

25 September 2014

ASX CODE
RWD

SHARE PRICE
\$0.60

SHARES ON ISSUE
111.1M

OPTIONS
24.3M (\$0.25 - \$1.09)

MARKET CAPITALISATION
\$66.7M (undiluted)

CASH POSITION
~\$5.4M
(Jun'14 Qtly + Listed Investments)

DIRECTORS & MANAGEMENT

Colin McCavana
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Rod Della Vedova
Non-Executive Director

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Company Secretary

KEY PROJECTS

Lake Disappointment Project
Karly Project

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LD PROJECT SCOPING STUDY UPDATE PRELIMINARY PLANT DESIGN-COSTING OUTCOMES

Highlights

- Scoping Study for a Potassium Sulfate (**SOP**) recovery plant undertaken by AMEC.
- Study provides $\pm 30\%$ capital and operating costs for plant and ancillaries required for recovering 400,000tpa SOP from the LD crude Potash harvest.
- Processing plant capital cost estimate of \$142 million¹.
- Plant operating (cash) cost estimate of \$132/t SOP product.
- Estimated capital and operating costs for the brine supply, evaporation ponds and harvesting components to be available shortly.
- Expanded Scoping Study due for release Q4'14.

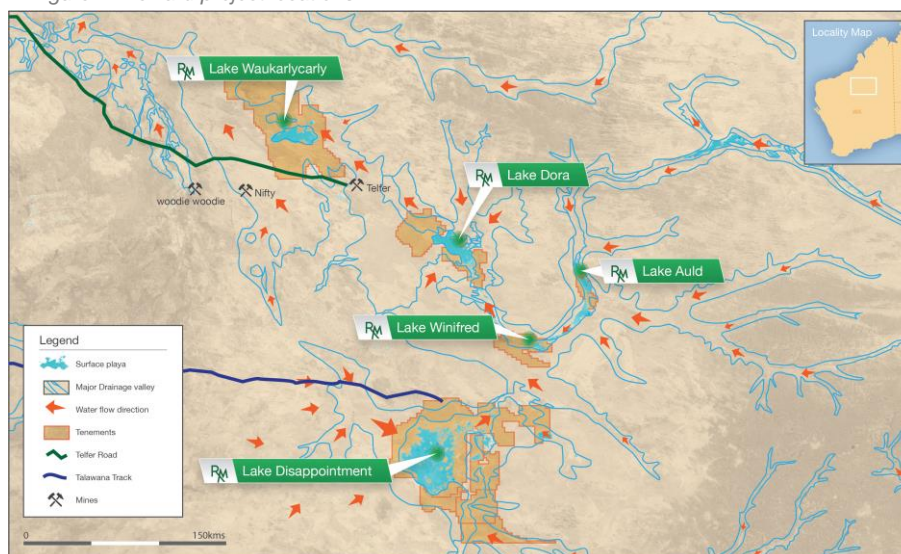
Reward Minerals Limited ("**Reward**" or the "**Company**") is pleased to advise of preliminary results of the LD Project Scoping Study. Results of the study relating to the processing plant have been completed by AMEC based on a Potassium Sulfate (**SOP**) facility capable of processing 2.3Mtpa of crude Potash harvest producing 400,000tpa of SOP product².

The study investigated the SOP recovery flowsheet proposed by Reward based on chemistry and control of brines available from the LD deposit in the north-west of Western Australia.

Plant design and costings have been developed to an accuracy of $\pm 30\%$ order of magnitude. Additional capital and operating costs for the brine supply, evaporation ponds and crude salt harvesting have not been included at this stage.

The Company is awaiting detailed design and operating parameters for the evaporation pond system. These parameters are reliant on hydrogeological modelling and brine flow characteristics. Studies in this context remain in progress with results due in Q4 2014.

Figure 1: Reward project locations



Notes:

1. Excludes provisions

2. Refers to plant throughput capacity not targeted production

LD Independent Engineering Studies

Reward is pleased to provide results of the AMEC study being a significant milestone in its goal of becoming a Potassium Sulfate (**SOP**) producer. The study involved independent assessment of the chemistry, flowsheet and process plant engineering for the production of SOP from the LD brine resource. AMEC is a well-credentialed global engineering group with considerable experience in Potash recovery operations, particularly in North America.

To date the study has established a number of key Project parameters including plant capital and operating cost estimates and confirmation of the robustness of the proposed SOP production process. Reward believes that the results and findings of the study will be applicable to its other Western Australian Potash Projects with only minor modifications.

Details of the Study

As indicated above, results of the study completed by AMEC focused on the proposed plant operations, from the harvested salts stockpile through to the output and storage of SOP (product stockpile) at the LD Project site.

The study was based on:

- Current indicated resource estimate of 24.4Mt SOP at 12.37kg/m³;
- 400,000tpa operation and processing plant; and
- Leonite and SOP crystallization processing route used in operations around the world and confirmed by Reward's evaporation trials and metallurgical testwork being applicable to the available brine supply.

Processing & Metallurgy

Independent evaluation of the flowsheet and mass balance was undertaken by AMEC. This included the utilisation of AMEC's considerable experience from its work with a number of North American operations.

The proposed process takes salts harvested from the evaporation ponds, leaches contaminants from the salts before the crystallisation of SOP which is ultimately recovered in solid form (44+% Potassium).

Reward is undertaking further testwork on simplification of the conversion process which has the potential to provide significantly reduce capital and operating costs.

Results from these additional studies will be released to the ASX as they become available.

Processing Plant – Capital Expenditure

Capital costs for the proposed 400,000tpa operation have been prepared by AMEC and are estimated at \$142 million plus provisions. A breakdown of the capital cost estimate is presented in Table 1 below.

Table 1: LD Scoping Study Plant Capex Estimates

Category	Cost (\$'000)
Process Plant	87,712
Plant Infrastructure	25,151
Miscellaneous	7,475
Total Direct Plant Costs	120,338
Construction Facilities	1,204
EPCM	20,100
Total Indirect Plant Costs	21,304
Total Plant Costs	141,642

Note: Estimates exclude provisions

Processing Plant – Operating Expenditure

Processing plant operating costs were estimated by AMEC to be \$132 per tonne of SOP product using CNG (compressed natural gas) to power the operations. The study also considered the use of diesel which resulted in an operating cost of \$152 per tonne of SOP product.

Table 2: LD Scoping Study Operating Cost Estimates

Category	CNG \$/t SOP	Diesel \$/t SOP
Labour & Maintenance	42.8	42.8
Consumables	80.2	100.2
Other Operating Costs	9.3	9.3
Total Plant Operating Costs	132.3	152.3

While additional data is required on the brine supply, evaporation pond and harvest aspects, Reward is pleased with the results of this study. Results indicate relatively low capital and operating parameters for the SOP recovery section of the Project which can be located at any Potash deposit established by Reward within its tenement holdings in the north-west of Western Australia.

Yours faithfully,

Michael Ruane
Director
on behalf of the Board

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results 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. Mr O'Farrell 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 2012 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. This information was prepared and first disclosed under 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.