14 October 2014

ASX CODE
RWD

SHARE PRICE
$0.60

SHARES ON ISSUE
111.2M

OPTIONS
24.1M ($0.25 - $1.09)

MARKET CAPITALISATION
$66.72M (undiluted)

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

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KEY PROJECTS

Lake Disappointment Project
Karly Project

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LD PROJECT - CORE AND PRODUCTION BORE DRILLING

Highlights

- Completion of two diamond core holes twinning previous holes LDRC1461 & 1462 to 120m.
- Visual stratigraphic contexture assessment of core samples suggests sediments have excellent porosity and permeability characteristics at depth with a number of significant aquifers identified.
- 225mm diameter production-style bore LDRC1463 established with preliminary flow testing performed.
- Uncased airlift results provided estimated flows of up to 25 litres/second.
- Sustained pump testing of the cased bore at >4 litres/second resulted in no drawdown of the water table within the bore hole or proximate holes.
- Follow-up pump testing required to determine maximum flow rates.
- Additional 7 holes drilled at the Dora project.
- Drilling commenced at the Karly Project.

Reward Minerals Limited ("**Reward**" or the "**Company**") is pleased to release the findings from recent drilling at the LD Project, Western Australia. Drilling includes two core holes completed using a diamond rig (**DD**) as well as a cased bore which were completed on the Wiljabu track. The holes were located at the sites of previously drilled reverse circulation (**RC**) holes LDRC1461 and 1462 to enable comparisons to previous data retrieved at these locations and inferences to be drawn at other regional RC drilling sites. See Appendix 1 for drill hole information.

Core Drilling

The core holes LDDH1401 and LDDH1402 (proximate to previous RC drill holes LDRC1462 and 1461 respectively) were drilled to approximately 120m vertical depth. The stratigraphy of the cores is being assessed by an independent consultant. Core porosity and permeability parameters are being determined as part of this study.

Field logging of holes LDDH1401 identified four main lithological horizons.

Table 1: Stratigraphic contexture of cores

Depth	Stratigraphy
0m to about 25m	Sand, sandy clays and clays. Water within fine to course sand and alluvial/colluvial materials.
25m to about 60m	Clay with patches of sandy clays to gravely layers.
60m to about 80m	Highly weathered fresh and fractured siltstone.
80m to depth	Fresh siltstone containing fractures and jointing.

LDDH1402 is located approximately 1.8km south-southeast of LDDH1401. Visual observation of the core indicates that little lithological difference (variability) exists between the cores recovered from the two holes 1.8km apart although the basement siltstone appears to be slightly shallower in hole 1401 than 1402 even though it is 1.8km further from the shore of Lake Disappointment.

The overall stratigraphic sequence appears to contain a number of aquifer systems;

- The first located within the top 20 – 40m;
- The second between 60 – 80m; and
- The third between 110 – 120+m

Core Porosity measurements indicate highly porous sediments exist to about 60 metres depth which represents the top of the basement siltstone/carbonate. The core porosity appears to reduce sharply upon reaching the fresh siltstone but high brine flows appears to continue from the fresh siltstone horizon. It is assumed that these flows are related to the fractured nature of the fresh siltstone.

Bore ID	Sample ID	Depth (m)		Porosity	Dry Density
		from	to	%	t/m^3
Core					
LDDH1401	LDDH1401_1	1.6	2.6	28.40	1.605
LDDH1401	LDDH1401_2	25.6	27.1	41.00	1.572
LDDH1401	LDDH1401_3	45.1	46.1	48.00	1.505
LDDH1401	LDDH1401_4	61.1	62.1	45.30	1.567
LDDH1401	LDDH1401_5	122.1	123.6	5.60	2.681
LDDH1402	LDDH1402_1	4.6	5.6	60.40	1.052
LDDH1402	LDDH1402_2	16.4	17.4	57.40	1.137
LDDH1402	LDDH1402_3	42.4	43.4	56.70	0.92
LDDH1402	LDDH1402_4	57.6	58.6	24.00	2.147
LDDH1402	LDDH1402_5	106.9	107.9	6.40	2.637
Rock Chips					
LDRC1460	LDRC1460_1	120	124	8.20	2.538
LDRC1460	LDRC1460_2	136	140	6.60	2.593

Production Bore Drilling – Lake Disappointment

In addition to the core sampling above, a production bore (LDRC1463) was completed approximately 35m from the LDDH1401 site (Appendix 1).

A pilot hole with 100mm diameter was drilled to 120 metres before being reamed out to 225mm diameter and cased. Flow testing was performed via airlifting before the bore was cased and following casing pump testing was undertaken.

Uncased airlift flow testing

Observations from the uncased bore hole were as follows:

- Airlifting was performed at various intervals;
- Flows increased with depth ranging from approximately 9 to 21 litres/second (l/s) with surges over 25 l/s; and
- Airlifting in the bore hole resulted in air and water discharging through hole LDDH1401 located approximately 35m from the bore hole.

Airlift results were highly encouraging and markedly higher from the 225mm hole (up to 25 l/s) than airlifting from previously drilled hole LDRC1462 which produced estimated maximum flows of 8 l/s through a 100mm uncased hole (refer to ASX announcement dated 28 April 2014). The expression of air and water from the proximal DD hole is interpreted as a sign of the excellent porosity of the sediments in the region.

Preliminary cased bore flow testing

Following completion of casing, the bore was developed for three days to clear out any remaining sediments prior to the pumping of brines.

A pump with nameplate capacity to pump 4.25 l/s (4" pump) was used to test brine flows and salt concentrations. Pumping was performed for over 15 hours at the maximum capacity of the pump on two consecutive days. Flows were steady with no visual decrease in the water table at the bore hole or adjacent holes LDRC1462 and LDDH1401. A larger capacity variable output pumping system will be trialed shortly to fully evaluate the brine flow from LDRC1463. Results from these trials and core drilling have important ramifications in expansion of the Lake Disappointment Potash resource base.

Additional follow up pump testing is required to establish steady state flow capacity of the bore. However, preliminary pumping results are very encouraging.

Brine Analysis

LDRC1463 is located some 2km north of Lake Disappointment shoreline. The hole was cased only to around 120 metres due to difficulties encountered during the drilling and casing operations. The pump was set at 108 metres vertical depth (VD).

The brine recovered over the two day pumping campaign averaged 6.65g/litre K_2SO_4 (SOP). This was slightly lower than reported for the previous RC hole (LDRC1462) drilled to 154 metres VD at this location but it was sampled from a shallower horizon (108 metres). As previously reported, brine in hole LDRC1462 was recovered from the interval 132-154 metres and averaged 7.769/litre SOP. Brine in the current adjacent Lake Disappointment resource averages 12.3g/l SOP.

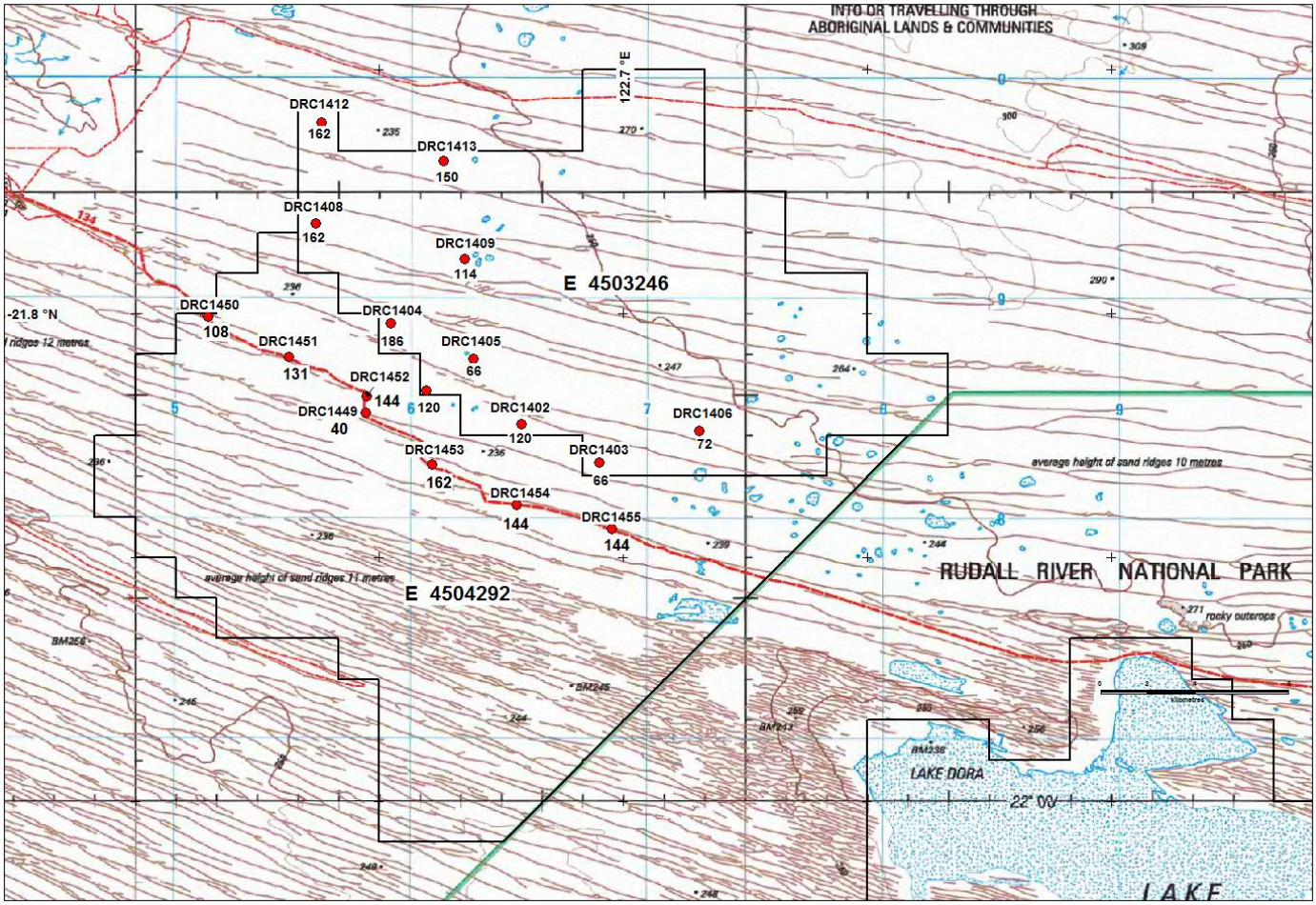
Overall the SOP concentration in the brine recovered from the LDRC1463 bore site is also regarded as highly encouraging.

Other Drilling – Lake Dora – Lake Waukarlycarly

On completion of the Lake Disappointment cased bore the RC rig was mobilized to **Lake Dora** where 7 holes for 873m were drilled within the recently granted Exploration Licence 45/4292 (see Figure 1). The drilling aimed to follow up the earlier results obtained on the adjacent E45/3246 (ASX announcement, 12 June 2014). Geological observations suggest an extensive, brine-rich paleochannel and deep aquifer system. Brine flows were significant but flow definitive rates and assays are not yet available.

Drilling at **Lake Waukarlycarly** commenced on 4 October 2014 after re-establishment of 30km of access track. At the time of reporting 7 holes had been completed of which 5 provided excellent brine flows. Some brine samples have been received and submitted for analysis. Results for these samples are expected within two weeks.

Figure 1



Yours faithfully,

Michael Ruane
Director
on behalf of the Board

APPENDIX 1 – DRILL HOLES

Lake Disappointment Holes

HOLE	MGA EAST (51)	MGA NORTH (51)	DEPTH	DIP
LDDH1401	481128	7427555	123.6	-90
LDDH1402	481564	7425722	121.6	-90
LDRC1463	~481120	~7427525	120	-90

Dora Holes

HOLE	MGA EAST (51)	MGA NORTH (51)	DEPTH	DIP
DRC1449	458026	7584800	40	-90
DRC1450	451400	7589100	108	-90
DRC1451	454800	7587300	131	-90
DRC1452	458100	7585500	144	-90
DRC1453	460900	7582400	162	-90
DRC1454	464500	7580600	144	-90
DRC1455	468500	7579500	144	-90

Karly Holes

Hole ID	MGA EAST (51)	MGA NORTH (51)	Dip	Depth
LWRC1413	385300	7649200	-90	160
LWRC1414	389800	7648700	-90	TBA
LWRC1415	394000	7648700	-90	TBA
LWRC1418	393300	7644900	-90	120
LWRC1422	380800	7640900	-90	146
LWRC1424	390700	7640900	-90	132
LWRC1425	395900	7640900	-90	138

TBA - to be advised

Appendix 2 – JORC TABLE

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	a) The two core holes at Lake Disappointment were drilled by an independent private contractor using a Diamond Core Rig. Core diameter was approximately 75mm (NQ). Core recovery was generally >90% even in the soft upper layers (0-25 metres). The core was logged for stratigraphic and geological interpretation by a professional contract geologist, Mr David O'Farrell. Assessment of the core from a hydrogeological viewpoint – porosity, permeability fracture zoning etc was conducted by Pells Sullivan Meynink Engineering Consultants. Results of the PSM studies are pending. b) Production Bore hole LDRC1463 was drilled with a conventional 650/350 Psi Reverse Circulation Rig. Drilling involved blade and hammer bits depending on the formation makeup. Solid samples were collected for each metre drilled and water/brine samples at each 6 metre rod change. Samples taken from the initial (100mm) hole have been retained but not analysed as yet. Analysis of brines from an earlier hole LDRC1462 in the same location were released to ASX on 28 April 2014. Initially, hole LDRC1463 was drilled to 120 metre depth at nominal 100mm hole diameter and subsequently reamed out to 225mm for installation of 150mm ID slotted casing. The casing was run to the base of the hole and the bore hole pump installed. Samples of brine were taken at regular (2 hr) intervals from the pump outlet. Samples were composited to represent two 8 hour periods on Day 1 and one 15 hour period on Day 2. Samples were submitted to a commercial independent laboratory for analysis by ICP OS/ICP MS analytical techniques.

Criteria	JORC Code explanation	Commentary
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Full analytical data is not yet available for the samples submitted from either Lake Disappointment or Dora West Programs. The figure quoted for K_2SO_4 (SOP) in the Bore hole LDRC1463 will be rechecked with the next batch of samples submitted to the laboratory.
	Aspects of the determination of mineralisation that are Material to the Public Report.	The essence of the recent core drilling was to obtain cores for stratigraphic and hydrogeological purposes. Assessment of the cores by PSM is in progress (see above). Brine samples collected were allowed to settle and clear brine was decanted for analysis. A field specific gravity reading was taken. Brine analyses were conducted by ALS/Ammtec laboratory in Balcatta, WA using standard ICP MS methods. Analytical results are regarded as indicative only because of brine seepage (into most holes) from all levels below the static water level (SWL) any brine sample collected represents a composite of brines from all levels in the hole. The degree of mixing of brines from each level is difficult to estimate with the type of drilling used. Based on encouraging levels of Potassium Sulfate (SOP) in the brines from LDRC1462 (7.2-8.3g/litre) drilled adjacent to LDRC1463, the key aspects for LDRC1463 are the brine flow parameter and aquifer height. The airlift flow rate observed of >20 litres per second is a very high value and the significant flows over 100 metres of (vertical) depth are very encouraging in terms of resource potential. Further work is required to monitor brine flow (and composition) and water table draw down with time to establish the available brine (+SOP) resource.
	In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Drill holes that produce significant flows of high salinity brine will be cased and developed as bores to provide more definitive brine flow and composition at a future date.

Criteria	JORC Code explanation	Commentary
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Reverse Circulation drilling with 110mm diameter holes with a depth capacity of 150m+. Core Drilling was done with a Heliportable diesel drive rig – depth capacity 150 metres (HQ – NQ Core).
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	a) Cores obtained from the Diamond Drilling were wrapped in plastic sheeting and packed in core trays for transport. They were logged and photographed prior to dispatch from site. Selected sections of core have been sent for porosity and permeability measurement. When that data is available further analytical work may be undertaken. b) Solid samples for each RC metre drilled – where possible. Brine samples collected at 6m intervals when sufficient flow is available (each rod change). Brine sampling is indicative only.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Samples collected were of a reconnaissance nature only.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Brine sampling is indicative only. Brines will be compared to soluble K, Mg analysis of RC chips. Analysis of solid materials likewise will be indicative only with the RC drilling used.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	See above – Core Holes. All RC holes were logged by the onsite geologist including Static Water Level (SWL) and brine inflow data at selected levels. Because of the high moisture content logging was regarded as qualitative. The key logging parameters were SWL, identification of aquifers and picking the base of sediment/top of basement interface horizon.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Core Porosity measurements shown in Table 2 were determined at SGS Laboratories in Perth, WA. The porosity parameter is an indicator of brine entrainment possible in the core tested hence in situ resource potential if the data from sufficient drill holes is available. Further

Criteria	JORC Code explanation	Commentary
		assessment is in progress.
	The total length and percentage of the relevant intersections logged.	Total Core logged and photographed.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	See above.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Solid samples collected via rig cyclone. Retained for future analysis. See above.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Brines were collected at 6m intervals and analysed separately where available. Intermixing of brine at one level with those above makes accurate estimation of composite grade for each level brine problematical. Solid samples recovered have been retained for future analysis. Estimates of entrained brine content, soluble salts and composition may be undertaken at a future date.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	As above.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	As above.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Brine samples collected regarded as representative of a particular site but analyses are qualitative only.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The brine samples collected were analysed at a reputable independent laboratory (Australian Laboratory Services Ltd). Internal standards are used to calibrate equipment and analytical procedures. The program is regarded as reconnaissance and of an indicative nature only. No field analyses were involved and no internal standards or blanks were included in samples submitted for analysis at this stage.

Criteria	JORC Code explanation	Commentary
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No field analyses undertaken. Samples sent to ALS after Company labeling for security purposes. Chloride analysis conducted in house.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Reconnaissance work only. No standards or blanks included for this stage. Internal standards and blanks also used in the Chloride determinations conducted in house.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	See above.
	The use of twinned holes.	Individual holes only.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data storage as PDF/Excel files on Company PCs in Perth.
	Discuss any adjustment to assay data.	Some analytical results corrected for dilution factors.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Collars of the respective holes were located by GPS (± 5M). Reduced levels (RLs) were noted but are not regarded as of sufficient accuracy to formally record at this time.
	Specification of the grid system used.	UTM grid – GDA 94 Z51
	Quality and adequacy of topographic control.	See above regarding RLs.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Single location.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Drilling is of a reconnaissance nature only. No definite resource implications at this time.
	Whether sample compositing has been applied.	See above – back mixing of brines collected.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Vertical holes only – information possible. Core logging/analysis in progress.

Criteria	JORC Code explanation	Commentary
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation information available as yet.
Sample security	*The measures taken to ensure sample security.*	Samples were submitted to the independent laboratory (ALS) labeled with Company identification only.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	In view of the reconnaissance nature of the sampling program no audit of the sampling technique or analytical techniques is warranted at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Tenement drilled was EL45/2801 and is registered 100% in the name of Holocene Pty Ltd (Reward Minerals Ltd). Drilling and sampling was conducted in conjunction with Martu monitors within the Martu Determination Area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Granted tenement subject to State Deed and Exploration Access Agreement with the Martu Traditional Owners.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No known previous exploration performed by other parties on the exploration area.
Geology	*Deposit type, geological setting and style of mineralisation.*	The areas drilled comprises spinifex covered sand plains believed to contain buried Paleovalleys with saline water.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	Location of core and RC holes are within 35 metres of AMG 7427549 N, 481136 E (GDA94). RLs not available.

Criteria	JORC Code explanation	Commentary
	dip and azimuth of the hole	
	down hole length and interception depth	All holes vertical.
	hole length.	
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Core Holes 120m vertical depth. LDRC1463 120 metres vertical depth. Pump set at 108 metres.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Reconnaissance drilling only. No attempt to relate to resources hence no cut-off grades or aggregation of results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No aggregation of results.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Only direct assay/analytical results reported. SOP value quoted was calculated as K x 2.23 (K to K_2SO_4).
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Stratigraphic drill holes for identification of palaeovalley sediment profile. See text of announcement.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Holes were approximately 120 metres maximum vertical depth. Vertical brine plus 1m solids collected for RC holes. Not regarded as definitive grades. Brine assays from pumping trials (LDRC1463 regarded as of reasonable accuracy).
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar*	See Figure 1 and also Figures 1 & 2 of ASX release of 28 April 2014.

Criteria	JORC Code explanation	Commentary
	locations and appropriate sectional views.	
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Reconnaissance work only. Brine analyses obtained are regarded as significantly high in a geochemical sense to warrant follow up exploration. All analytical results available are provided in this release.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Reconnaissance only, more detailed work planned.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Follow up drilling and Pump Trials will be undertaken when relevant Permitting approvals are received.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Not applicable – commercially sensitive.

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.