

15 December 2014

**ASX CODE**  
RWD

**SHARE PRICE**  
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**SHARES ON ISSUE**  
111.2M

**OPTIONS**  
24.1M (\$0.25 - \$1.09)

**MARKET CAPITALISATION**  
\$46.7M (undiluted)

**CASH POSITION**  
~\$7.1M  
(Sep'14 Qtly + Listed Investments)

## DIRECTORS & MANAGEMENT

Colin McCavana  
*Chairman*

Rod Della Vedova  
*Non-Executive Director*

Michael Ruane  
*Managing Director*

Daniel Tenardi  
*Projects Director*

Paul Savich  
*Corporate Development Officer*

Bianca Taveira  
*Company Secretary*

## KEY PROJECTS

LD Project  
Karly Project  
Dora Project

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## SHAREHOLDER UPDATE

Following completion of recent drilling programs at the Karly and Dora West Projects Reward Minerals Limited ("**Reward**" or the "**Company**") would like to provide shareholders with an outline of the Company's plans for 2015.

Over the past year the Company has achieved a number of significant milestones including:

- Significantly expanding its Western Australian Potash Project tenement portfolio to over 10,000km<sup>2</sup> of highly prospective landholdings;
- Exploration programs at the LD, Dora and Karly Projects;
- Considerable advancement of the SOP recovery process including independent process mass balance review;
- Preliminary equipment list and plant design with order of magnitude  $\pm 30\%$  capital and operating costs by AMEC; and
- Rationalisation of a number of Project tenement holdings.

Exploration programs by the Company over the last 12 months have outlined a number of highly prospective brine targets. The exploration data gathered supports the Palaeovalley concept of brine flow throughout the region and in particular through the Company's tenements which have potential to host substantial Potassium Sulfate ("SOP") resources. However, significant exploration work will be required to advance these targets to resource status.

In 2015 the Company will focus activities on the development of its flagship LD Potash Project. LD is Reward's most advanced project with an existing SOP resource, advanced environmental baseline data and a preliminary Scoping Study in place (ASX announcement 25/09/2014) which will enable development to be fast tracked. LD also has an Indigenous Land Use Agreement ("ILUA") with the traditional owners of the land for mining to proceed.

The existing shallow SOP resource at LD stands at 24.4Mt to an average depth of only 4m. Recent drilling programs around the northern fringe of the lake has indicated high porosity sediments to depths of up to 70m and highly fractured basement rocks to a depth of 156m which produce substantial brine flows (ASX announcement 28/4/14). Testing of a cased bore 2.8km from the northern shoreline of Lake Disappointment produced over 25l/second of brine. Cores from a second bore hole site close to the shoreline showed matching stratigraphy (see Figure 1).

## LD Project Development

### Resource Expansion

Prior exploration work at LD, particularly recent deeper drilling on the northern fringes of the lake, support a large conceptual SOP target at the site. Further work is required to confirm the potential.

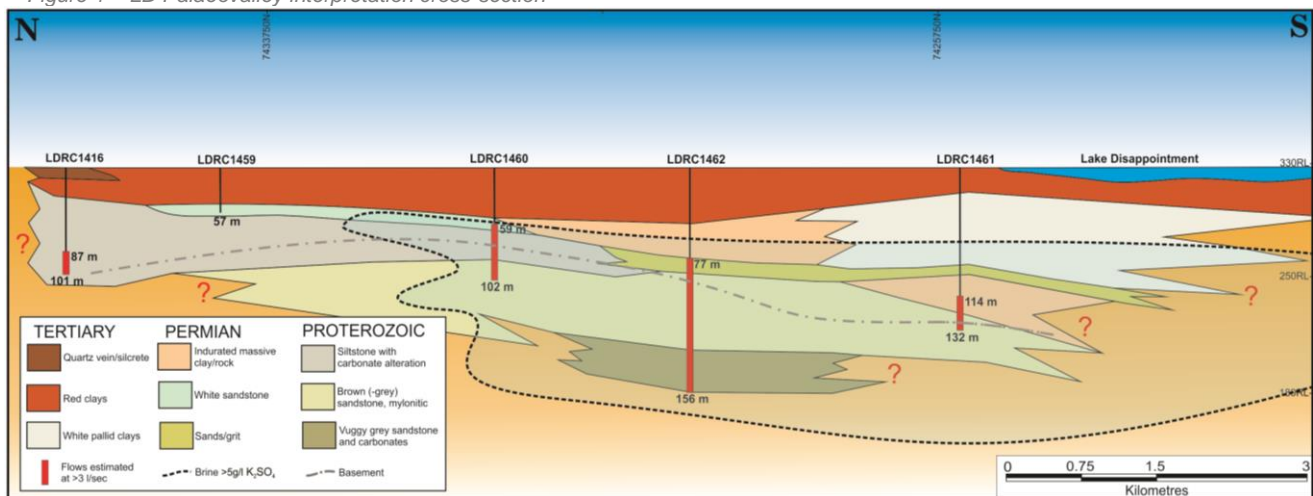
This work is about to commence following the recent purchase by the Company of a coring rig capable of drilling to approximately 200m depth (96mm  $\phi$  holes).

Initial drilling at LD will be on 5km hole spacing covering the north-south and east-west dimensions of the lake. Brines collected from the holes during drilling will be analysed for SOP grade and chemistry. Results of this program should provide an idea of lake stratigraphy, conceptual resource size and brine grade.

Infill drilling and brine flow measurements will follow to provide JORC compliant (recoverable) SOP resources. The Company expects to have the results of an expanded LD resource available by mid-2015.

The drilling to the north of the lake suggests substantial brine resources exist below the lake surface in an aquifer which deepens on approach (from the north) toward Lake Disappointment. The cross section below represents the currently interpreted stratigraphy hosting potential resources. Previous drilling encountered high density brines from surface to total depth, including over a 75m vertical section grading over 8g/l SOP and flows of over 3 l/second by airlifting via the RC rig from 100mm diameter holes.

Figure 1 – LD Palaeovalley interpretation cross-section



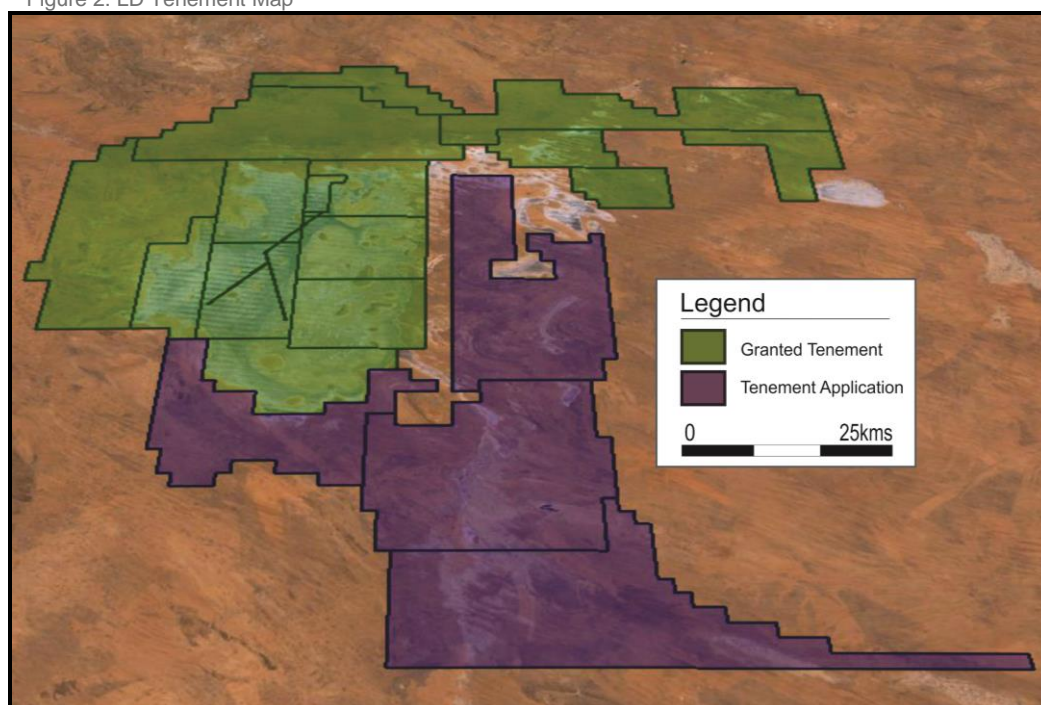
Two core holes, LDDH1401 & 1402 were drilled at the location of LDRC1462 & 1461 respectively. Core analysis indicated porosities of over 45% from surface to 60+ metres. The excellent brine flow rates observed suggest that the percentage of in situ brine recoverable from the lakebed sediments may be quite high.

## Development

Work on evaporation pond sizing and layout for a 400,000tpa SOP operation at LD is nearing completion. Construction and cost estimates should be available for the system by early 2015. These estimates will then be coupled with the plant capital and operating costs to provide a full Scoping Study delivering  $\pm 30\%$  capital and operating costs for the LD Potash Project.

Completion of this study will also enable the Environmental Impact Statement ("EIS") to be lodged initiating the environmental approval process as well as allowing the Company to move immediately into Pre-Feasibility Studies.

Figure 2: LD Tenement Map



As outlined above there are a number of key activities which the Company believes will create significant near term value for shareholders, particularly given favourable conditions in the Potash market with recent sales by Compass Minerals in the order of AUD\$750 per tonne of SOP.

Reward would like to thank its shareholders for their ongoing support and we look forward to providing further details of the upcoming program in the coming weeks.

Yours faithfully,

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