REWARD MINERALS LTD

AND CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2014

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Contents

Corporate Particulars

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Michael Ruane
Rod Della Vedova

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BANKERS

Australia and New Zealand Banking Group Ltd

Directors' Report

Your directors present their report on the consolidated entity consisting of Reward Minerals Ltd and the entities that it controls ("Reward" or "the Group") at the end of, or during, the half-year ended 30 June 2014.

DIRECTORS

The following persons held office as directors of Reward at the date of this report or were directors at any time during the half-year:

Colin McCavana
Michael Ruane
Rod Della Vedova

REVIEW AND RESULTS OF OPERATIONS

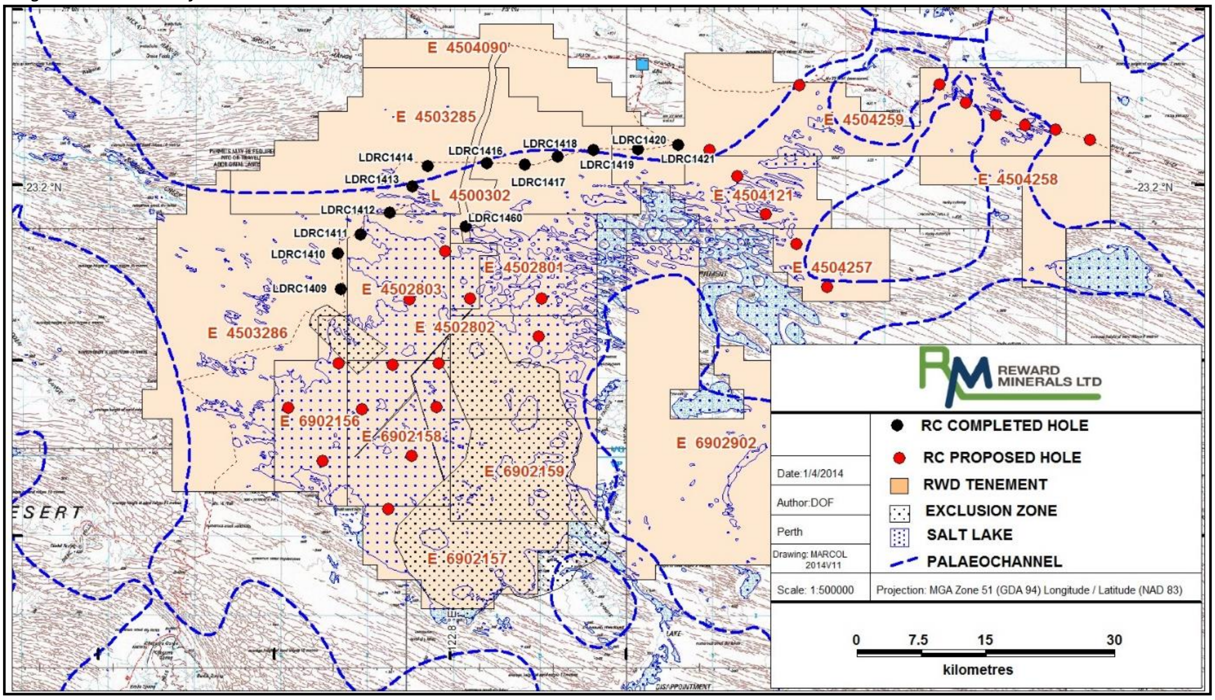
The consolidated entity is principally engaged in mineral exploration in Australia. The consolidated entity incurred a loss of $525,247 (2013: $166,690 loss) for the half-year ended 30 June 2014.

LD Potash Project – Western Australia

Exploration

During March 2014, the Company commenced its step out drilling program at the LD Potash Project targeting Sulfate of Potash (SOP) brine resources near the current resource. In addition drilling increased the Company's understanding of the areas immediately surrounding LD to enable a more targeted approach to expanding the existing JORC Indicated SOP Resource (24.4Mt of SOP at 12.37g/l down to 4m).

Figure 1 – Location of drill holes



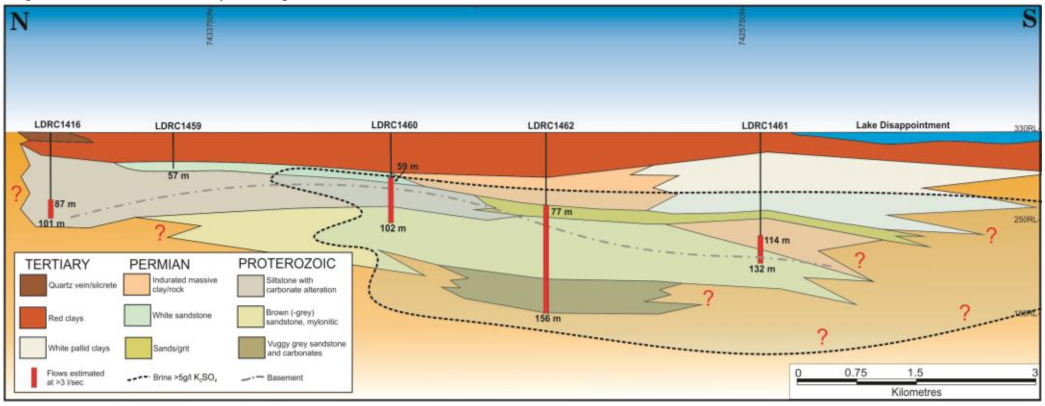
Results of the program which saw 13 sighter holes for 1,414m were highly encouraging. All holes intersected Potassium bearing Palaeovalley sediments and penetrated the basement which ranged from 50 to 120m depths. Brine Potassium values dramatically increased with depth; reaching 8.1g/l SOP (3.7g/t Potassium, K) and with proximity to the Lake Disappointment evaporation basin. Brine flows were also very encouraging estimated between 2-3.5l/second encountered in the deeper sections of the sediment pile and from the fresh rock basement.

REVIEW AND RESULTS OF OPERATIONS continued

LD Potash Project – Western Australia continued

Preliminary results suggest potential for substantial expansion of the LD Potash Project resource base at depth and led to the Company drilling an additional two holes along the Wiljabu Track, closer to the lake proper. Both holes produced high brine flows (5-8l/second) over horizons in excess of 50m with SOP grades ranging from 7-8.3g/l.

Figure 2 – LD Palaeovalley drilling cross-section



Development

Reward completed internal detailed testwork of the overall process circuit along with mass balance calculations which resulted in the appointment of engineering and project management company AMEC to undertake Scoping Studies on the LD Potash Project.

The study is investigating the capital and operating cost parameters of a 400,000 tonne per annum operation recovering SOP from brine grading circa 12.37g/t derived from the existing LD JORC Indicated Resource base of 24.4Mt SOP.

The scope of work includes conceptual flowsheet review, preliminary mass balance review, preliminary equipment list and plant design based on an order of magnitude ±30% capital and operating costs.

Dora West Potash Project – Western Australia

The Company announced the results from 10 holes drilled at its Dora West Project in June 2014. The Static Water Table (SWT) was identified as being very shallow in the central part of the Dora tenement, less than 4m from surface in most places. Heavy brine flows were encountered in five of the holes drilled, up to 5l/second at ~130m depth.

Brines recovered graded up to 7.5g/l SOP (3.4g/l Potassium, "K") and also contained significant levels of Magnesium (Mg) and Sulfate (SO_4). The average Mg:K and SO_4:K ratios for brines recovered from the drilling program were approximately 1.5 and 9.5 respectively. These are somewhat higher than the values of the current LD near surface resource brines (refer to Table 1). The average Sodium Chloride to SOP (NaCl:SOP) ratio was 14 which was approximately 25% lower than for LD brine.

Table 1 – Brine composition ratios

	Dora West	Lake Disappointment
Mg:K	1.5	1.1
SO_4:K	9.5	4.7
NaCl:SOP	14.0	19.2

REVIEW AND RESULTS OF OPERATIONS continued

Karly Potash Project – Western Australia

On 28 May 2014, Reward executed a Land Access & Mineral Exploration Agreement with the Traditional Owners of the Lake Waukarlycarly tenement area in Western Australia. Initial Heritage Surveys were undertaken by the Company and the tenements were granted on or around 19 June 2014 with consent of WDLAC.

The Karly Project now encompasses over 3,000km^2 of the Waukarlycarly embayment which is thought to be host to substantial quantities of Potassium bearing brines. Several Programs of Works (PoW) have been submitted to the Department of Mines and Petroleum (DMP). The Company is waiting on receipt of the approved PoWs which allow the Company to proceed with drilling and other activities.

Reward has previously completed a shallow 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).

Lake MacKay Potash Project – Western Australia

Lake MacKay is a modern, playa lake with a surface area of over 2,250km^2. The Lake is situated in the Gibson Desert, straddling the Western Australia–Northern Territory border, 50 kilometres north of the Tropic of Capricorn.

In 2009, Reward Minerals Ltd delineated a JORC compliant, Inferred Potash Resource at Lake Mackay. The resource estimate was calculated on the basis of lakebed sediment volume (BCM) from surface to a depth of two metres and the water soluble potassium sulphate content of these sediments located within the Company's tenement holdings at Lake Mackay.

Further work will require agreements with the Tjamu Tjamu traditional owners group. The Company has engaged in discussions with Tjamu Tjamu people and other Traditional Owner groups aimed at reaching agreement on terms which would be acceptable for development to proceed at Lake Mackay in the event feasibility analysis proved favourable.

While it is the understanding of Reward Minerals Ltd that the majority of the Native Title Holders are in favour of development of the Lake Mackay project, no satisfactory commercial agreement has been forthcoming to date.

Subsequent to the half year Reward relinquished its Lake Mackay Project tenement holdings. The Lake Mackay tenements were approaching their sixth anniversary and as a result holding costs and DMP expenditure requirements reached levels which were difficult to justify, particularly in view of the lack of recent progress of the project. The relinquishing of these tenements means that funds have now been redirected to the upcoming drilling programs at the LD, Karly and Dora West Projects as well as development activities at LD.

Potash Exploration, Queensland

Reward Minerals Ltd holds three Exploration Permits covering 790km^2 within the Adavale Basin in Queensland which were granted in December 2008. The area held by Reward Minerals Ltd covers an elongate northeast-trending structure west of the Warrego Fault and contains Bury 1 and Stafford 1 oil exploration wells (See Figure 3). In Bury 1, the salt horizon top was at a depth of 1,770m and salt thickness of 580m. Minor Potash mineralisation was encountered in Bury 1 between 1,810 – 1,811m and 1,968 – 1,971m depths. Potassium values up to 4% were observed in thin layers (15cm) within these intervals. However, much of the evaporite horizon was not analysed for potassium. Figure 6 displays a seismic interpretation between Stafford 1 and Bury 1 drill holes which outlines the Boree Salt Member at depth and rising until it hits the Warrego Fault.

On the down throw side of this fault, a series of minor horsts and grabens are developed sub paralleling the major trend direction. It has been interpreted from seismic surveys that the evaporite horizon is up to 900m thick, coming to within 900m of surface in places. Figure 4 displays the gravity low associated with the Boree Salt Member adjacent to the Warrego Fault. The exploration strategy is to drill several 1,500m to 2,000m holes to intersect the uplifted salt horizon to ascertain the concentration and extent of potash mineralisation within the unit.

REVIEW AND RESULTS OF OPERATIONS continued

Potash Exploration, Queensland

Figure 3: Showing Interpreted Stratigraphic Location of Boree Salt Member

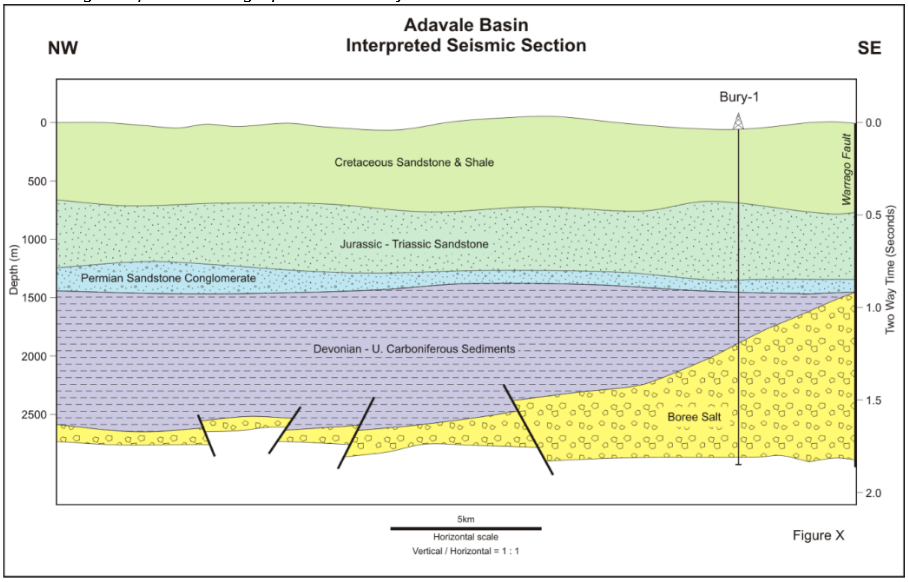
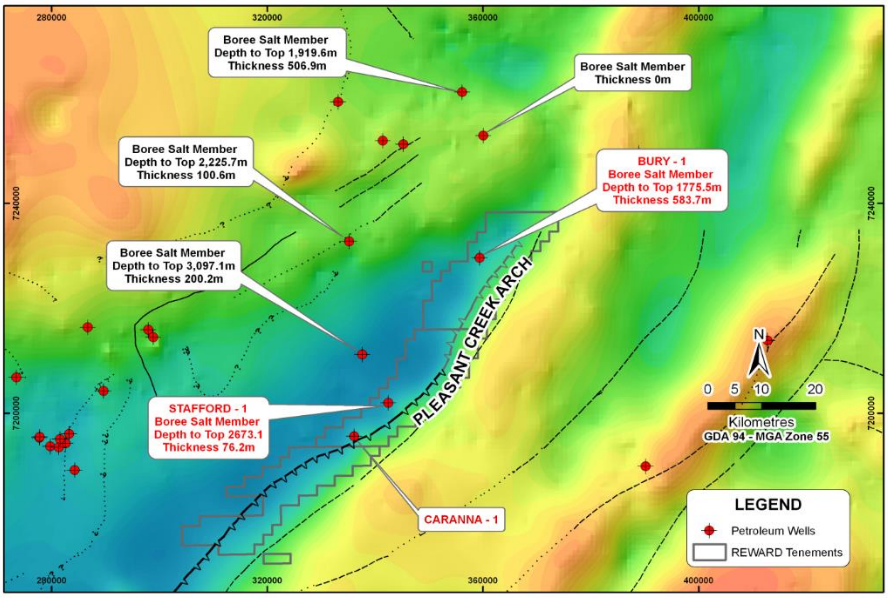


Figure 4: Gravity Image



The project area is near the coal mining site of Blackall 600km inland from Gladstone. In addition to their Potash potential the Adavale deposits could readily provide salt for the manufacture of caustic soda which is utilised in substantial quantities at the Gladstone Alumina operations of Comalco Ltd. Data available suggests that annual imports of caustic soda to Gladstone are of the order of 1.5 million tonnes at a cost in excess of $500 million.

Reward's Adavale Potash Project tenements are over Freehold land. The Company had executed Access Agreements with holders of the two pastoral leases covering the Adavale prospect area and received clearance from the Queensland Department of Employment, Economic Development and Innovation. During the December 2010 quarter, in line with recent legislation, Reward Minerals Ltd sought Heritage clearance for the two drill sites from the relevant Traditional Owners of the area.

Since reaching agreement with the Martu people on development of the Lake Disappointment project, the Company has elected to farm out the Adavale Potash project. Several companies have expressed interest in earning an interest in the project and negotiations on this front are in progress.

REVIEW AND RESULTS OF OPERATIONS continued

Competent Persons Statement

Reward Minerals Ltd advise that resource parameters provided in this report relating to the Lake Disappointment Project are based on information compiled by Mr Simon Coxhell of CoxsRocks who is a Member of the Australasian Institute of Mining and Metallurgy and is a technical consultant to Reward Minerals Ltd. This information was prepared and first disclosed under the 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. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Mr Coxhell consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Lake Disappointment have been reported by the Company in compliance with JORC 2012 in market releases dated 2 April 2014 and 28 April 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements dated 2 April 2014 and 28 April 2014.

The information in this report that relates to exploration targets and exploration results for the Lake Disappointment (other than those in the market releases dated 2 April 2014 and 28 April 2014) and Regional Projects 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. This information was prepared and first disclosed under the 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. Mr O'Farrell of Bralich Holdings 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 2004 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.

Funding

During the half year, Reward completed a placement of 10,416,666 ordinary shares at 48 cents per share to raise $5,000,000 before costs for working capital.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Rothsay Chartered Accountants, the consolidated entity's auditors, as presented on page 19 of this half-year's financial report.

This report is made in accordance with a resolution of directors, and signed for on behalf of the Board by:

M RUANE
MANAGING DIRECTOR

12 September 2014, Perth

Consolidated Statement of Comprehensive Income for the Half-Year Ended 30 June 2014

	Note	June 2014 $	June 2013 $
Revenue from continuing operations	2	736,737	88,587
		736,737	**88,587**
Depreciation		(43,818)	(31,747)
Audit fees		(10,000)	(19,662)
Consulting fees		(17,866)	(25,401)
Exploration expenses		(67,896)	(75)
Interest expense		(12,535)	(19,726)
Legal expenses		(1,200)	(950)
Administration expenses		(146,915)	(54,072)
Employee costs		(136,063)	(103,644)
Capitalised exploration expenditure written off		(825,691)	-
Loss before income tax		(525,247)	(166,690)
Income tax (expense)/benefit		-	-
Loss for the half-year		(525,247)	(166,690)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Loss on revaluation of available for sale financial assets, net of tax		(176,000)	-
Other comprehensive income for the half-year, net of tax		(176,000)	-
Profit/(loss) for the half-year and total comprehensive income attributable to Members of Reward Minerals Ltd		**(701,247)**	**(166,690)**
Basic loss per share (cents)		(0.50)	(0.23)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2014

	Note	June 2014 $	December 2013 $
Current Assets			
Cash and cash equivalents		5,431,867	3,855,598
Trade and other receivables		100,689	84,256
Total current assets		**5,532,556**	**3,939,854**
Non-Current Assets			
Available for sale financial assets		344,000	-
Other financial assets		2,000	2,000
Property, plant and equipment		412,602	403,539
Exploration and evaluation expenditure	7	2,092,787	941,126
Mine development expenditure		13,645,113	13,645,113
Total non-current assets		**16,496,502**	**14,991,778**
Total assets		**22,029,058**	**18,931,632**
Current Liabilities			
Trade and other payables		408,893	245,431
Borrowings		-	1,019,299
Total current liabilities		**408,893**	**1,264,730**
Total liabilities		**408,893**	**1,264,730**
Net assets		**21,620,165**	**17,666,902**
Equity			
Contributed equity	8	24,735,800	20,081,290
Reserves		10,111,346	10,287,346
Accumulated losses		(13,226,981)	(12,701,734)
Total equity		**21,620,165**	**17,666,902**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Half-Year Ended 30 June 2014

	Contributed Equity	Share-Based Payment Reserve	Available for Sale Investments Revaluation Reserve	Accumulated Losses	Total Equity
	$	$		$	$
Balance at 1 January 2014	20,081,290	10,287,346	-	(12,701,734)	17,666,902
Comprehensive income for the half-year					
Loss for the half-year	-	-	(176,000)	(525,247)	(701,247)
Total comprehensive income for the half-year	-	-	(176,000)	(525,247)	(701,247)
Transactions with owners in their capacity as owners:					
Share issue	5,000,000	-	-	-	5,000,000
Cost of share issue	(345,490)	-	-	-	(345,490)
Balance at 30 June 2014	**24,735,800**	**10,287,346**	**(176,000)**	**(13,226,981)**	**21,620,165**
Balance at 1 January 2013	15,568,465	10,057,346	-	(11,969,961)	13,655,850
Comprehensive income for the half-year					
Loss for the half-year	-	-	-	(166,690)	(166,690)
Total comprehensive income for the half-year	**-**	**-**	**-**	**(166,690)**	**(166,690)**
Transactions with owners in their capacity as owners:					
Conversion of options	-	-	-	-	-
Options Issued	-	-	-	-	-
Balance at 30 June 2013	**15,568,465**	**10,057,346**	**-**	**(12,136,651)**	**13,489,160**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flow for the Half-Year Ended 30 June 2014

	June 2014 $	June 2013 $
Cash Flows From Operating Activities		
Payments to suppliers and employees	(346,954)	(275,659)
Interest received	45,825	56,933
Net cash outflow from operating activities	**(301,129)**	**(218,726)**
Cash Flows From Investing Activities		
Payments for mineral exploration	(1,864,231)	(1,147,679)
Payments for mine development	-	(822,971)
Payment of exploration bond	-	(104,170)
Payment for plant and equipment	(52,881)	(180,909)
Proceeds from sale of interest in tenement	140,000	-
Net cash outflow from investing activities	**(1,777,112)**	**(2,255,729)**
Cash Flows From Financing Activities		
Proceeds from borrowings	-	1,000,000
Repayment of borrowings	(1,000,000)	-
Proceeds from issue of shares (net of share issue costs)	4,654,510	-
Net cash inflow from financing activities	**3,654,510**	**1,000,000**
Net increase/(decrease) in cash held	1,576,269	(1,474,455)
Cash and cash equivalents at the beginning of the half-year	3,855,598	2,885,108
Cash and cash equivalents at the end of the half-year	**5,431,867**	**1,410,653**

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the Half-Year Ended 30 June 2014

1. Summary of Significant Accounting Policies

a. Basis of Preparation of Half-Year Report

This general purpose financial report for the interim half-year reporting period ended 30 June 2014 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2013 and any public announcements made by Reward Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

b. Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

c. Critical Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the December 2013 annual report.

d. New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

- *AASB 10 Consolidated Financial Statements*

  The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

- *AASB 11 Joint Arrangements*

  The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

  This standard has not significantly impacted the Group's financial statements.

Notes to the Consolidated Financial Statements for the Half-Year Ended 30 June 2014

1. Summary of Significant Accounting Policies (cont)

d. New, revised or amending Accounting Standards and Interpretations adopted (cont)

- *AASB 12 Disclosure of Interests in Other Entities*

  The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

- *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*

  The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

  This standard has not significantly impacted the amounts recognised in the Group's financial statements.

- *AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

  The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

  The Group does not have any defined benefit plans and thus changes to the standard are not relevant.

- *AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*

  The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

  This standard has not significantly impacted the Group's financial statements.

1. Summary of Significant Accounting Policies (cont)

d. New, revised or amending Accounting Standards and Interpretations adopted (cont)

- *AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

  The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

  This standard has not significantly impacted the Group's financial statements.

- *AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

  The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

  This standard has not significantly impacted the Group's financial statements.

- *AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments*

  The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

  This standard has not significantly impacted the Group's financial statements.

Adoption of new and revised Accounting Standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

	Half-Year Ended June 2014 $	Half-Year Ended June 2013 $
2. Revenue from continuing operations		
Interest income	45,825	52,281
Profit on disposal of interest in tenement	660,000	-
Sundry income	30,912	36,306
	736,737	**88,587**

3. Events Subsequent to Reporting Date

Subsequent to the reporting date the Company sold technical data which relates to its previously held Lake Mackay Potash Project to Global Resources Corporation Limited (GRM). The consideration was for 7,500,000 fully paid ordinary shares in GRM which are escrowed for 12 months with a deemed value of approximately $1.2M.

Compulsory reporting for the Mining Rehabilitation Fund was lodged before 30 June 2014 and have since been assessed, bonds to the value of $104,000 have now been retired.

There have been no further events subsequent to the current balance date requiring additional disclosure.

4. Commitments for Expenditure

Upon making a Decision to Mine on the Lake Disappointment Potash Project, the Company will issue 3.0 million options to WDLAC as per the 2011 Mining and Indigenous Land Use Agreement. In addition, the Company notes that a further 7.5 million options will be issued upon commencement of mining as per the above agreement. All options issued to WLDAC have an exercise price of $0.50 and will expire four years from the date of issue.

Per the 2011 Mining and Indigenous Land Use Agreement in regards to the Lake Disappointment Potash Project, the Company is committed to reimburse the WDLAC for Martu law and culture matters in the sum of $300,000 per year for the first five years, and after that when mining is occurring.

Upon commencement of mining of the Lake Disappointment Potash Project, the Company is liable to pay WDLAC $500,000 as per the December 2011 Mining and Indigenous Land Use Agreement.

Pursuant to Schedule 2 of the Land Access Agreement dated 28 May 2014 for the Lake Waukarlycarly Project, the Company is liable to pay WLDAC an initial upfront payment of $150 per block for the first two year period of the Agreement within 30 days of the grant of Exploration Licences 45/4273-4274, E45/4291-95, E45/4299 and E45/4324 being $169,200 + GST. The Company is to issue 376,000 RWD fully paid ordinary shares or such number of fully paid ordinary shares in RWD which are equivalent in value as at the date of issue to 50% of the initial upfront payment, whichever is greater.

5. Dividends

No dividends have been paid or proposed to be paid during the period.

6. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers that the reportable segments are defined by the nature of the exploration activities. As such there is only one reportable segment being Potash tenements.

The segment information provided to the Board for the reportable segments for the half-year ended 30 June 2014 is as follows:

2014	Potash $	Total $
Revenue	681,137	681,137
Exploration expenditure	(67,896)	(67,896)
Capitalised exploration expenditure written off	(825,691)	(825,691)
Profit before income tax	(212,450)	(212,450)
Total Segment Assets	15,737,900	15,737,900

2013		
Revenue	-	-
Exploration expenditure	(75)	(75)
Loss before income tax	(75)	(75)
Total Segment Assets	12,182,166	12,182,166

(a) Segment revenue

Segment Revenue reconciles to Revenue from continuing operations as follows:

	June 2014 $	June 2013 $
Segment Revenue	681,137	-
Interest Revenue	45,825	52,281
Other Revenue	9,775	36,306
Revenue from Continuing Operations	**736,737**	**88,587**

6. Segment Information (continued)

(b) Segment Loss

Segment Loss reconciles to Loss before Income Tax is as follows:

	June 2014 $	June 2013 $
Segment Profit / (Loss) before Income Tax	(212,450)	(75)
Interest Revenue	45,825	52,281
Unallocated income / (costs) net of Other Revenue	(358,622)	(218,896)
Loss before Income Tax	**(525,247)**	**(166,690)**

(c) Segment Assets

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on operations of the segment.

Segment Assets reconcile to Total Assets as follows:

	June 2014 $	December 2013 $
Segment Assets	15,737,900	14,586,239
Unallocated Assets	6,291,158	4,345,393
Total Assets	**22,029,058**	**18,931,632**

(d) Segment Liabilities

The Group's liabilities are not reported to management on an individual segment basis, but rather reported on a consolidated basis.

	June 2014 $	December 2013 $
7. Capitalised exploration expenditure		
Exploration and evaluation expenditure at 1 January	941,126	10,896,641
Exploration expenditure capitalised during the period	1,977,352	2,165,850
Transfer to mine development expenditure	-	(12,121,365)
Impairment expense/explorations costs written off	(825,691)	-
Exploration and evaluation expenditure at 30 June	**2,092,787**	**941,126**

8. Contributed Equity

	2014 Shares	2013 Shares	2014 $	2013 $
Issue of ordinary shares during the half-year				
Balance at 1 January	98,492,189	73,808,996	20,081,290	15,568,465
Shares issued during the half year	10,416,666	24,683,193	5,000,000	4,936,639
Share issue costs	-	-	(345,490)	(423,814)
Balance at 30 June	**108,908,855**	**98,492,189**	**24,735,800**	**20,081,290**

Directors' Declaration

1. In the opinion of the Directors of Reward Minerals Ltd:

a. The financial statements and notes set out on pages 7 to 17, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2014 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements.

b. there are reasonable grounds to believe that Reward Minerals Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001, and signed for on behalf of the Board by:

M RUANE
MANAGING DIRECTOR

12 September 2014, Perth

Auditor's Independence Declaration

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Reward Minerals Ltd
PO Box 1104
Nedlands WA 6909

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 30 June 2014 interim financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

GR Swan

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 12 September 2014

Chartered Accountants

Independent Review Report to the Members of Reward Minerals Ltd

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Reward Minerals Ltd

The financial report and directors' responsibility
The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Reward Minerals Ltd for the half-year ended 30 June 2014.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 30 June 2014 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Reward Minerals Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence
In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Reward Minerals Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 30 June 2014 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rothsay

Graham R Swan FCA
Partner

Dated 12 September 2014

Chartered Accountants