Tjamu Traditional Owners to a solar salt production operation at Carnarvon in Western Australia. The visit gave the group an overview of an operation very similar to that proposed for the Lake Mackay Project.

Following that site visit, Company representatives attended an on-country meeting, coordinated by Central Desert Native Title Services, at Kiwirrkurra in November 2010 to discuss the Lake Mackay project with the Tjamu Tjamu and other aboriginal stake holders from Balgo, Kintor and Papunya. The meetings have resulted in the establishment of a

Negotiation Protocol and the appointment of an eight person Negotiation Committee to receive and assess Mining Agreement proposals by the Company for a Potash recovery operation at Lake Mackay. A proposal of essential terms for a Mining Agreement at Lake Mackay has been prepared by the Company and presented to the Committee for consideration. No progress has been made since that time.

During the year the Company requested Heritage clearance from the Bidjara Traditional Owners for two drill sites at the Adavale Project in Queensland. The Bidjara Traditional Owners have advised us that they wish to invoke Native Title Protection Conditions (NTPC's) over all three of Reward's tenements. Compliance with NTPC's will delay the proposed drilling programme and will require re-negotiation of access agreements with pastoralist landowners in the area.

The Company is currently seeking a meeting with the Bidjara representatives at Charleville in Queensland to outline Reward's plans for drilling at Adavale. The parties are having difficulty in agreeing on the cost of such a meeting, and the cost of subsequent drill site clearances.

It is hoped that the matter can be resolved by midyear. Reward has a number of prospective partners willing to fund the Adavale drilling on a farm-in basis if it wishes to do so.

Reward continued its involvement with Rum Jungle Minerals Ltd (ASX: RUM) in exploration for Potash in the Karinga Lakes drainage system 120km south of Alice Springs. Early work indicates that high sulfate brines of favourable composition for SOP production exist within this lake system. Further exploration is required to assess the brine resource potential of the system. Drilling of the lakes will be undertaken in the forthcoming exploration season, managed by Rum Jungle.

Despite the slow progress over the past two years, the Company has held its focus on development of its significant Potash resources in Australia.

We remain enthusiastic about the prospect of advancing one or more projects to a production decision in the coming year and we are confident of our ability to achieve this.

Since joining the Board in February 2010 I have been impressed with the commitment of the Board, management and staff. I look forward to being a part of the advancement of the Company as it develops its potash projects to production and becomes a sustainable earnings generator for its shareholders.

I would like to take this opportunity to commend our Managing Director, Dr Michael Ruane, and all members of the Reward team for their contribution to the Company in 2010.

***Colin McCavana***  
***Chairman***