REWARD MINERALS LTD

ANNUAL REPORT 2015

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Trench construction at Lake Disappointment, WA

Contents

Corporate Directory

Directors

Colin McCavana

Michael Ruane

Rod Della Vedova

Company Secretary

Bianca Taveira

Paul Savich (appointed 29 July 2015)

Registered Office and Principal Place of Business

159 Stirling Highway

NEDLANDS WA 6009

Telephone: 08 9386 4699

Facsimile: 08 9386 9473

Solicitors

Fairweather Corporate Lawyers

595 Stirling Highway

COTTESLOE WA 6011

Telephone: 08 9383 6000

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West Perth WA 6005

Principal Banker

ANZ

Allendale Square

77 St George's Terrace

PERTH WA 6000

ASX Code: **RWD, RWDO**

Chairman's Letter

Dear Shareholder

The 2015 year has been a productive one for Reward Minerals Limited.

The Company's sole focus in 2015 has been the rapid advancement of the LD Project. We have achieved a number of significant milestones during the year, culminating in substantial value being added to the Lake Disappointment Project.

Early in the year we announced results of our Scoping Study which demonstrated the strong economics underpinning the LD Project and was based on an Indicated Resource of 24.4 million tonnes of SOP.

Early in the year we also commenced a drilling program on LD proper to define the potential for a greatly enhanced SOP resource. The existing 24.4Mt resource was contained within the top 4 metres of the lake and exploration conducted during 2014 suggested that the area is likely to host substantial brine resources to a much greater depth.

In November 2015, as a result of the drilling program, we were pleased to announce an in-situ Mineral Resource estimate of 564 million tonnes of SOP contained in brine grading 13.7kg/m^3 SOP.

These two major events have confirmed the LD Deposit as a globally significant SOP deposit and have encouraged us to push toward production as soon as possible.

The recent Development Update highlighted and illustrated the significant progress made on the ground at LD during the year with; construction of four test trenches now complete and being tested for drawdown and sustained pumping; construction of a 500 metre access causeway, pilot ponds and brine supply trench nearing completion; and drilling for identification of a process water supply continuing to provide excellent results.

Results from this year's LD exploration program and early test pumping trial brines has allowed enhancement and refinement of the process flowsheet, which has in turn led to the appointment of a North American based engineering consulting firm to advance the plant modelling and design.

Our Company has worked diligently against many obstacles over the past several years to advance the LD Project and this year we have started to see the fruits of our labour. We are on the cusp of the development of this world class project and we are excited at the prospect.

Global demand for Potash continues to improve, in particular for SOP, and it is our intention to advance the LD project as quickly as possible to take advantage of these favourable conditions.

On behalf of the Board I would like to thank our directors and staff for their efforts and shareholders for their continued support.

Colin McCavana
CHAIRMAN

31 March 2016

Operations Report

Corporate

During 2015 Reward undertook a number of corporate initiatives aimed at boosting cash reserves to aid the advancement of the LD SOP Project.

The Company placed 7,291,667 fully paid ordinary shares to institutional and sophisticated investors raising $5.25 million. The placement, completed at 72 cents per share, was well supported and utilised the Company's 15% capacity under listing rule 7.1.

In June the Company sold its listed investment in Agrimin Limited, while in October Reward received its 2014/15 research and development ("R&D") rebate totalling $853,000.

During 2015 the Company was pleased to receive research coverage from BW Equities Pty Ltd and Euroz Securities Limited.

Projects

LD Potash Project – Western Australia, Potash (RWD: 100%)

The LD Project is located in the Little Sandy Desert, Western Australia, approximately 340km east of Newman and accessed via the Talawana Track. The Project comprises of over 5,000km^2 of granted Exploration Licences. Following regional exploration at a number of the Company's prospective Potash Projects in 2014 it was determined that focus return to the more advanced LD Project.

As a result during 2015 the Project was advanced through the completion of a substantial resource expansion programme as well as release of a Scoping study to provide preliminary capital and operating costs of the Project. The excellent results of these milestones are outlined below and underpin the Company's decision to proceed with feasibility studies on the LD Project.

Resource Definition

In March 2015 Reward commenced a major drilling campaign at LD to expand the existing 24Mt SOP resource. The programme was targeting expansion of the resource at depth using a heli-portable diamond coring rig. All holes were cored and slotted casing was installed to enable subsequent access for brine sampling and drawdown analysis. Periodic updates from the drilling program were released to market during 2015, culminating in an In-Situ SOP Mineral Resource (JORC 2012) of 564Mt grading 13.7kg/m^3 SOP in brine, equivalent to approximately 7.1kg/m^3 of lakebed sediment.

Table 1: LD Project SOP Mineral Resource Estimate

Category	Avg. Thickness	Volume	Avg. Porosity	Brine Volume	Brine SOP Grade	SOP Mineral Resource
Mineral Resource Estimate Outside of Exclusion Zone						
Indicated	67m	48bm^3	53%	25bm^3	13.8kg/m^3	359Mt
Inferred	58m	16bm^3	42%	0.7bm^3	11.7kg/m^3	8Mt
Mineral Resource Estimate Within Exclusion Zone						
Inferred	58m	28bm^3	51%	14bm^3	13.6kg/m^3	197Mt
Total	**63m**	**78bm^3**	**52%**	**40bm^3**	**13.7kg/m^3**	**564Mt**

Figures have been rounded to 2 significant numbers

The Resource estimate was compiled by Pendragon Environmental Solutions ("PES"), an independent hydrogeological specialist.

The Mineral Resource estimate is only for the exposed surface area of the lake. Earlier drilling indicated significant Resource potential extends beyond the lake edge and at depth. The resource also uses a 40% porosity cut-off.

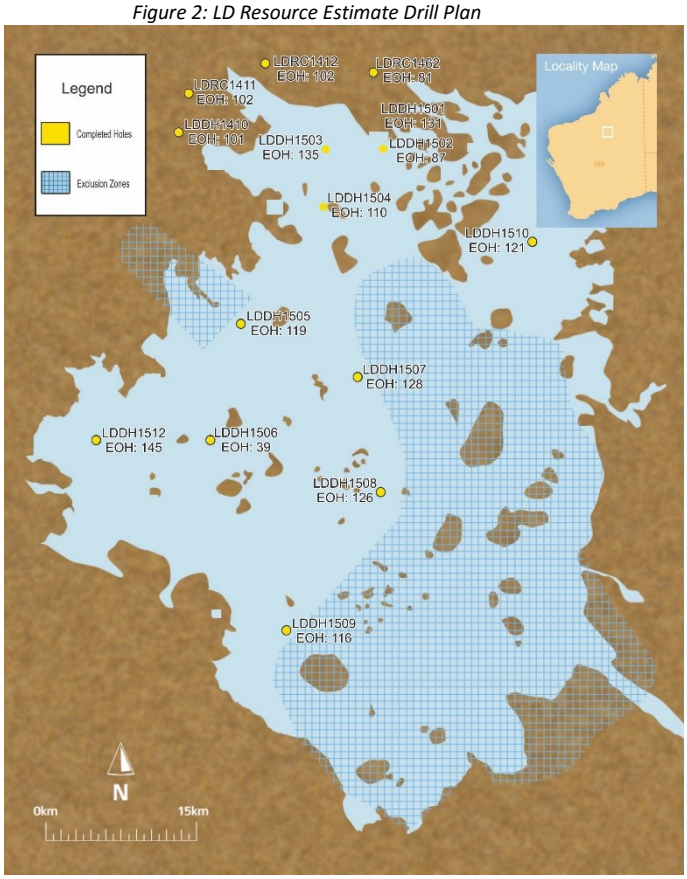
Operations Report

LD Potash Project – Western Australia, Potash (RWD: 100%) continued

Resource Definition continued

11 diamond holes to an average depth of 114 metres were drilled on LD and typically encountered clayey sediments from surface to 80+ metres depth before entering sandy/weathered or competent intercolated clays, gypsum, sand and sandstone horizons. Holes were normally terminated after penetrating ±10 metres of fresh bedrock or as limited by rig power constraints.

Figure 2: LD Resource Estimate Drill Plan



Cores were delivered from LD to Reward's in-house laboratory where over 450 samples were prepared for brine analysis at ALSM Laboratories. The in-house process was reviewed by PES and independent samples were analysed per Quality Assurance/Quality Control regimes.

Entrained brine retrieved from cores from all holes provided surprisingly consistent levels of Potassium and Sulfate while Magnesium levels fluctuated somewhat downhole with the highest values typically near the lake surface.

It has been demonstrated from earlier drilling that Potassium bearing brines are contained in lake and paleovalley sediments throughout the LD sub-basin, however the Mineral Resource estimate is confined to 1,241km2 within the surficial boundaries of the lake.

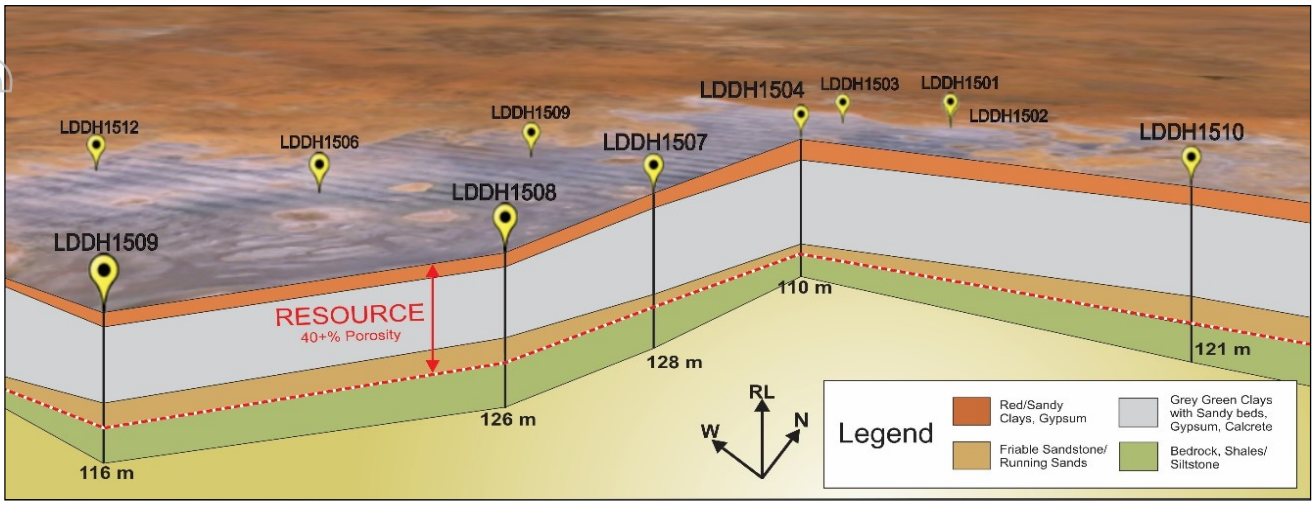
The Mineral Resource model is based on topography, stratigraphy and core analyses. The playa surface represents the top of the brine aquifer with accurate elevation measurements from surveys. Stratigraphy was documented via detailed geological logging. Drill hole data includes specific gravity of the sediments, gravimetric moisture content (weight/weight) and analyses of brine extracted from the core samples. Gravimetric moisture content was used to directly calculate porosity given lakebed sediment samples used in the resource calculation were fully saturated. Samples were also submitted to SGS and other independent laboratories for porosity and density determinations. Only sediments with a porosity of above 40% were included in the Mineral Resource estimate.

Operations Report

LD Potash Project – Western Australia, Potash (RWD: 100%) continued

Resource Definition continued

Figure 3: LD Cross-section Cut-out



The total Mineral Resource is contained within 78 billion cubic metres (bm^3) of sediments to an average depth of 63 metres below the lake surface. This Mineral Resource estimate does not represent the minable (extractable) portion of the SOP, nor does it include brine recharge likely to occur from areas outside the Mineral Resource boundary, particularly upon drawdown of Mineral Resource brines. Ongoing work is designed to establish these parameters.

Figures 4 & 5: LD Test Trench Construction and Test Pumping

Operations Report

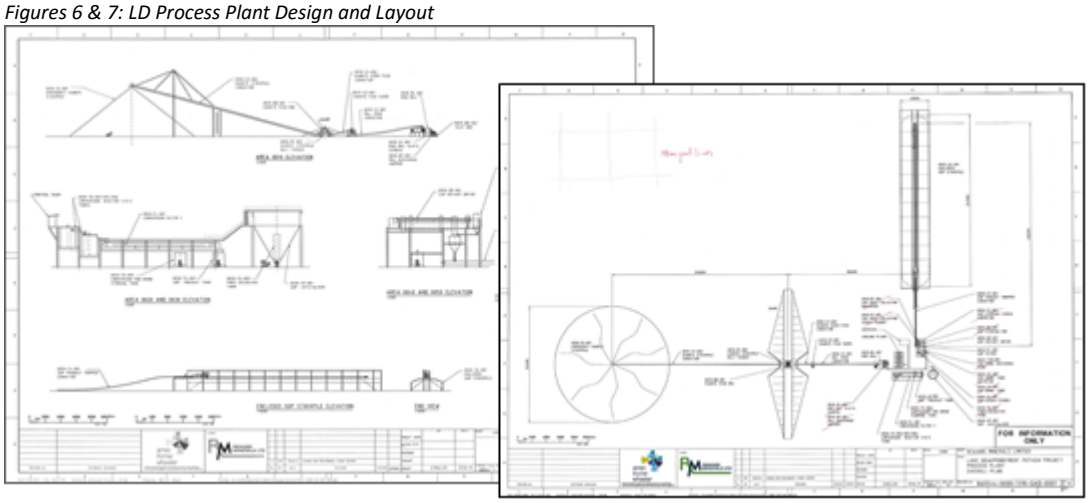
LD Potash Project – Western Australia, Potash (RWD: 100%) continued

Scoping Study

On 2 April 2015 the Company released the results of its Scoping Study for the LD Project. The study was considered an important milestone in the Company's goal of advancing the LD Project toward production and demonstrates the strong economics underpinning the Project.

The Company focussed on delivering results which are sound from both technical and economic aspects. While the Scoping Study delivers an estimation accuracy of ±30%, some 70% of the Project's capital and 60% of operational expenditure estimates are supported by design and/or quotes obtained from reputable suppliers providing a level of assurance typically reserved for more advanced project studies.

Figures 6 & 7: LD Process Plant Design and Layout



Results of the scoping study were assessed for economic viability using a Discounted Cashflow Model developed by the Company and key outcomes are presented below including a sensitivity to the SOP price. Recent SOP sales at the time were in the range of approximately A$630/t to A$1,012/t (sources: €445/t to US$735/st: US Gulf, Argus FMB, Fertecon).

Table 3: Project Economics

	Low Case	Base Case	High Case
SOP Price	A$700/t (US$560/t)	A$750/t (US$600/t)	A$800/t (US$640/t)
SOP Production	400,000tpa	400,000tpa	400,000tpa
Capital Cost[1]	A$320M	A$320M (US$256M)	A$320M
Mine Gate Operating Cost	A$204/t	A$204/t (US$164/t)	A$204/t
Operating Cost (FOB)[2]	A$328/t	A$328/t (US$263/t)	A$328/t
Life of Mine[3]	+13 years	+13 years	+13 years
Pre-Tax $NPV_{10\%}$	A$425M (US$340M)	A$534M (US$427M)	A$642M (US$514M)
Pre-Tax IRR	33%	37%	42%
EBITDA (avg p.a.)	A$135M (US$108M)	A$154M (US$123M)	A$173M (US$138M)

Notes:
1 – Excludes Contingencies
2 – Operating cost includes mining, processing, general administration and haulage and port costs
3 – LOM calculated based on existing 24.4Mt Indicated JORC (2004) resource at 20% specific yield
4 – Exchange rate assumption: USD0.80:AUD1.00

Operations Report

LD Potash Project – Western Australia, Potash (RWD: 100%) continued

Scoping Study continued

The production case considered in the Study was an owner operated mine and processing plant capable of producing a steady state of 400,000 tonnes per annum. The rate of production was based on work completed by the Company considering cost benefits and economies of scale for a number of production scenarios.

Success in the significant expansion of the SOP Resource base will support a longer mine life at the 400,000 tonne per annum production target and allow for significant expansion in future output in future Project studies.

Capital cost estimates for a 400,000 tonne per annum SOP operation are estimated to be A$320M (US$256M). This capital cost marks the LD Project as one of the most attractive greenfield SOP projects with capital and capital intensity costs among the lowest in the world. A breakdown of major capital cost components are provided in Table 4 below.

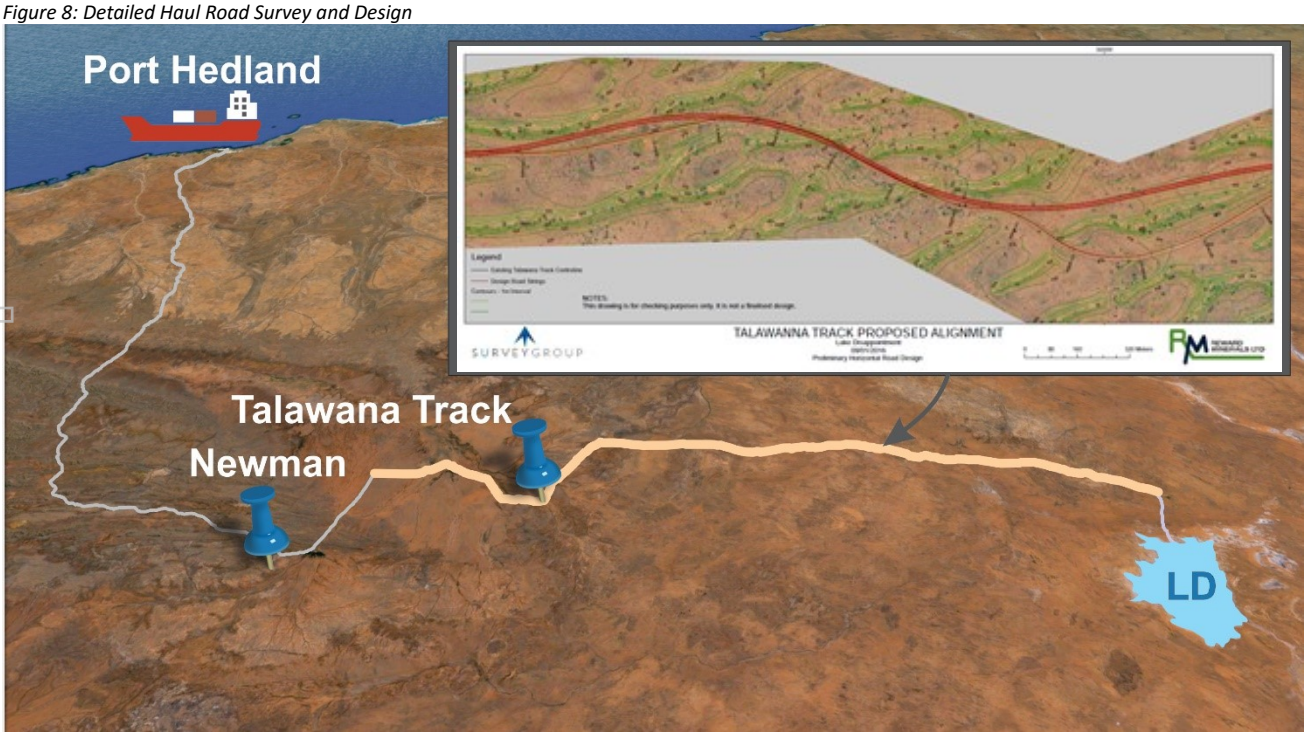
Table 4: Capital Cost Estimates

	A$M	US$M
Road Upgrades & Related Infrastructure	55.9	44.7
Earthworks, Evaporation Ponds & Supply	100.1	80.0
Process Plant	92.8	74.2
Infrastructure & Other Equipment	71.0	56.8
Total Capital Expenditure	**319.8**	**255.7**

Note: Excludes Contingencies

Approximately 60% of operating cost estimates utilised quoted prices or are estimates based on preliminary design. The Company believes there are potential cost savings related to processing and haulage. As a result Reward is undertaking additional work focussed on these cost components.

Figure 8: Detailed Haul Road Survey and Design



Operations Report

LD Potash Project – Western Australia, Potash (RWD: 100%) continued

Scoping Study continued

A high level summary of the cost per tonne of SOP the basis of this Study is presented below.

Table 5: Operating cost summary (per tonne of SOP)

	A$/t SOP	US$/t SOP
Mining *(brine supply/harvest)*	67.3	53.8
Processing *(diesel option)*	132.1	105.7
General & Admin	5.0	4.0
Total Mine Gate Operating Costs	**204.4**	**163.5**
Haulage & Port	123.9	99.1
Total FOB Operating Cost	**328.3**	**262.6**

Please refer to the Scoping Study Announcement released to ASX on 2 April 2015 for full study details.

Regional Potash Projects – Western Australia, Potash

Dora Potash Project (RWD: 100%)

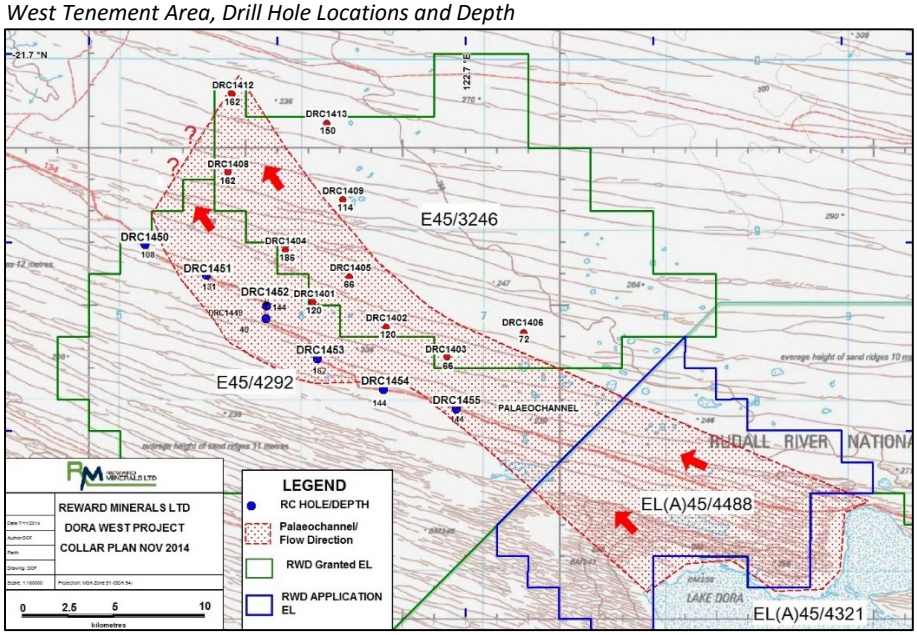
With the Company's focus on the LD Project limited work has been undertaken during the period at the Dora Project.

Earlier exploration at Dora targeted the palaeovalley which traverses the granted tenements located north-west of Lake Dora proper. To date 17 holes have been drilled. The static water table (SWT) in the drilling area is generally less than four metres below surface. Heavy brine flows were encountered in seven of the holes drilled.

Brines recovered from the holes drilled were relatively low in Total Dissolved Salts ("TDS") indicating they are well under saturation levels, presumably due to incoming surface runoff. The chemistry of the brines is favourable in terms of K:Mg, SO4:K and Na:K ratios. However the dilution of the Palaeochannel brines by fresh ground water percolating from the margins of the valley significantly reduces the SOP content of in-situ brines. While dilution is not ideal, favourable evaporation conditions in the region counteract the dilution effect of surface waters to a significant degree.

Additional drilling and brine analysis data is required to better define Palaeochannel depth and width dimensions for Resource estimation purposes. Refer to the announcement dated 11 October 2014 for full details and analytical results.

Figure 9 – Dora West Tenement Area, Drill Hole Locations and Depth



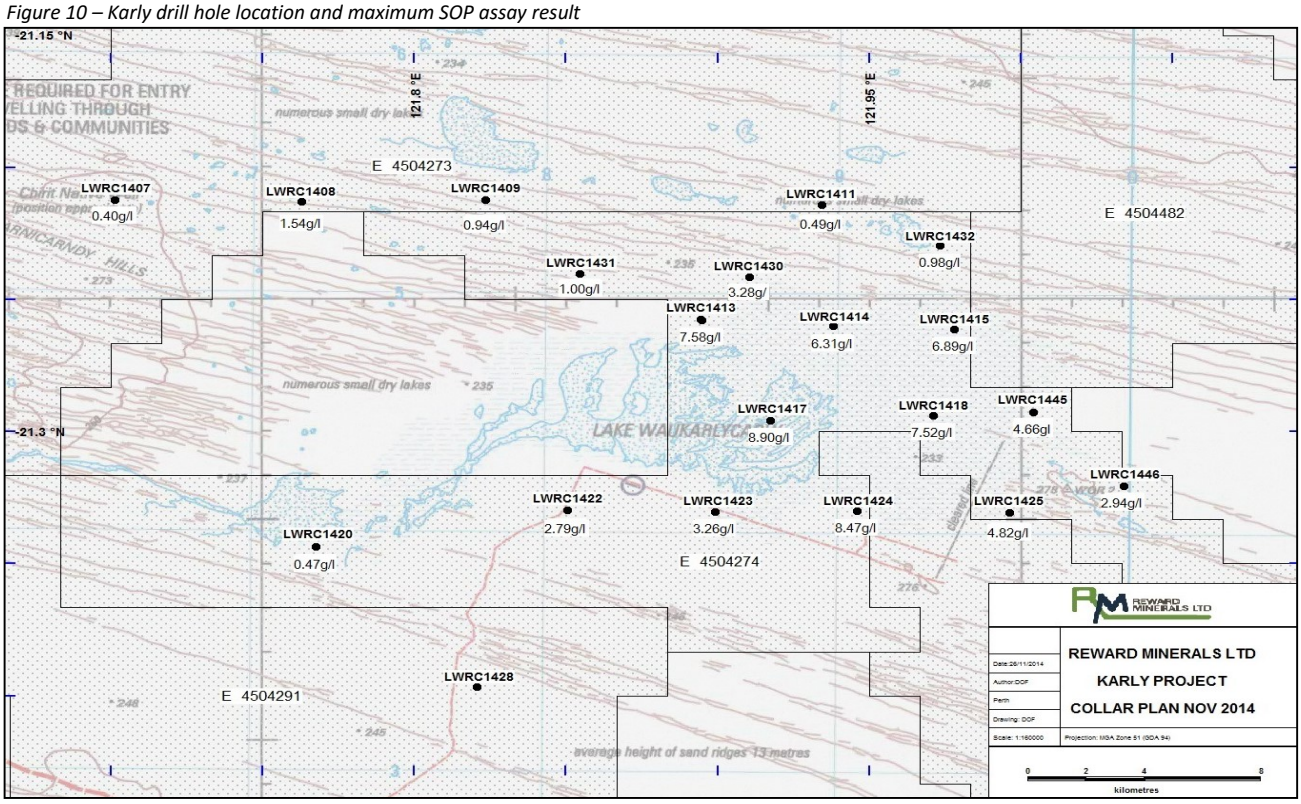
Operations Report

Karly Potash Project (RWD: 100%)

In line with the Company's focus on its flagship LD Project limited work was performed during 2015 at the Karly Project.

During 2014, the Company completed a maiden drilling program at the Karly Project. A total of 20 RC drill holes and one cased borehole were completed for a total of 2,909 metres. The widely spaced holes covered a north-west south-east distance of approximately 35km and an east-west distance of approximately 20km at the widest point (see Figure 5 below).

Figure 10 – Karly drill hole location and maximum SOP assay result



The Static Water Level ("SWL") was less than two metres in all areas tested therefore the ground drilled was effectively saturated with water or brine from near surface. Chemistry and ion ratios of brines encountered were similar to those observed at the LD and Dora West Projects and hence suitable for SOP recovery following evaporation.

Data recovered confirmed the Palaeovalley concept and the presence of a large Palaeo-system with brine flows into the Waukarlycarly Embayment from a south-easterly direction which concentrate in the vicinity of Lake Waukarlycarly providing brines with SOP values of up to 9kg/m3 near the evaporation epicentre. Considerable additional exploration is required to provide a meaningful assessment of the Waukarlycarly Embayment Potash potential. Refer to the announcement dated 3 December 2014 for full details and analytical results.

Competent Persons Statement

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Carel van der Westhuizen, a Competent Person who is a Member of The Australian Institute of Geoscientists, a Certified Environmental Practitioner (CEnvP) of the Environment Institute of Australia and New Zealand and a member of the International Association of Hydrogeologists. This information was prepared and disclosed under the JORC Code 2012. Mr van der Westhuizen is employed by Pendragon Environmental Solutions Pty Ltd and 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 van der Westhuizen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Brine and Sediment Assays and Analyses is based on information compiled by Dr Geoff Browne, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Browne is a consultant to Reward Minerals Ltd. Dr Browne 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'. Dr Browne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results, other than Brine and Sediment Assays and Analyses, 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.

Tenement Schedule as at 31 December 2015

Prospect Area	Tenement	Area	RWD Equity	Registered Holder/Applicant
Lake Disappointment, WA	E45/2801	70 blocks	100%	HOL
	E45/2802	70 blocks	100%	HOL
	E45/2803	70 blocks	100%	HOL
	E69/2156	53 blocks	100%	HOL
	E69/2157	70 blocks	100%	HOL
	E69/2158	70 blocks	100%	HOL
	E69/2159	70 blocks	100%	HOL
	E69/2902	198 blocks	100%	HOL
	E45/3285	200 blocks	100%	HOL
	E45/3286	200 blocks	100%	HOL
	E45/4090	56 blocks	100%	HOL
	E45/4121	47 blocks	100%	HOL
	M45/1227	3,469 ha	100%	HOL
	L45/302	3,258 ha	100%	HOL
	E69/3275	200 blocks	100%	HOL
	E69/3276	121 blocks	100%	HOL
	E69/3277	191 blocks	100%	HOL
Dora West, WA	E45/3246	44 blocks	100%	HOL
	E45/4292	73 blocks	100%	HOL
	ELA45/4321	165 blocks	100%	HOL
	ELA45/4488	61 blocks	100%	HOL
Lake Waukarlycarly, WA	E45/4273	40 blocks	100%	HOL
	E45/4274	118 blocks	100%	HOL
	E45/4293	90 blocks	100%	HOL
	E45/4299	64 blocks	100%	HOL

HOL Holocene Pty Ltd
E Exploration Licence
ELA Application for Exploration Licence
L Miscellaneous Licence
M Mining Lease

Directors' Report

Your Directors have pleasure in presenting their report together with the financial statements of the consolidated entity (hereafter referred to as the Group) for the year ended 31 December 2015 and the auditor's report thereon.

Directors

The names of the Directors of Reward Minerals Ltd during the financial year and to the date of this report are:

Colin McCavana (Chairman)
Michael Ruane (Executive Director)
Rod Della Vedova

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Corporate Information

Reward Minerals Ltd is a Company limited by shares and is domiciled in Australia.

Principal Activities

During the year the Group was involved in mineral exploration.

Results of Operations

The net profit of the Group for the year ended 31 December 2015 was $225,999 (2014: Loss $801,321).

Dividends

No dividends were paid or declared since the end of the previous year. The Directors do not recommend the payment of a dividend.

Significant Changes in the State of Affairs

There were no significant changes to the state of the consolidated entity's affairs during the year.

Matters Subsequent to the End of the Financial Year

Subsequent to balance date, the Group issued 1,810,000 shares upon the exercise of Azure Tranche 1 unlisted options at the exercise price of $0.45. $589,500 was received in December 2015 and included in share capital (Refer Note 12a).

Also, 160,000 Azure Tranche 2 unlisted options were exercised in January 2016 at the exercise price of $0.45, raising $72,000.

At the date of this report there are no other matters or circumstances which have arisen since 31 December 2015 that has significantly affected or may significantly affect:

(i) the operations of the Group;

(ii) the results of its operations; or

(iii) the state of affairs of the Group subsequent to 31 December 2015.

Likely Developments and Expected Results of Operations

Further information on the likely developments in the operations of the Group and the expected results of operations has been included in the Operations Report.

Directors' Report

Directors Information

Non Executive Director and Chairman – Colin McCavana (appointed 24 February 2010 and Chairman on 30 November 2010)

Mr McCavana has over 30 years' experience in mining and earthmoving industries, including the management, acquisition, exploration and development of projects in Australia, USA, Tanzania, Mozambique and Indonesia.

Directorships held in other listed companies in the past 3 years:
- Northern Minerals Ltd, Director, appointed 22 June 2006

Managing Director – Dr Michael Ruane PhD MRACI (appointed 02 December 2004)

Dr Ruane holds a PhD in Chemistry and has over 40 years' experience as a Technical Consultant in the chemical and metallurgical fields.

Directorships held in other listed companies in the past 3 years:
- Intermin Resources Ltd, Director, appointed 29 May 1998
- Metaliko Resources Ltd, Director, appointed 28 June 2012
- Echo Resources Ltd, Director, appointed 8 February 2016

Non Executive Director – Rod Della Vedova, B.Sc. (appointed 16 January 2013)

Mr Della Vedova holds a post graduate degree in Chemical Engineering and has over 30 years' experience in large scale commercial production of salt by solar evaporation techniques.

Directorships held in other listed companies in the past 3 years:
- Nil

Company Secretary

Ms Taveira was appointed as Company Secretary on 15 April 2010. Ms Taveira has been providing administration and secretarial services to many listed and unlisted public companies for over a decade.

During the year, Mr Paul Savich was appointed as Joint Company Secretary of the Company effective 29 July 2015. Ms Bianca Taveira will continue in her role as Company Secretary which she has held since 15 April 2010. Mr Savich is a Chartered Accountant, holds a Masters of Applied Finance and also serves as the Company's Corporate Development Officer.

	Ordinary Shares as at the date of this report		Listed Options as at the date of this report	
Directors	Direct Interest	Indirect Interest	Direct Interest	Indirect Interest
Colin McCavana	1,029,999	26,666	34,999	3,333
*Michael Ruane	4,768,003	24,044,154	2,495,676	1,233,586
Rod Della Vedova	20,000	-	-	-

*Michael Ruane is the Director of Tyson Resources Pty Ltd and Kesli Chemicals Pty Ltd. Michael Ruane is also a Director of Intermin Resources Ltd which holds an additional 5,959,257 shares in the Company.

	Unlisted Options as at the date of this report	
Directors	Direct Interest	Indirect Interest
Colin McCavana	-	-
Michael Ruane	-	-
Rod Della Vedova	-	-

Directors' Report

Shares under Option

Unissued ordinary shares of Reward Minerals Ltd under option as at the date of this report are as follows:

Nature	Expiry Date	Exercise Price of Options	Number under Option
Azure – Tranche 2	10 October 2016	$0.45	1,840,000
Martu Mining	28 February 2017	$0.50	4,500,000
Listed Options	30 June 2016	$0.25	14,105,826
			20,445,826

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since the end of the reporting period.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Indemnification and Insurance of Directors and Officers

During the financial year, the Group maintained an insurance policy which indemnifies the Directors and Officers of Reward Minerals Ltd in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Group. The Group's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

Directors' Meetings

The number of directors' meetings attended by each of the Directors of the Group during the year were:

Director	No. of Meetings while in office	No. of Meetings attended
Colin McCavana	4	3
Michael Ruane	4	4
Rod Della Vedova	4	3

Environmental Issues

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. There are no bonds currently in place in respect of the Group's tenement holdings.

The Directors advise that during the year ended 31 December 2015, no claim has been made by any competent authority that any environmental issues, condition of license or notice of intent has been breached, and no claim has been made for increase of bond.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 January 2015 to 31 December 2015 the Directors have assessed that there are no current reporting requirements but may be required to do so in the future.

Directors' Report

Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by section 300A of the *Corporations Act 2001*.

A Principles Used to Determine Amount and Nature of Remuneration

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using the Black-Scholes or Binomial methodologies.

The board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the annual general meeting (currently $150,000). Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in employee option plans.

The objective of the Group's executive reward framework is set to attract and retain the most qualified and experienced Directors and Senior Executives. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

Directors' Fees

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Performance Based Remuneration

To align the interests of key management personnel with the long term objectives of the Group and its shareholders, the Group's policy, having regard to the stage of development of its assets, is to issue share options at the complete discretion of the Board, subject to shareholder approval for Directors. The issue of share options as remuneration represents cost effective consideration to Directors and key management personnel for their commitment and contribution to the Group and are used as a strategic tool to recruit and retain high calibre personnel.

The Group has no other performance based remuneration component built into Director and Executive remuneration packages, as the Company is in a loss position. The Directors do not see any appropriate indicators to base performance on.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. This is facilitated through the issue of options or performance rights to Directors and Executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

Voting and comments made at the Group's 2015 Annual General Meeting

The approval of the remuneration report was passed as indicated in the results of Annual General Meeting dated 29 May 2015. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The Group received 99% of "yes" votes on its resolutions to re-elect Mr Rod Della Vedova as Director.

Directors' Report

B Details of Remuneration of Key Management Personnel of the Group

The key management personnel of the Group for the year ended 31 December 2015 are the Directors and Project Director (who was appointed in February 2012).

Details of the nature and amount of each element of remuneration of each Director and key management personnel of the Group for the financial year are as follows:-

2015	Short Term						
Name	Consulting Fees $	Salary $	Directors' Fee $	Post Employment Superannuation $	Share-based Payments Options $	Total $	% of remuneration consisting of Options
Directors							
Colin McCavana	-	-	36,000	-	-	**36,000**	-
Michael Ruane	-	-	82,500	-	-	**82,500**	-
Rod Della Vedova	-	-	30,000	-	-	**30,000**	-
Other Key Management Personnel							
Daniel Tenardi – Project Director	-	270,000	-	25,650	-	**295,650**	-
	-	**270,000**	**148,500**	**25,650**	**-**	**444,150**	**-**

2014	Short Term						
Name	Consulting Fees $	Salary $	Directors' Fee $	Post Employment Superannuation $	Share-based Payments Options $	Total $	% of remuneration consisting of Options
Directors							
Colin McCavana	-	-	36,000	-	-	**36,000**	-
Michael Ruane	-	-	58,500	-	-	**58,500**	-
Rod Della Vedova	-	-	28,804	-	-	**28,804**	-
Other Key Management Personnel							
Daniel Tenardi – Project Director	-	270,000	-	25,312	-	**295,312**	-
	-	**270,000**	**123,304**	**25,312**	**-**	**418,616**	**-**

There were no termination benefits paid during the year to any Director or key management personnel.

Directors' Report

C Share-Based Compensation

Year ended 31 December 2015

There were no share-based compensation transactions during the year.

Year ended 31 December 2014

There were no share-based compensation transactions during the year.

D Service Contracts

Directors are not employed under written contracts. Directors may be paid consulting fees at commercial rates calculated according to the amount of time spent on Group business. All Directors may receive consulting fees on an hourly basis which are paid from time to time for specialist services beyond normal duties. No Directors have received loans from the Group during the annual period.

Mr Daniel Tenardi, the Project Director, was appointed on 13 February 2012. His contract has no fixed term, and provides for a remuneration of $270,000 plus statutory superannuation. No termination benefits are included in the contract.

[End of remuneration report]

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervened in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-Audit Services

The auditors have not provided any non-audit services to the Group in the current or prior financial years.

Auditors 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 Group's auditors, as presented on page 26 of this Annual Financial Report.

Dated this 31st day of March 2016 in accordance with a resolution of the Directors and signed for on behalf of the Board. by:

Michael Ruane
Director

Corporate Governance Statement

Corporate governance is a matter of high importance to the Group and is undertaken with due regard to all of the Group's stakeholders and its role in the community. A description of the Group's corporate governance practices is set out below. Unless otherwise stated, all these practices were in place for the entire year.

	Comply Y/N
Principle 1 Lay Solid Foundations for Management and Oversight **Recommendation 1.1** A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. The Group is directly managed by the Board, through the Executive Director, contractors are used to perform functions as required. Directors of the Group are required to act honestly, transparently, diligently, independently, and in the best interests of all shareholders with the objective of increasing shareholder value. The Group operates in a framework to: • Enable the Board to provide strategic guidance for the Group and effective oversight of contractors; • Clarify the respective roles and responsibilities of Board members in order to facilitate Board accountability to the Group and shareholders; • Ensure a balance of authority so that no single individual has unfettered powers.	Y
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. The performance of non-executive directors is reviewed by the Chairman on an ongoing basis. Any Director whose performance is considered unsatisfactory is asked to resign.	Y
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. All Directors do not have written agreements with the Company. Colin McCavana, Rod Della Vedova and Michael Ruane have all been appointed pursuant to letters of engagement setting out the terms of their appointment. Under the Company's Board Policy, when the Board considers the appointment of any new Director, the terms of appointment of a director must be recorded in a letter of appointment which takes into consideration the ASX Recommendations. This will form the basis of the written agreement entered into between the Company and a director.	Y
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. The Board Policy states that the Company Secretary will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Y

Corporate Governance Statement

	Comply Y/N
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Diversity is not limited to gender, age, ethnicity and/or cultural backgrounds. As at December 2015, the proportion of women employed in the Group was: • All employees – 27% • In management positions – Nil • In senior executive positions – Nil • Board – Nil **Explanation for Departure** The Board considers that the Company is not currently of a size, or its affairs of such complexity, that the formation of a diversity policy is justified at this time.	N
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. **Explanation for Departure** Given the Company's size and nature there is no formal process for evaluating the performance of its senior executives. Should the size of the Company change, the Board will consider establishing a formal process. The Board Policy sets out how the company addresses succession issues.	N
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process **Explanation for Departure** Given the Company's size and nature there is no formal process for evaluating the performance of its senior executives. Should the size of the Company change, the Board will consider establishing a formal process. The Board Policy sets out how the company addresses succession issues.	N

Corporate Governance Statement

	Comply Y/N
Principle 2 Structure the Board to Add Value **Recommendation 2.1** The board of a listed entity should (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. There is no nomination committee. **Explanation for Departure** The full Board considers those matters that would usually be the responsibility of a nomination committee. The composition of the Board does not make the establishment of a separate nomination committee practicable. The Board has adopted a nomination committee charter, which it applies when convening as the nomination committee.	N
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders. The mix of skills comprised in the current Board, and that the Board would look to maintain, and to build on, includes: • mining industry expertise; • metallurgy and metals marketing expertise; • experience in dealing with joint ventures and high levels of government and regulators; • high level of business acumen; • technical expertise (including finance); • ability to think strategically; • governance experience and expertise. The Board aspires to have a Board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit. A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.	Y
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Corporate Governance Principles and Recommendations but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director. The Board considers that the current composition of the Board is adequate for the Company's current size and operations and includes an appropriate mix of skills and expertise relevant to the Company's business. The current Board structure presently consists of two independent non-executive directors being Mr Colin McCavana (Chairman) and Mr Rod Della Vedova, the managing director, Dr Michael Ruane is not independent. The Company considers that each of the directors possess skills and experience suitable for building the Company. It is the Board's intention to appoint another independent director as and when the size and complexity of its operations changes and a suitable candidate is identified. A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.	Y

Corporate Governance Statement

	Comply Y/N
Recommendation 2.4 A majority of the board of a listed entity should be independent directors The majority of the board are independent directors.	Y
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director, and in particular, should not be the same person as the CEO of the entity. The Chairman of the Board, Mr Colin McCavana, is an independent, non-executive Director.	Y
Recommendation 2.6 A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. All new directors are provided with an induction including comprehensive meetings with the Chief Executive Officer, senior executives and management, and provision of information on the Company including Company and Board policies and other material documents. All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. The Company Secretary under the guidance of the full Board oversees the induction program for new directors.	Y
Principle 3 Act Ethically and Responsibly **Recommendation 3.1** A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. The Group is committed to maintaining appropriate standards of ethical behaviour required of Group Directors and key executives (that is, officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the business and its financial performance) and encourage the observance of those standards. The Board supports the following Code of Conduct issued by the Australian Institute of Company Directors: • A Director must act honestly, in good faith and in the best interests of the Group as a whole; • A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office; • A Director must use the powers of office for a proper purpose, in the best interests of the Group as a whole; • A Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Group; • A Director must not make improper use of information acquired as a Director; • A Director must not take improper advantage of the position of Director; • A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Group; • A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors; • Confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Group from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that Group, or the person from whom the information is provided, or is required by law; • A Director should not engage in conduct likely to bring discredit upon the Group; • A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.	Y

Corporate Governance Statement

	Comply Y/N
Principle 4 Safeguard Integrity in Corporate Reporting	
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. **Disclosure** The Group currently does not have an Audit Committee, as matters which would normally be considered by such a committee come under the review of the entire Board. The Group has in place a structure of review and authorisation designed to ensure the truthful and factual presentation of the Group's financial position. The structure includes: • The annual Directors Declaration can only be signed, after the receipt by the Board, of a declaration in writing, by the Chief Executive Officer, Chief Financial Officer and Company Secretary; • A process to ensure the independence and competence of the Group's external auditors. **Explanation for Departure** The Board believe that the Group is not of a size nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the functions associated with an audit committee. **Managing Director and Chief Financial Officer to Write to the Board** The Chief Executive Officer, Chief Financial Officer and the Company Secretary are required to state in writing to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant accounting standards. Declaration in writing by the Chief Executive Officer, Chief Financial Officer and Company Secretary that: • The financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act; • The financial statements and accompanying notes, for the financial year, comply with the applicable accounting standards; • The financial statements and accompanying notes give a true and fair view; • Any other matter prescribed by regulations. The Annual Directors Declaration can only be signed after the receipt by the Board of a Declaration in writing, by the Chief Executive Officer, Chief Financial Officer and Company Secretary. The Directors' Declaration will state that the Directors have been given a declaration required by section 295A.	N

Corporate Governance Statement

	Comply Y/N
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. Due to the size of the Company the Managing Director is responsible to provide a declaration to the Board in accordance with section 295A of the Corporations Act as the company does not have a Chief Executive Officer (or equivalent) or Chief Financial Officer (or equivalent). Accordingly, the Board will seek to procure that the Managing Director puts in place sound systems of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.	Y
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. The Company's external auditor attends each AGM of the Company and is always available to answer questions from security holders relevant to the audit.	Y
Principle 5 Make Timely and Balanced Disclosure **Recommendation 5.1** A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. The Company has not established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance. **Explanation for Departure** The Directors have a long history of involvement with public listed companies and are familiar with the disclosure requirements of the ASX listing rules. The Company has in place informal procedures that it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. The Board has nominated the Managing Director and the Company Secretary as being responsible for all matters relating to disclosure.	N
Principle 6 Respect the Rights of Security Holders **Recommendation 6.1** A listed entity should provide information about itself and its governance to investors via its website. Information about the Group, its operations and governance are located at: www.rewardminerals.com	Y
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. The Company has not established a formal Shareholder communication strategy. **Explanation for Departure** While the Company has not established a formal Shareholder communication strategy, it actively communicates with its Shareholders in order to identify their expectations and actively promotes Shareholder involvement in the Company via announcements lodged with the ASX. Shareholders with internet access are encouraged to provide their email addresses in order to receive electronic copies of information distributed by the Company. Alternatively, hard copies of information distributed by the Company are available on request.	N

Corporate Governance Statement

	Comply Y/N
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. While the Company has not established a formal Shareholder communication strategy, the Company communicates with shareholders in an open and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. Shareholders are encouraged to submit questions at general meetings and also to participate in discussions with the Board at the meetings.	Y
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. Shareholders are able to make contact with and receive communications from both the Share Registry and the Company electronically.	Y
Principle 7 Recognise and Manage Risk **Recommendation 7.1** The Board of a listed entity should: (a) have a committee or committee to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent Director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose the fact and the processes it employs for overseeing the entity's risk management framework. The Company has not established a risk committee. **Explanation for Departure** Due to the size of the Company, it does not have a published risk management policy. A Board member is responsible for the day to day management of the Group and communicates directly with the other Board members, this ensures that any potential risk to the Group is dealt with immediately. Should the size of the Company change, the Board will consider establishing a separate risk committee.	N
Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place. The Board will review the entity's risk management framework at least annually to satisfy itself that it continues to be sound. The entity will disclose whether the review has taken place in each annual report.	Y
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, disclose that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. The Company does not have an internal audit function. **Explanation for Departure** A Board member is responsible for the day to day management of the Group and communicates directly with the other Board members, this ensures that any potential risk to the group is dealt with immediately.	N

Corporate Governance Statement

	Comply Y/N
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and , if it does, how it manages or intends to manage those risks. The Company undertakes minerals exploration and, as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. One of the Company's core values is safety; it prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community. **Access to Independent Professional Advice** The Group has a policy that each Director may seek independent legal and other professional advice at the Group's expense concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors. The prior approval of the Chairman is required, which must not be unreasonably withheld, before incurring the expense.	Y
Principle 8 Remunerate Fairly and Responsibly **Recommendation 8 .1** The Board of a listed entity should: (a) have a Remuneration Committee which: (1) has at least three members, a majority of whom are independent Directors; and (2) is chaired by an independent Director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members; or (b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Principal 8 has not fully been complied with as the Group has not established a remuneration committee. **Explanation for Departure** The whole Board carries out the duties which would otherwise be undertaken by the remuneration committee. The need for a remuneration committee will be reviewed annually. The current remuneration of the Directors is disclosed in the Directors' Report. Non-executive Directors receive fixed Director's fees and may also receive options or shares. The issue of options or shares to non-executive Directors may be an appropriate method of providing sufficient incentive and reward while maintaining cash reserves. Due to the Company's early stage of development and small size, it does not consider that a separate remuneration committee would add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board believes it is more appropriate to set aside time at specified Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with regulatory requirements, especially in respect of related party transactions; that is, none of the Directors will participate in any deliberations regarding their own remuneration or related issues.	N

Corporate Governance Statement

	Comply Y/N
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive directors and other senior executives. The information provided in the Remuneration Report is audited as required by section 308(3C) of the Corporations Act 2001. The Directors' salaries are set out in the Directors' Report and published annually. The Group's administrative activities are carried out by contractors under instruction from the Board. Commercial rates are paid. Work performed by Director controlled entities is at commercial rates and disclosed annually. The Group's executives are paid a salary commensurate with their experience and market conditions. The Board consists of only three members, performance evaluation by a remuneration committee is thus inappropriate. The Board evaluates its own performance on the success of the Group on a yearly basis. The Chairman evaluates the performance of the other Board members annually to assess their suitability and also to ensure that additional Directors are not required. The shareholders also have the right and are given the opportunity to question the Board members formally at meetings or informally by direct contact.	Y
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. The Company does not have an equity–based remuneration scheme. **Explanation for Departure** Should this change, the Board will adopt a new policy. The Board does not place any restrictions on the Directors or staff in trading in the Company's shares other than that no trading is to take place unless all information which is price sensitive is first released to the market. It is the Board's policy to keep the market informed at all times. All Directors, Staff and Contractors are required to acknowledge receipt of a copy of the Company's Securities Trading Policy which sets out guidelines for securities trading by all personnel.	N

Declaration of Independence

ROTHSAY

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

The Directors
Reward Minerals Limited
159 Stirling Highway
Nedlands WA 6009

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 of the 31 December 2015 financial statements; and

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

Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 31 March 2016

Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Independent Auditor's Report

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

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF REWARD MINERALS LIMITED

Report on the financial report

We have audited the accompanying financial report of Reward Minerals Limited ("the Company") which comprises the balance sheet as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) 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. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Independent Auditor's Report

Audit opinion

In our opinion the financial report of Reward Minerals Limited is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;and

b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Reward Minerals Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rothsay Auditing

GRSwan

Graham R Swan
Partner

Dated 31 March 2016

Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Directors' Declaration

The Directors of the Company declare that, in the opinion of the Directors:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position and performance of the consolidated entity; and

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

(b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.

(c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

(d) There are reasonable grounds to believe that Reward Minerals Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Dated this 31st day of March 2016

Michael Ruane
Director

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015

	Note	Consolidated Entity	
		2015 $	2014 $
Continuing Operations			
Revenue	2	136,084	92,265
Other income	2	1,493,424	901,475
		1,629,508	**993,740**
Depreciation		(179,232)	(94,350)
Audit fees		(21,000)	(26,000)
Consulting fees		(88,259)	(37,754)
Exploration expenses	3	(15,409)	(32,230)
Finance costs	21(b)	-	(12,535)
Legal expense		(550)	(8,353)
Employee benefits expense		(201,350)	(342,944)
Administration expenses		(305,644)	(632,012)
Capitalised exploration expenditure written off		(592,065)	(608,883)
Profit/(Loss) from continuing operations before income tax		225,999	(801,321)
Income tax benefit	4	-	-
Profit/(Loss) from continuing operations for the year		225,999	(801,321)
Other Comprehensive Income for the year		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Profit/(Loss) on revaluation of financial assets, net of tax		-	(112,500)
Total Comprehensive Profit/(Loss) Attributable to Members of Reward Minerals Ltd		**225,999**	**(913,821)**
Profit/(Loss) per share attributable to the ordinary equity holders of the company:			
Basic and diluted earnings/(loss) per share	14	0.20 cents	(0.74) cents

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 December 2015

	Note	Consolidated Entity	
		2015 $	2014 $
Current Assets			
Cash and cash equivalents	5	6,299,346	4,011,913
Trade and other receivables	6	170,379	246,667
Total Current Assets		6,469,725	4,258,580
Non-Current Assets			
Financial assets	7	-	1,050,000
Other		-	2,000
Property, plant and equipment	8	946,010	444,559
Exploration and evaluation expenditure	9	8,478,406	4,149,197
Mine development expenditure	10	13,645,113	13,645,113
Total Non-Current Assets		23,069,529	19,290,869
Total Assets		**29,539,254**	**23,549,449**
Current Liabilities			
Trade and other payables	11	602,365	715,838
Total Current Liabilities		602,365	715,838
Total Liabilities		**602,365**	**715,838**
Net Assets		**28,936,889**	**22,833,611**
Equity			
Contributed equity	12(a)	32,039,099	26,161,820
Reserves	13(b)	10,287,346	10,174,846
Accumulated losses	13(a)	(13,389,556)	(13,503,055)
Total Equity		**28,936,889**	**22,833,611**

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

Statement of Changes in Equity for the year ended 31 December 2015

Consolidated Entity	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 year					
Profit/(Loss) for the year	-	-	(112,500)	(801,321)	(913,821)
Total Comprehensive Income for the Year	**-**	**-**	**(112,500)**	**(801,321)**	**(913,821)**
Transactions with owners in their capacity as owners:					
Share issue	6,426,020	-	-	-	6,426,020
Cost of share issue	(345,490)	-	-	-	(345,490)
Balance at 31 December 2014	**26,161,820**	**10,287,346**	**(112,500)**	**(13,503,055)**	**22,833,611**
Balance at 1 January 2015	**26,161,820**	**10,287,346**	**(112,500)**	**(13,503,055)**	**22,833,611**
Comprehensive income for the year					
Profit/(Loss) for the year	-	-	-	225,999	225,999
Total Comprehensive Income for the Year	**-**	**-**	**-**	**225,999**	**225,999**
Transactions with owners in their capacity as owners:					
Share issue	6,149,779	-	-	-	6,149,779
Cost of share issue	(272,500)	-	-	-	(272,500)
Transfers from available for sale investments revaluation reserve to accumulated losses	-	-	112,500	(112,500)	-
Balance at 31 December 2015	**32,039,099**	**10,287,346**	**-**	**(13,389,556)**	**28,936,889**

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

Statement of Cash Flows for the year ended 31 December 2015

	Note	Consolidated Entity 2015 $	Consolidated Entity 2014 $
Cash Flows from Operating Activities			
Receipts from customers		-	-
Payments to suppliers and employees		(487,558)	(1,084,529)
Interest received		109,643	92,265
Research and development tax rebate received (net of professional costs)		1,484,134	-
Net Cash Used In Operating Activities	17(b)	1,106,219	(992,264)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(680,683)	(135,370)
Payments for exploration and evaluation expenditure		(4,989,684)	(4,214,271)
Proceeds from sale of interest in tenements		-	140,000
Proceeds from sale of investments		974,302	277,690
Net Cash Used In Investing Activities		(4,696,065)	(3,931,951)
Cash Flows from Financing Activities			
Proceeds from share issue		6,149,779	6,426,020
Share issue costs		(272,500)	(345,490)
Repayment of borrowings	21(b)	-	(1,000,000)
Net Cash Provided by Financing Activities		5,877,279	5,080,530
Net Increase/ (Decrease) in Cash Held		2,287,433	156,315
Cash and Cash Equivalent at the Beginning of the Financial Year		4,011,913	3,855,598
Cash and Cash Equivalents at the End of the Financial Year	17(a)	**6,299,346**	**4,011,913**

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

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

This financial report of Reward Minerals Ltd ('the Company') for the year ended 31 December 2015 comprises the Company and its subsidiary (collectively referred to as 'the consolidated entity' or 'Group'). Reward Minerals Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report was authorised for issue in accordance with a resolution of Directors dated 31 March 2016.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements.

1a Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Reward Minerals Ltd is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRSs

The financial statements of Reward Minerals Ltd also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 31 December 2015. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

(i) AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1a Basis of Preparation continued

(ii) AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 25.

1b Principles of Consolidation

The consolidated financial statements comprise the financial statements of Reward Minerals Ltd and its controlled entity, Holocene Pty Ltd. Control exists where the consolidated entity has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the consolidated entity to achieve the objectives of the consolidated entity. All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits and losses have been eliminated on consolidation.

Non-controlling interests in the results and equity of the consolidated entities are shown separately in the consolidated Statement of Profit or Loss and Other Comprehensive Income and consolidated Statement of Financial Position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated Statement of Profit or Loss and Other Comprehensive Income from the date on which control commences. Where control ceases, de-consolidation occurs from that date.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of associates is recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the economic entity exercises significant influence, but not control. Investments in subsidiaries are recognised at cost less impairment losses.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1b Principles of Consolidation continued

Subsidiaries

Subsidiaries are entities controlled by the Company. The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being Reward Minerals Ltd ("Company" or "Parent Entity") and its subsidiaries as defined in AASB 127: *Consolidated and Separate Financial Statements*. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. Acquisitions of entities are accounted for using the acquisition method of accounting. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full. Investments in subsidiaries are accounted for at cost in the financial report of Reward Minerals Ltd.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of voting rights. Investments in associates are accounted for in the parent financial statements using the cost method and in the consolidated financial statements using the equity method after initially being recognised at cost.

The Group's share of the post-acquisition profits or losses of associates is recognised in the consolidated Statements of Profit or Loss and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the economic entity exercises significant influence, but not control.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the consolidated entity and its associates are eliminated to the extent of the consolidated entity's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions eliminated on consolidation

All intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any differences between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Reward Minerals Ltd.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1c Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Reward Minerals Ltd and its wholly-owned Australian subsidiary formed an income tax consolidated Group under the Tax Consolidation Regime, effective 1 January 2015.

1d Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) Other Services

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

1e Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

Where independent valuations of areas of interest have been obtained, these are brought to account. Subsequent expenditure on re-valued areas of interest is accounted for in accordance with the above principles. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

At 31 December 2015 the Directors considered that the carrying value of the mineral tenement interests of the consolidated entity was as shown in the Statement of Financial Position and no further impairments arises other than that already recognised.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1f Mine Development

Development expenditure incurred by or on behalf of the company is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine, the related infrastructure and capitalised exploration and evaluation expenditure transferred from capitalised exploration and evaluation expenditure account.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of proved and probable reserves.

Mine properties are tested for impairment in accordance with the policy in note 1(o).

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs from that stage. Site restoration costs include obligations relating to dismantling and removing mining plant, reclamation, waste dump rehabilitation and other costs associated with restoration and rehabilitation of the site. Such costs have been determined using estimates of the future costs and current legal requirements and technology, discounted to present value. Any changes in the estimates for the costs are accounted for on a prospective basis.

1g Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a diminishing value over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10-66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

1h Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance for bad debts is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the Statement of Comprehensive Income. They are recognised initially at fair value and subsequently at amortised cost.

Deposits with maturity periods in excess of three months but less than twelve months are included in receivables and not discounted if the effect of discounting is immaterial.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1i Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

1j Employee Entitlements

(i) Wages, salaries and annual and sick leave

A liability for wages, salaries and annual leave expected to be settled within 12 months of the reporting date is recognised in other payables and is measured as the amount unpaid at balance date at current pay rates in respect of employees' services up to that date. No liability exists for sick leave.

(ii) Long service leave

A liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees' up to balance date.

1k Equity-Based Payments

Equity-based compensation benefits are provided to Directors and executives.

The fair value of options granted to Directors and executives is recognised as an employee benefit expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the period during which the Directors and/or executives becomes unconditionally entitled to the options. Where options are issued to consultants the fair value of the options given is valued by the market value of the service being provided.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

1l Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1m Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the steering committee that makes strategic decisions.

The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1m Segment Reporting continued

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

1n Business Combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the Group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the Group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the Group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where the Group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the Group's controlling shareholder's consolidated financial statements.

Major changes include:

- Contingent consideration classified as debt is remeasured through profit or loss instead of adjusting the purchase consideration (goodwill).
- Acquisition-related costs are expensed immediately, rather than being included as part of the purchase consideration. Non-controlling interests can be measured on an acquisition by acquisition basis at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
- If the Group recognises deferred tax assets after the initial accounting is complete, there will be no adjustment to goodwill and this will result in increased profits in the period when these deferred tax assets are recognised.
- Any intangible asset recognised on a business combination is amortised.

1o Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1p Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

1q Investments and Other Financial Assets

The consolidated entity classifies its investments as available-for-sale financial assets and other financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Available-for-sale Financial Assets

These comprise listed equity securities. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Profit or Loss and Other Comprehensive Income as gains and losses from investment securities.

Other Financial Assets

These comprise investments in subsidiaries. Purchases and sales of investments are recognised on the trade-date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and pricing models to reflect the issuer's specific circumstances.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or Group of financial assets has been impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in the Statement of Profit or Loss and Other Comprehensive Income on equity instruments are not reversed through the Statement of Profit or Loss and Other Comprehensive Income.

1r Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

1s Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1t GST

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated as inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

1u Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

1v Comparative Figure

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1w Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Consolidated Statement of Profit or Loss and other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to other income in the Consolidated Statement of Profit or Loss and other Comprehensive Income in the year of receipt.

Notes to the Financial Statements

	Consolidated Entity	
	2015 $	2014 $
2 REVENUE FROM CONTINUING OPERATIONS		
Interest income	136,084	92,265
Other income	35,409	145,040
Profit on disposal of interests in tenement and databases	-	998,745
Loss on sale of shares	(75,698)	(242,310)
Research and development tax rebate received (see Note 4(d))	1,533,713	-
	1,629,508	**993,740**
3 PROFIT/(LOSS) FOR THE YEAR		
Rental expense on operating leases	46,330	42,374
Interest expense on financial liabilities – related parties	-	12,534
Exploration expenditure not capitalised	15,409	32,230
4 INCOME TAX EXPENSE		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	**-**
(b) Reconciliation of income tax expense to prima facie tax payable:		
Profit/(Loss) before income tax	225,999	(801,321)
Prima facie income tax at 30% (2014: 30%)	67,800	(240,396)
Tax-effect of exploration expenditure claimed	(1,298,763)	(962,421)
Other timing differences	13,251	14,990
Permanent differences	(62,343)	(43,652)
Tax loss not recognised	1,740,169	1,231,479
Research & development rebate not assessable	(460,114)	-
Income tax expense/(benefit)	**-**	**-**
(c) Unrecognised temporary differences		
Deferred tax assets and liabilities (at 30%) not recognised relate to the following:		
Deferred tax assets	-	-
Tax losses	8,925,145	8,162,474
Deferred tax liabilities - Capitalised exploration expenditure	(6,179,931)	(4,881,169)
Other temporary differences	50,068	37,205
Net Deferred Tax Assets / (Liabilities)	**2,795,282**	**3,318,510**

The deferred tax assets arising from these balances have not been recognised as an asset because recovery of tax losses is not probable at this point in time.

The potential tax benefit will only be obtained if the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised; and

i. the relevant company continues to comply with the conditions for deductibility imposed by the law; and
ii. no changes in tax legislation adversely affect the relevant company in realising the benefit.

(d) Research & Development tax rebate

During the year ended 31 December 2015, the Group applied for and received rebates from the Australian Taxation Office of $846,961 and $686,752, totalling $1,533,713, representing the tax value of research and development costs for the years ended 31 December 2014 and 31 December 2013 respectively. These have been included as other income, refer Note 2.

Notes to the Financial Statements

	Consolidated Entity	
	2015 $	2014 $
5 CURRENT ASSETS – CASH AND CASH EQUIVALENTS		
Cash at bank	6,299,346	4,011,913
	6,299,346	**4,011,913**

Refer to Note 24 for Financial Risk considerations.

6 CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
Prepayments	13,004	9,310
GST assets	118,943	109,027
Trade and other receivables	38,432	128,330
	170,379	**246,667**

No receivables are impaired or past due but not impaired. Refer to Note 24 for Financial Risk considerations. The carrying value of all receivables approximates their fair value.

7 FINANCIAL ASSETS		
Shares in listed company – at market value	-	1,050,000
	-	**1,050,000**

The investment in listed company represents shares in an ASX listed company received as part consideration for sale of tenements.

8 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment at cost	1,363,464	682,781
Less provision for depreciation	(417,454)	(238,222)
	946,010	**444,559**
Reconciliations:		
Plant and Equipment		
Carrying amount at the beginning of the year	444,559	403,539
Additions	680,683	135,370
Depreciation	(179,232)	(94,350)
Carrying amount at the end of the year	**946,010**	**444,559**

9 NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE		
Mining tenements at cost	8,478,406	4,149,197
	8,478,406	**4,149,197**
Tenements		
Carrying amount at the beginning of the year	4,149,197	941,126
Additions	4,921,274	4,640,709
Cost of tenements disposed	-	(823,755)
Amounts written off	(592,065)	(608,883)
Carrying amount at the end of the year	**8,478,406**	**4,149,197**

The future realisation of these non-current assets is dependent on the granting of native title rights and obtaining funding necessary to commercialise the resources or realisation through sale.

Notes to the Financial Statements

	Consolidated Entity	
	2015 $	2014 $
10 NON-CURRENT ASSETS – MINE DEVELOPMENT EXPENDITURE		
Mine development expenditure at beginning of year	13,645,113	13,645,113
Carrying amount at the end of the year	**13,645,113**	**13,645,113**

Amounts capitalised relate to the Lake Disappointment Potash Project in Western Australia. The project is currently ongoing and amortisation will be charged when production commences.

11 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Trade Payables	547,896	662,981
Accrued Expenses	54,469	52,857
	602,365	**715,838**
12 CONTRIBUTED EQUITY		
12a Share capital		
At the beginning of the financial year	26,161,820	20,081,290
Shares issued during the year	5,250,000	5,261,020
Share issue costs	(272,500)	(345,490)
Options exercised during the year	310,279	1,165,000
Options exercised in December 2015, shares issued January 2016	589,500	-
At the End of the Financial Year	**32,039,099**	**26,161,820**

	2015 No. Shares	2014 No. Shares
At the beginning of the financial year	111,679,856	98,492,189
Shares issued during the year	8,076,906	13,187,667
At the End of the Financial Year	**119,756,762**	**111,679,856**

12b Terms and Condition of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	2015 Options	2014 Options
12c Movement in Options		
Balance at beginning of year	24,141,548	26,491,548
Options expired during the year	(500,000)	-
Options exercised during the year	(785,114)	(2,350,000)
Balance at End of Year	**22,856,434**	**24,141,548**

No options were issued during the year.

Notes to the Financial Statements

12 CONTRIBUTED EQUITY continued

Closing balance is represented as follows:

Nature	Expiry Date	Exercise Price of Options	2015 Options	2014 Options
Employee Options	8 October 2015	$1.09	-	500,000
Azure – Tranche 1*	5 January 2016	$0.45	2,230,000	2,800,000
Azure – Tranche 2**	10 October 2016	$0.45	2,000,000	2,000,000
WDLAC options	28 February 2017	$0.50	4,500,000	4,500,000
Listed options	30 June 2016	$0.25	14,126,434	14,341,548
			22,856,434	**24,141,548**

* 1,810,000 Azure – Tranche 1 options were exercised prior to expiry, and 420,000 expired unexercised in January 2016.

** 160,000 Azure – Tranche 2 options were exercised in January 2016.

12d Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares, pay dividends or return to capital to shareholders.

Capital is calculated as 'equity' as shown in the Statement of Financial Position, and is monitored on the basis of funding exploration activities.

	Consolidated Entity	
	2015 $	2014 $
13 RESERVES AND ACCUMULATED LOSSES		
13a Accumulated Losses		
Accumulated losses at the beginning of the year	(13,503,055)	(12,701,734)
Net profit/(loss) for the year	225,999	(801,321)
Transfer from Financial Investments Revaluation Reserve	(112,500)	-
Accumulated Losses at the end of the year	**(13,389,556)**	**(13,503,055)**
13b Reserves		
Share based payments reserve (i)	10,287,346	10,287,346
Financial investments revaluations reserve (ii)	-	(112,500)
	10,287,346	**10,174,846**
(i) Share-Based Payments Reserve		
The share-based payments reserve is used to recognise the fair value of options issued.		
Balance at beginning of the year	10,287,346	10,287,346
Balance at the End of the Year	**10,287,346**	**10,287,346**
(ii) Financial Investments Revaluation Reserve		
The Financial Investments Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets.		
Balance at beginning of year	(112,500)	-
Revaluation of shares in listed company	-	(112,500)
Transfer to accumulated losses	112,500	-
Balance at the end of the year	**-**	**(112,500)**

Notes to the Financial Statements

14 PROFIT/(LOSS) PER SHARE	2015 Cents Per Share	2014 Cents Per Share
Basic profit/(loss) per share	0.20	(0.74)

	2015 $	2014 $
The profit/(loss) for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:		
Loss for the year after income tax	225,999	(801,321)

	2015 No.	2014 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	115,547,325	107,899,778

	Consolidated Entity	
	2015 $	2014 $
15 REMUNERATION OF AUDITORS		
Remuneration for audit or review of the financial reports of the Group:	21,000	26,000
For auditing the financial statements		
	21,000	**26,000**
No non-audit services have been provided to the Group by the auditor.		
16 KEY MANAGEMENT PERSONNEL DISCLOSURES		
16a Details of Remuneration of Key Management Personnel		
Short-term benefits	418,500	393,304
Post-employment benefits	25,650	25,312
	444,150	**418,616**

Detailed remuneration disclosures are provided in the remuneration report on pages 14 - 16.

16b Key Management Personnel Interests in the Shares and Options of the Company

Options

The number of options over ordinary shares in the Company held during the financial year by each Key Management Personnel of Reward Minerals Ltd including their personally related parties are set out below:

2015	Balance at start of the year	Options acquired	Options expired during the year	Exercised during the year	Options sold	Balance at the end of the year	Vested and exercisable at the end of the year
Directors							
C McCavana	38,332	-	-	-	-	38,332	38,332
M Ruane	4,253,744	1,053,175	-	(330,000)	(1,247,657)	3,729,262	3,729,262
R Della Vedova	-	-	-	-	-	-	-
Other Key Management Personnel							
D Tenardi	500,000	-	(500,000)	-	-	-	-
	4,792,076	**1,053,175**	**(500,000)**	**(330,000)**	**(1,247,657)**	**3,767,594**	**3,767,594**

Notes to the Financial Statements

16 KEY MANAGEMENT PERSONNEL DISCLOSURES continued

16b Key Management Personnel Interests in the Shares and Options of the Company continued

2014	Balance at start of the year	Issued as remuneration	Exercised during the year	Options sold	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
C McCavana	788,332	-	(750,000)	-	38,332	38,332
M Ruane	4,413,695	-	-	(159,951)	4,253,744	4,253,744
R Della Vedova	-	-	-	-	-	-
Other Key Management Personnel						
D Tenardi	500,000	-	-		500,000	500,000
	5,702,027	**-**	**(750,000)**	**(159,951)**	**4,792,076**	**4,792,076**

Shares

The number of shares in the Company held during the financial year by each Key Management Personnel of Reward Minerals Ltd, including their personally related parties, are set out below. There were no shares granted as compensation during the year.

2015	Balance at the start of the year	Received during the year on the exercise of options	Shares sold	Shares acquired	Balance at the end of the year
Directors					
C McCavana	1,056,665	-	-	-	1,056,665
M Ruane**	34,597,414	330,000	(650,000)	424,000	34,701,414
R Della Vedova	20,000	-	-	-	20,000
Other Key Management Personnel					
D Tenardi	-	-	-	-	-
	35,674,079	**330,000**	**(650,000)**	**424,000**	**35,778,079**

2014	Balance at the start of the year	Received during the year on the exercise of options	Shares sold	Shares acquired	Balance at the end of the year
Directors					
C McCavana	306,665	750,000	-	-	1,056,665
M Ruane**	35,737,803	-	(1,322,319)	181,930	34,597,414
R Della Vedova	20,000	-	-	-	20,000
Other Key Management Personnel					
D Tenardi	-	-	-	-	-
	36,064,468	**750,000**	**(1,322,319)**	**181,930**	**35,674,079**

** Michael Ruane is also a Director of Intermin Resources Ltd which holds 5,959,257 shares in the Company.
See note 21 for information on other transactions with Key Management Personnel and related parties.

Notes to the Financial Statements

	Consolidated Entity	
	2015 $	2014 $
17 NOTES TO STATEMENTS OF CASH FLOWS		
17a Reconciliation of Cash		
For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and short term deposits	**6,299,346**	**4,011,913**
17b Reconciliation of Net Cash used In Operating Activities to Operating Profit/(Loss) after Income Tax		
Profit/(Loss) for the year	225,999	(801,321)
Depreciation	179,232	94,350
Impairment of assets/exploration costs expensed included in investing activities	607,474	1,319,829
Gain/(Loss) on disposal of tenements	-	(1,580,190)
Gain/(Loss) on sale of available for sale financial assets	75,698	-
Change in assets and liabilities during the financial year:		
Receivables	78,288	(162,411)
Payables	(60,472)	137,479
Net cash inflow/(outflow) from operating activities	**1,106,219**	**(992,264)**
17c Non-cash investing and financing activities		
Consideration received upon sale of mining interests, satisfied by issue of shares in listed company	**-**	**1,682,500**

18 FINANCE FACILITIES

No credit standby facility arrangement or loan facilities existed at 31 December 2015.

19 COMMITMENTS FOR EXPENDITURE

19a Mining Agreements

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

'Decision to Mine' is defined and means the date the Group has both completed feasibility studies on the Project, and made a formal decision to proceed with procurement and infrastructure development for the mine. 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.

20 EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to balance date, the Group issued 1,810,000 shares upon the exercise of Azure Tranche 1 unlisted options at the exercise price of $0.45. $589,500 was received in December 2015 and included in share capital (Refer Note 12a).

Also, 160,000 Azure Tranche 2 unlisted options were exercised in January 2016 at the exercise price of $0.45, raising $72,000.

There have been no other events subsequent to reporting date.

Notes to the Financial Statements

21 RELATED PARTY DISCLOSURES

21a Directors Remuneration

Details of Directors remuneration are disclosed in Note 16 to the Financial Statements.

21b Other Transactions with Director Related Entities

During the year ended 31 December 2013, the Company's Managing Director, Michael Ruane, loaned funds to the Company. The loan was unsecured for the period of 12 months, carrying an interest rate of 7.5% interest payable quarterly in arrears. The Company repaid the loan in full during the year ended 31 December 2014.

Movements for the year are as follows:

	Consolidated Entity	
	2015 $	2014 $
Opening balance	-	1,019,299
Funds repaid	-	(1,019,299)
Closing balance	**-**	**-**

There were no other transactions with Directors or Director related entities during the year.

21c Aggregate Amount Payable to Directors and their Director Related Entities at Balance Date

Current liabilities		
Accrued expenses	27,000	-
	27,000	**-**

22 CONTINGENT LIABILITIES

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. There are no other contingent liabilities at reporting date.

23 INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2015 %	2014 %
Holocene Pty Ltd	Australia	Ordinary	100	100

24 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Notes to the Financial Statements

24 FINANCIAL RISK MANAGEMENT continued

	Note	Consolidated Entity 2015 $	Consolidated Entity 2014 $
Financial Assets			
Cash and cash equivalents	5	6,299,346	4,011,913
Loans and receivables	6	170,379	246,667
Total Financial Assets		**6,469,725**	**4,258,580**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	11	602,365	715,838
Total Financial Liabilities		**602,365**	**715,838**

Risk management is carried out by the Board of Directors, who identify, evaluate and manage financial risks as they consider appropriate.

24a Market Risk

(i) Cash Flow Interest Rate Risk

Refer to (d) below.

24b Credit Risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this, the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 24.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Financial assets that are neither past due and not impaired are as follows:

	Consolidated Entity 2015 $	Consolidated Entity 2014 $
Cash and cash equivalents		
'AA' S&P rating	6,299,346	4,011,913

24c Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and, the availability of funding through the ability to raise further equity or through related party entities. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources. The Group has no financial liabilities at the year-end other than normal trade and other payables incurred in the general course of business. All financial liabilities mature in less than 6 months.

24d Cash Flow Risk

As the Group has significant interest-bearing assets in the form of cash, the Group's income and operating cash flows are exposed to changes in market interest rates.

Based on the year-end balances, a 1% increase in interest rates would have increased the consolidated profit by $62,993 (2014: Loss $40,119) and increased the cash balances by a corresponding amount. There were no other amounts included in Net Assets subject to material interest rate risks.

Notes to the Financial Statements

25 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. As at 31 December 2015, the carrying value of capitalised exploration expenditure is $8,478,406.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Valuation of share based payments

The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

Where options are issued to consultants, the Group values the service provided based on market rates. In the absence of market rates the share based payments are valued as above.

26 SHARE BASED PAYMENTS

26a 2015 Options Issued for Services Rendered – Year ended 31 December 2015

No shares were issued during the year for services rendered.

26b 2014 Options Issued for Services Rendered – Year ended 31 December 2014

No shares were issued during the year for services rendered.

26c Expenses arising from share-based payment transactions

There were no expenses arising from share based payment transactions during the year ended 31 December 2015.

Notes to the Financial Statements

27 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 reportable segments are defined by the nature of the exploration activities.

During the year, the Group considers that it has only operated in one segment, being Potash mineral exploration within Australia.

	Potash 2015 $	Potash 2014 $	Total 2015 $	Total 2014 $
Revenue	35,409	901,475	35,409	901,475
Exploration expenditure	(607,474)	(641,113)	(607,474)	(641,113)
Profit/(Loss) before income tax	(572,065)	260,362	(572,065)	260,362
Total Segment Assets	**22,123,519**	**17,794,310**	**22,123,519**	**17,794,310**

	Consolidated Entity	
	2015 $	2014 $
27a Segment revenue		
Segment revenue reconciles to revenue from continuing operations as follows:		
Segment revenue	35,409	901,475
Interest revenue	136,084	92,265
Other revenue	1,458,015	-
Revenue from Continuing Operations	**1,629,508**	**993,740**
27b Segment loss		
Segment loss reconciles to total comprehensive income as follows:		
Segment Profit/(Loss) before Income Tax	(572,065)	260,362
Interest revenue	136,084	92,265
Unallocated costs net of other revenue	661,980	(1,153,948)
Profit/(Loss) before Income Tax	**225,999**	**(801,321)**
27c Segment Assets		
Segment assets reconcile to total assets as follows:		
Segment assets	22,123,519	17,794,311
Unallocated assets	7,415,735	5,755,138
Total Assets	**29,539,254**	**23,549,449**

27d Segment Liabilities

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

Notes to the Financial Statements

28 PARENT ENTITY DISCLOSURES

28a Summary Financial Information

Financial Position	Parent 2015 $	Parent 2014 $
Assets		
Current assets	27,693,239	21,272,691
Non-current assets	870,979	1,400,696
Total assets	**28,564,218**	**22,673,387**
Liabilities		
Current liabilities	483,422	606,811
Total liabilities	**483,422**	**606,811**
Equity		
Issued capital	32,039,098	26,161,819
Reserves	3,228,560	3,116,060
Accumulated losses	(7,186,862)	(7,211,303)
Total equity	**28,080,796**	**22,066,576**
Financial Performance		
Profit/(Loss) for the year	136,941	653,130
Other comprehensive income	-	-
Total comprehensive profit/ (loss) for the year	**136,941**	**653,130**

28b Guarantees

Reward Minerals Ltd has not entered into any guarantees in relation to the debts of its subsidiary.

28c Other Commitments and Contingencies

Reward Minerals Ltd has no commitments to acquire property, plant and equipment. Refer to Note 22 for the Company's contingent liabilities.

29 COMPANY DETAILS

The registered office of the Company is:

Reward Minerals Limited
159 Stirling Highway
NEDLANDS WA 6009

Shareholder Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 16 March 2016.

DISTRIBUTION OF SHAREHOLDERS Spread of Holdings			Number of Holders	Number of Shares	Percentage of Issued Capital
1	-	1,000	225	96,126	0.08%
1,001	-	5,000	385	1,124,927	0.92%
5,001	-	10,000	193	1,554,149	1.28%
10,001	-	100,000	458	16,270,346	13.36%
100,001	-	and over	161	102,701,822	84.36%
			1422	**121,747,370**	**100.00%**

There were 229 holders of ordinary shares holding less than a marketable parcel.

Substantial Shareholders	Number of Shares	Percentage of Issued Capital
*Tyson Resources Ltd	12,324,409	10.12
*Kesli Chemicals Ltd	8,980,290	7.38
*Intermin Resources Ltd	5,959,257	4.89

**Denotes unmerged data*

DISTRIBUTION OF OPTIONHOLDERS Spread of Holdings			Number of Holders	Number of Listed Options	Percentage of Issued Capital
1	-	1,000	59	24,881	0.18%
1,001	-	5,000	51	124,839	0.89%
5,001	-	10,000	19	137,143	0.97%
10,001	-	100,000	64	2,583,433	18.31%
100,001	-	and over	32	11,235,530	79.65%
			225	**14,105,826**	**100.00%**

UNQUOTED SECURITIES

Class	Number of Unquoted Securities	Holders with more than 20%
Options over ordinary shares exercisable at $0.45 on or before 10 October 2016	1,840,000	Azure Capital Investments Pty Ltd – 100%
Options over ordinary shares exercisable at $0.50 on or before 28 February 2017	4,500,000	Martu Mining Services Pty Ltd – 100%

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All ordinary shares carry one vote per share without restriction.

Shareholder Information

	Top Twenty Shareholders - RWD	Number of Ordinary Shares Held	%
1	Tyson Resources Pty Ltd	12,324,409	10.12
2	Kesli Chemicals Pty Ltd <Ruane S/F A/c>	9,310,290	7.65
3	Intermin Resources Ltd	5,959,257	4.89
4	Mr Michael Ruane	4,768,003	3.92
5	Bill Brooks Pty Ltd <Bill Brooks Family A/c>	3,176,751	2.61
6	Franway Pty Limited <Kennedy Family S/F A/c>	3,000,000	2.46
7	Gasmere Pty Ltd	2,649,545	2.18
8	Kesli Chemicals Pty Ltd	2,409,455	1.98
9	Hillboi Nominees Pty Ltd	2,134,397	1.75
10	Citicorp Nominees Pty Limited	1,703,088	1.40
11	Spar Nominees Pty Ltd	1,415,000	1.16
12	UBS Nominees Pty Ltd	1,400,000	1.15
13	Walloon Sec PL	1,331,500	1.09
14	Taurus Corporate Services Pty Ltd	1,254,962	1.03
15	Hornet Computer Systems Pty Ltd	1,227,777	1.01
16	HSBC Custody Nominees (Australia) Limited - GSCO ECA	1,224,669	1.01
17	Drawone Pty Ltd	1,100,000	0.90
18	RPM Super Pty Ltd <RPM Super Fund A/C>	1,050,000	0.86
19	HSBC Custody Nominees (Australia) Limited - A/c 3	1,041,666	0.86
20	Mr Gregory R Cunnold & Ms Lara C Groves <Stratford A/c>	1,000,000	0.82
		59,480,769	**48.85**

Shareholder Information

	Top Twenty Optionholders - RWDO	Number of Listed Options Held	%
1	Dr Michael Ruane	2,495,676	17.69
2	Hillboi Nominees Pty Ltd	1,215,013	8.61
3	HSBC Custody Nominees (Australia) Limited - GSCO ECA	885,000	6.27
4	Perth Investment Corporation Ltd	625,000	4.43
5	Kesli Chemicals Pty Ltd <Ruane S/F A/c>	612,943	4.35
6	Tyson Resources Pty Ltd	388,676	2.76
7	Spar Nominees Pty Ltd	375,000	2.66
8	RPM Super Pty Ltd <RPM Super Fund A/C>	373,970	2.65
9	Mercator Capital Services Pty Ltd	296,646	2.10
10	Tiverton Nominees Pty Ltd	290,000	2.06
11	Mr Joseph Wills	287,226	2.04
12	Mr Gavin Caudle	250,000	1.77
13	Mr Nicholas C Lyons & Mrs Kerrie M Lyons <Geronimo S/F A/c>	250,000	1.77
14	Goldfire Enterprises Pty Ltd	250,000	1.77
15	Mr Robert P Martin & Mrs Susan P Martin <RP & SP Martin S/F A/c>	250,000	1.77
16	Franway Pty Limited <Kennedy Family S/F A/c>	250,000	1.77
17	Kesli Chemicals Pty Ltd	231,967	1.64
18	Kebah Holdings Pty Ltd <Kebah Retirement Fund A/c>	164,313	1.16
19	Helmet Nominees Pty Ltd <Tim Weir Family Fund A/c>	162,340	1.15
20	Gargamel Nominees Pty Ltd	143,500	1.02
		9,797,270	**69.44**

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Amphibious excavator operating at Lake Disappointment, WA

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REWARD MINERALS LTD

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