

REWARD MINERALS LIMITED

COMBINED TECHNICAL REPORT

MCS 13-28, MLS 10, 16, 17, 23, 51-57, 61, 62, 90

Jervois Project

Northern Territory

**Annual Report for the year for period
1 January 2008 to 31 December 2008**

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Date: 21 January 2009

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REWARD MINERALS LIMITED

JERVOIS PROJECT Northern Territory Annual Report for the Period Ending 31 December 2008

SUMMARY

AIM

To explore and evaluate the potential for economic base and precious metal mineralisation.

OBJECT of REPORT

To document exploration activities and results achieved on the Jervois Project MCS 13-28, MLS 10, 16, 17, 23,51-57, 61, 62, 90 and to report these to the Department of Primary Industries, Fisheries and Mines (DPIFM), Northern Territory. Information from adjacent leases and claims is also included.

LOCATION

The Jervois Project is located 380 kilometres north east of Alice Springs on the Huckitta 1: 250 000 map sheet (SF53 -11), and surrounds the mineral leases which cover the gossanous outcrop of the Jervois Mine and its extensions (Figure 1).

TENURE

The MC's and M.L.'s were granted on 20 December 1983 for the MC's and 29 January 1980 for the ML's for a period of thirty years and forty years respectively.

On 5th August 1999, M.I.M. Exploration Pty Ltd entered into a Joint Venture agreement with Britannia Gold NL, agreeing to act as manager and operator of the Jervois Project, which incorporates the MC's and ML's

M.I.M. Exploration withdrew from the joint venture in 2002. The MC's and ML's were transferred to Reward Minerals Limited which successfully raised \$3 million through public subscription and listed on the ASX in April 2004.

PRECIS

During this reporting year Reward Minerals completed two RC drilling programs focused on the known mineralisation within the mineral claims and leases.

REWARD MINERALS LTD

JERVOIS PROJECT

Annual Report for the Period Ending 31 December 2008

1. INTRODUCTION

The Jervois Project is located in the Proterozoic terrain of the Arunta inlier. The tenement surrounds the mineral leases which cover the gossanous outcrop of the Jervois Mine and its extensions along strike (MCS 13-18,MLS 10,16,17,23,51-57,61,62,90) and the water holdings over Lake Petrocarb (HLDS 19-21).

MIM Exploration Pty Ltd (MIMEX) farmed into the tenement in August 1999 and for 3 years was both manager and operator of the Joint Venture project. Exploration conducted by MIMEX focused on finding structurally controlled high grade Isa copper and Broken Hill base metals mineralisation, as well as Fe-oxide associated copper -gold mineralisation.

The purpose of this report is to detail exploration conducted by Reward on MCS 13-28, MLS 10, 16, 17, 23,51-57, 61, 62, 90 during the period ended 31 December 2008.

Earlier reports have described previous exploration in some detail, and this is not repeated here. Instead this report highlights the progress made by Reward since acquiring the lease.

2. LOCATION and ACCESS

The Jervois Project is located 380 kilometres north east of Alice Springs on the Huckitta 1:250,000 map sheet (SF53 -11), and surrounds the mineral leases which cover the gossanous outcrop of the Jervois Mine and its extensions (See Figure 1).

Access is via the Stuart and Plenty Highways to the Lucy Creek Station Road, with the tenement located approximately 20km north of this turn off. Historical exploration and mine tracks, as well as limited station tracks provide local access throughout the tenement which is located over a portion of the Jervois Pastoral Lease.

3. TENURE

The MC's were granted on 20 December 1983. The ML's were granted on 29 January 1980. The tenements were subsequently transferred to M. Ruane on the 19th July 1999, who applied for a deferment of relinquishment until 2nd October 2000, which was approved by the DPIFM. M. Ruane then entered into an Option to Acquire agreement with Britannia Gold NL.

On 5th August 1999, M.I.M. Exploration Pty Ltd entered into a Joint Venture agreement with Britannia Gold NL, agreeing to act as manager and operator of the Jervois Project, which incorporates the Jervois Project

MIM withdrew from the joint venture in late May 2002. The tenement was subsequently transferred to M. Ruane and in 2004 was transferred to Reward Minerals Limited.

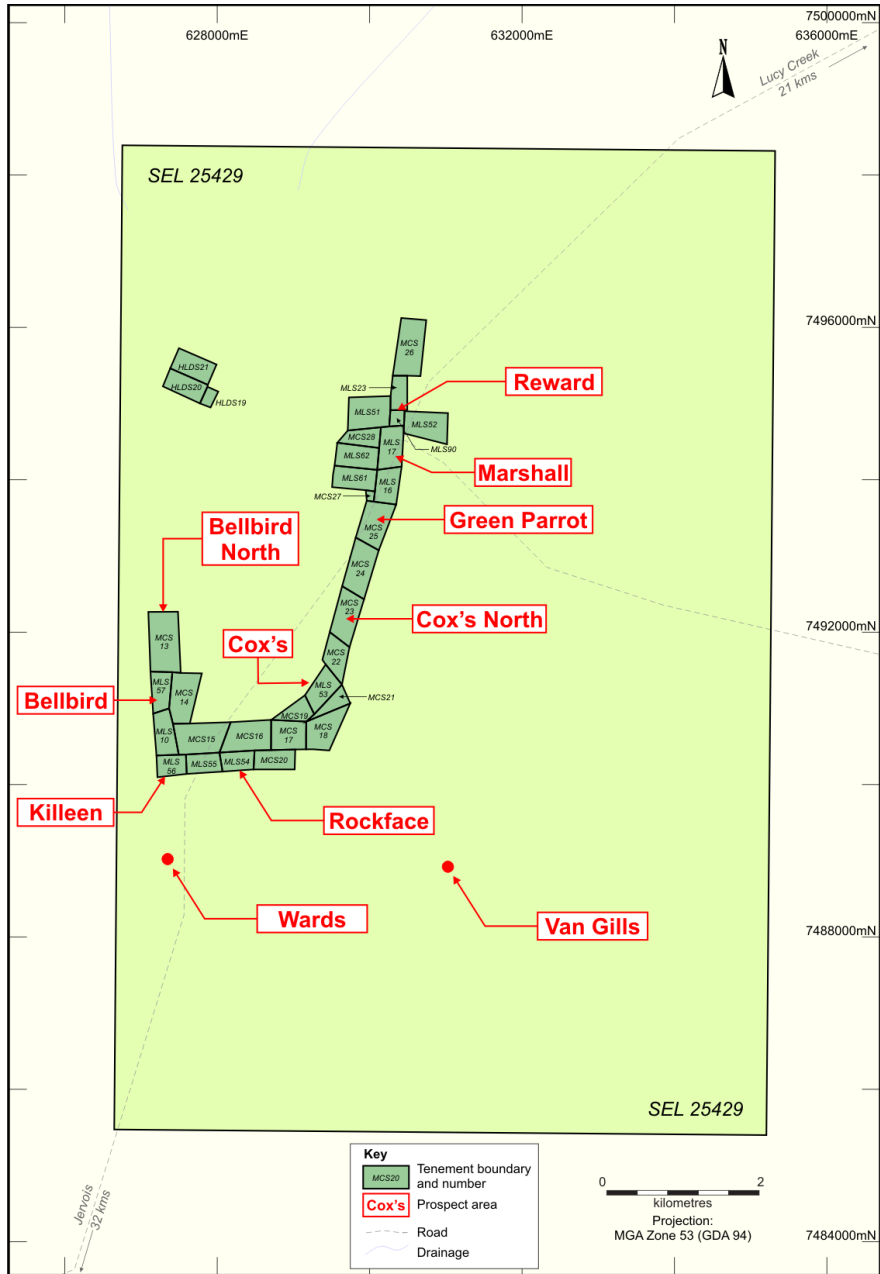


Figure 1
Tenement and Prospect Location

4. GEOLOGICAL SETTING

The mineral claims and leases lie on the Huckitta 1: 250 000 map sheet (SF 53-11), for which geological notes are available. The tenement is located mainly within the Palaeo-Proterozoic Bonya Schist on the northeastern boundary of the Arunta Orogenic Domain. The Arunta Orogenic Domain in the north western part of the tenement is overlain unconformably by Neo-Proterozoic sediments of the Georgina Basin.

The prospective lithologies within the tenement have been identified as the Bonya Schist, Division 2 of Arunta Orogenic Domain (Freeman, 1986). This unit is made up of quartzofeldspathic muscovite and sericite schists, ranging from pelitic to psammo-pelitic in composition, and has local occurrences of cordierite, sillimanite, garnet and andalusite. The mine sequence, in addition to these lithologies, also contains chlorite schist, garnet ± magnetite, quartzite, magnetite quartzite, calc-silicates, and impure marbles.

The topography of the tenement is dominated by the Jervois Range, composed of Georgina Basin sediments to the west, and the "J Range," comprised of Bonya Schist, and includes the mine sequence. Peters et al (1985) recognised three deformation periods in the Jervois area, with refolding of the mine sequence resulting in the "J" shape of the Bonya Schist outcrop in the tenement area. Mineralisation in the area occurs mostly as stratiform/bound copper and/or lead-silver-zinc associated with variable garnet and calc-silicate alteration, although tungsten occurs as disseminated scheelite in calc-silicate rocks.

In brief, Reward regards the copper-lead-zinc mineralisation as stratigraphic in nature, probably relating to the discharge of base metal-rich fluids in association with volcanism or metamorphism or dewatering of the underlying rocks at a particular time in the geological history of the area. In other words it occurred within a single stratigraphic horizon and is near-contemporaneous with the sediments that enclose it. In detail there may be several closely-spaced mineralised zones forming a package at more or less the same stratigraphic horizon representing episodic emission of fluids over a short period of time. In addition there is almost certainly a repetition of lithological units due to deformation, with concomitant deformation of the enclosed mineralised horizons. For example, we interpret the three mineralised zones commonly intersected during drilling in the Marshall-Reward area as being the same horizon, being the three limbs of an isoclinal fold. In contrast to the considerable areal extent of the copper mineralisation, the distribution of lead and zinc is spatially restricted at Jervois and these metals may have accumulated near points of discharge of metalliferous fluids.

In the Bellbird area mesoscopic and macroscopic folding have complicated the geometry of the stratigraphic sequence. Consequently the mineralised horizon is not everywhere easy to locate. Furthermore an interpreted fault in the Rockface area has apparently displaced the succession causing a substantial geological mismatch across the fault zone.

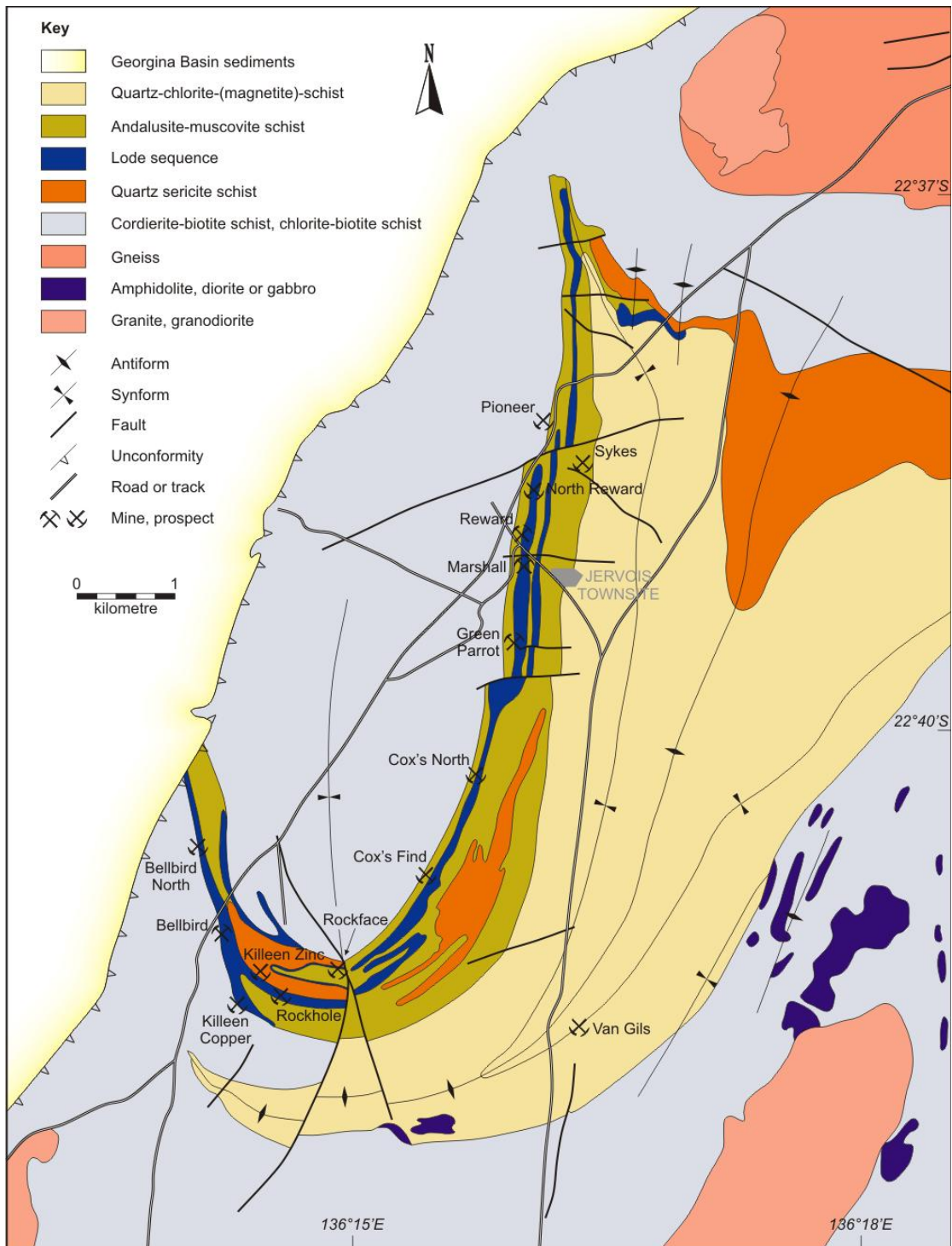


Figure 2
Jervois Solid Geology

5. PREVIOUS EXPLORATION

Following the discovery of the Jervois mineralisation in the 1920s, some small-scale mining of the oxides took place and concentrates were transported to Mt Isa for treatment. Since that time there has been episodic exploration (including one attempted mining operation) by a succession of companies. These have been described in some detail in previous annual reports (eg Cranley 2003) and in the Reward prospectus, so they are merely listed here:

1961 - 1965 New Consolidated Goldfields (Australasia) Pty Ltd
1969 – 1973 Petrocarb Mineral exploration (SA) Pty Ltd
1973 – 1974 Petrocarb Joint Venture with Union Corporation (Australia) Pty Ltd
1980 - 1983 Plenty River Mining Company NT Limited
1983 - 1984 Plenty River Mining - Anaconda Australia Inc Joint Venture
1991 - 1996 Plenty River Mining – Poseidon Exploration Limited Joint Venture
1997 - 1999 Britannia Gold NL
1999 - 2002 MIM Exploration Pty Ltd

6. EXPLORATION 2008

Drilling

In February 2008 Reward Minerals commenced an exploration drilling program focused on the Bellbird North, Green Parrot, Cox's Find and Reward prospect areas. At the end of the program a total of 25 RC holes had been drilled for a total of 4211m. The drilling occurred entirely within the smaller leases MCS 13-28, MLS 10, 16, 17, 23, 51-57, 61, 62, and 90. Strong copper mineralisation was encountered in several holes at the Bellbird North prospect.

A second program of 12 holes for 1744 metres was completed in December 2008. Assay results are pending.

The drillers were Arinooka Drilling. All RC drilling was done with a face sampling hammer and all metre intersections were riffle split. The collars were an 8" hammer to a depth of 6 metres lined with PVC pipe.

The majority of the Arinooka holes were surveyed with a Reflex ez-shot down hole camera, the data of which is recorded in Table 1. They employed a chrome barrel behind the RC bit rod and the diamond barrel to reduce the effect of induced ferromagnetism in the drilling rods.

Samples were either 1m riffle split where significant sulphides were observed, or 4m composite speared. All samples were analysed for Ag, Au, Cu, Mo, Pb, W and Zn. The samples were dissolved in a mixed acid digest and analysed by ICP MS at the ALS laboratory in Perth after being prepped in Alice Springs.

All holes were geologically logged.

A set of significant sections are present in Appendix 1.

A list of the collar positions and associated surveys for the first program is shown in Table 1 and Table 2. Anomalous intercepts are shown in Table 3.

Table 1
Collar Locations

Hole Id	Northing	Easting	RL	Depth	Prospect	Date Drilled
RJ109A	7491600	627140	351	120	Bellbird N	2/08
RJ110A	7491568	627157	351	132	Bellbird N	2/08
RJ111	7491489	627128	351	80	Bellbird N	2/08
RJ112	7491550	627169	351	72	Bellbird N	2/08
RJ113	7491551	627173	351	160	Bellbird N	2/08
RJ114	7491509	627162	351	132	Bellbird N	2/08
RJ115	7491506	627183	351	168	Bellbird N	2/08
RJ116	7493510	629995	351	138	Green Parrot	2/08
RJ117	7493510	629980	351	158	Green Parrot	2/08
RJ118	7493555	630005	351	120	Green Parrot	2/08
RJ119	7493590	630012	344	132	Green Parrot	2/08
RJ120	7494556	630213	351	152	Green Parrot	2/08
RJ121	7494648	630274	351	136	Green Parrot	2/08
RJ122	7494643	630322	351	287	Green Parrot	2/08
RJ123	7494529	630223	351	156	Reward	2/08
RJ124	7494745	630334	351	293	Reward	2/08
RJ125	7494852	630334	351	266	Reward	2/08
RJ126	7491214	629203	351	120	Cox's Find	2/08
RJ127	7491223	629190	351	160	Cox's Find	2/08
RJ128	7494750	630352	351	258	Reward	2/08
RJ129	7494845	630355	351	255	Reward	2/08
RJ130	7494630	630348	351	269	Reward	2/08
RJ131	7491488	627162	351	135	Bellbird N	2/08
RJ132	7491527	627170	351	120	Bellbird N	2/08

Table 2
Drill Hole Surveys

Hole Id	Survey Depth	Dip	Azimuth	Hole Depth
RJ110A	0	-65	260	
RJ110A	50	-58.9	255.7	
RJ110A	100	-58.9	255.6	
RJ110A	126	-54.7	269.6	132
RJ111	0	-65	260	
RJ111	50	-63.6	250.4	
RJ111	80	-56.1	256.9	80
RJ112	0	-65	260	
RJ112	50	-56.6	257.4	
RJ112	72	-55.2	256.8	72
RJ113	0	-65	260	
RJ113	50	-62.8	261.4	
RJ113	100	-59.8	262.4	
RJ113	150	-57.5	261.4	160
RJ114	0	-65	260	
RJ114	50	-60	259.7	
RJ114	100	-54.4	258.9	132
RJ115	0	-65	260	
RJ115	30	-63.2	258.1	
RJ115	60	-60.4	255.8	
RJ115	100	-57.9	259.2	
RJ115	150	-56	254.6	168
RJ116	0	-65	90	
RJ116	30	-66.4	107.6	
RJ116	60	-64.5	99.3	
RJ116	102	-64.1	107.5	
RJ116	138	-63.8	108	138
RJ117	0	-65	90	
RJ117	50	-60	113	
RJ117	100	-58.2	113.7	
RJ117	158	-56.6	116.7	158

RJ118	0	-65	90	
RJ118	50	-61.8	102.8	120
RJ119	0	-65	90	
RJ119	50	-59.9	108.6	
RJ119	100	-58.7	96	132
RJ120	0	-65	270	
RJ120	30	-62.4	274.3	
RJ120	60	-57.2	276	
RJ120	90	-52.3	282.3	
RJ120	120	-49.6	286.6	
RJ120	150	-48.8	294.8	152
RJ121	0	-65	270	
RJ121	30	-64.5	258.3	
RJ121	60	-59.2	261.9	
RJ121	102	-59.6	262.9	
RJ121	130	-60	291.9	136
RJ122	0	-70	260	
RJ122	50	-66.9	273.2	
RJ122	100	-64.3	280.3	156
RJ123	0	-61.4	261.2	
RJ123	60	-56.8	269.6	
RJ123	90	-56.8	272.2	
RJ123	132	-56	285	156
RJ124	0	-65.6	244.1	
RJ124	54	-65.9	262.3	
RJ124	102	-66.8	278.2	
RJ124	150	-65.9	282.6	
RJ124	200	-63.6	294.8	
RJ124	293	-63.8	297.7	293
RJ125	0	-65	260	
RJ125	50	-66.1	258	
RJ125	100	-64.2	279.8	
RJ125	150	-62	264.3	
RJ125	204	-58.7	295.7	
RJ125	266	-58	214.0	266
RJ126	0	-65.5	133.9	
RJ126	50	-58.5	141.1	
RJ126	100	-53.4	126	120
RJ127	0	-65	120	
RJ127	50	-61.5	127.3	
RJ127	102	-58.8	136.2	
RJ127	160	-54.3	143.3	160
RJ128	0	-65	260	
RJ128	50	-67.7	258.3	
RJ128	100	-67.2	282.4	
RJ128	150	-63	273.2	
RJ128	200	-62.8	296.7	
RJ128	250	-64.4	301.6	258
RJ129	0	-65	260	
RJ129	50	-67.2	265.3	
RJ129	100	-65.5	274	
RJ129	150	-65.5	284.7	
RJ129	200	-66.1	290.6	
RJ129	254	-66.9	295.2	255
RJ130	50	-64.2	266.9	
RJ130	100	-61.8	276	
RJ130	150	-64.5	271.8	
RJ130	204	-65.5	273.7	
RJ130	269	-66.1	263.1	269
RJ131	0	-65	240	
RJ131	50	-57.6	240	
RJ131	100	-53.8	248	
RJ131	135	-53.2	259.9	132
RJ132	0	-65	250	
RJ132	50	-61.5	247.2	
RJ132	100	-57.2	251.7	
RJ132	120	-56.4	269.8	120

Table 3
Anomalous Assays >0.5% Cu

Hole Id	From	To	Interval	Ag	Cu%	Pb%	Zn%
RJ110A	109.00	111.00	2	35.00	1.61	6.64	13.92
RJ111	56.00	57.00	1	0.00	3.63	3.83	7.73
RJ113	142.00	143.00	1	76.00	0.81	4.28	7.40
RJ113	144.00	146.00	2	77.50	0.58	9.05	10.78
RJ114	112.00	113.00	1	0.00	1.57	8.46	9.88
RJ116	108.00	116.00	8	62.00	0.70	0.01	0.09
RJ117	116.00	120.00	4	64.00	0.93	0.02	0.04
RJ118	44.00	48.00	4	163.00	0.80	7.37	4.37
RJ118	88.00	96.00	8	208.50	2.90	0.43	0.26
RJ119	84.00	92.00	8	93.00	0.76	1.88	0.80
RJ119	96.00	100.00	4	128.00	1.84	0.16	0.14
RJ121	61.00	65.00	4	16.00	2.78	0.00	0.26
RJ121	66.00	67.00	1	0.00	2.73	0.00	1.15
RJ121	70.00	71.00	1	0.00	0.88	0.00	0.00
RJ121	88.00	92.00	4	46.00	2.03	0.14	0.12
RJ121	92.00	95.00	3	23.00	1.87	0.00	0.00
RJ121	99.00	100.00	1	0.00	0.53	0.00	0.00
RJ121	102.00	105.00	3	0.00	1.56	0.00	0.00
RJ121	110.00	116.00	6	0.00	1.30	0.00	0.00
RJ121	124.00	128.00	4	0.00	2.32	0.04	0.15
RJ122	252.00	257.00	5	20.60	2.50	0.22	2.07
RJ122	259.00	260.00	1	60.00	0.50	0.85	0.57
RJ122	263.00	264.00	1	0.00	0.71	0.00	0.52
RJ123	98.00	99.00	1	0.00	3.81	0.00	0.00
RJ123	157.00	158.00	1	0.00	4.60	0.00	0.88

The second drilling program was completed on December 19 2008. Tables 4 and 5 displays the collar and survey values:

Table 4
Collar Locations

Hole Id	Northing	Easting	RL	Depth	Prospect	Date
RJ140	7494702	630140	351	174	REWARD	1208
RJ141	7494497	630096	351	150	REWARD	1208
RJ142	7494920	630320	351	108	REWARD	1208
RJ142A	7494906	630313	351	210	REWARD	1208
RJ143	7494393	630070	351	166	MARSHALL	1208
RJ144	7490504	627228	351	138	BELLBIRD	1208
RJ145	7490509	627258	351	174	BELLBIRD	1208
RJ146	7490602	627221	351	186	BELLBIRD	1208
RJ147	7490806	627221	351	156	BELLBIRD	1208
RJ148	7491244	629166	351	198	COXS FIND	1208
RJ149	7491194	629177	351	132	COXS FIND	1208
RJ150	7491250	629190	351	144	COXS FIND	1208

Table 5
Survey Values

Hole Id	Survey Depth	Dip	Azimuth
RJ140	0	-65	90
RJ140	50	-48.2	90
RJ140	90	-52	90
RJ140	150	-40.7	90
RJ140	170	-41.6	90
RJ141	0	-65	90
RJ141	50	-59	97.5
RJ141	100	-47.8	98
RJ141	150	-40.8	85.8
RJ142	0	-70	270
RJ142	48	-72	270
RJ142	80	-72.7	270

RJ142	108	-70.2	270
RJ142A	0	-65	270
RJ142A	30	-65	269.3
RJ142A	60	-65	283.8
RJ142A	96	-65.8	283.7
RJ142A	156	-62.4	296.2
RJ142A	204	-55.1	301.5
RJ143	0	-75	90
RJ143	30	-74.5	90
RJ143	60	-66	89.1
RJ143	102	-52.7	87.6
RJ143	164	-46.2	100.5
RJ144	0	-65	270
RJ144	30	-63.5	265.1
RJ144	60	-49.5	267.3
RJ144	102	-37	265.8
RJ144	132	-33.9	266.8
RJ145	0	-70	270
RJ145	30	-65.3	267.6
RJ145	72	-51.8	265.4
RJ145	114	-37.5	274.1
RJ145	156	-28.8	266.7
RJ146	0	-70	270
RJ146	30	-69	266.6
RJ146	72	-70.1	268.3
RJ146	108	-68.7	288.9
RJ146	156	-68.4	275.1
RJ146	186	-67.1	279
RJ147	0	-70	270
RJ147	42	-63.7	257.6
RJ147	84	-53.3	251.1
RJ147	126	-39.6	243.4
RJ147	156	-33	264.2
RJ148	0	-75	90
RJ148	30	-73.6	131.2
RJ148	78	-70.2	136.4
RJ148	120	-66.9	136
RJ148	175	-50.4	140.4
RJ148	198	-44	136
RJ149	0	-70	90
RJ149	50	-60.7	115.9
RJ149	84	-52	105.7
RJ149	130	-38.6	127.9
RJ150	0	-70	90
RJ150	48	-64.1	108.1
RJ150	96	-47.8	117.6
RJ150	144	-36	109.5

7. Discussion

Bellbird North Prospect

Results of the drilling at Bellbird North have confirmed the presence of a significant grade copper mineralisation plus zones of Pb and Zn. Narrow lenses of disrupted Cu, Pb and Zn mineralisation has now been confirmed over a strike length of about 200m and down dip for about 150m (Figure 2). The mineralised zone is open at depth and along strike to the north. Abundant remobilisation of mineralisation has occurred.

Reward Prospect

Drilling at the Reward Prospect, (on section 7494650N) has delineated a north plunging shoot containing significant copper grades. (See Figures 2 and 3) and has confirmed established mineralisation zones to the north.

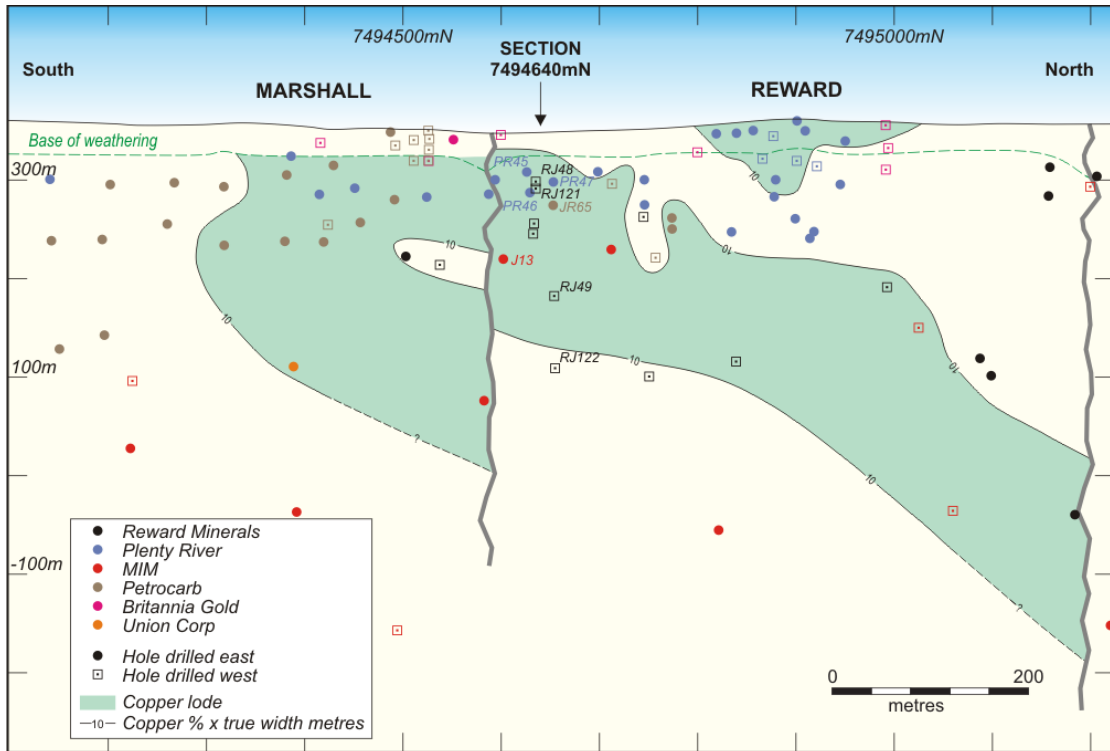


Figure 3
Marshall Prospect
Longitudinal Section
Showing Copper Intercepts

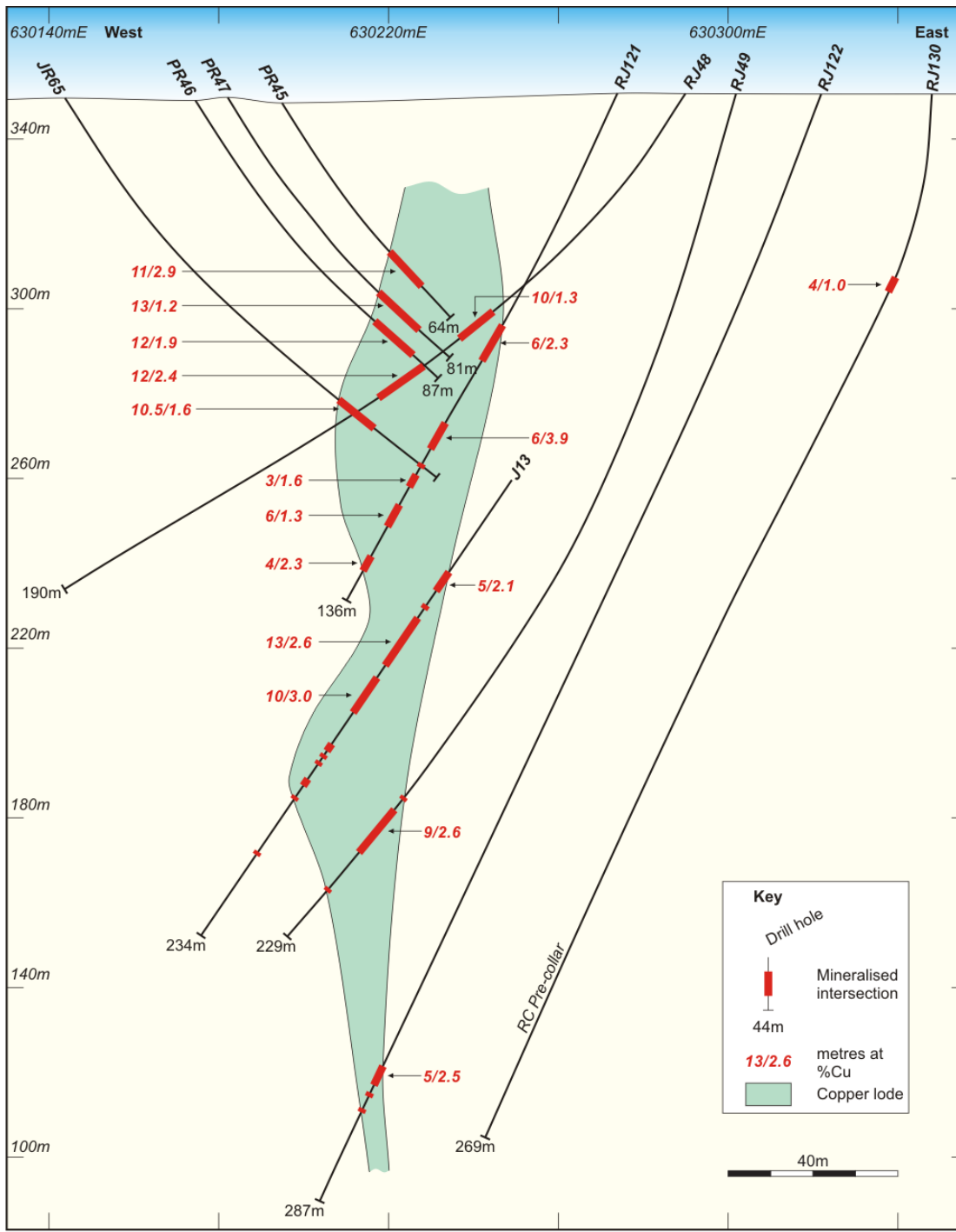


Figure 4
 Reward Prospect
 Cross Section 7494640mN
 Showing Ore Shoot and Copper Intercepts

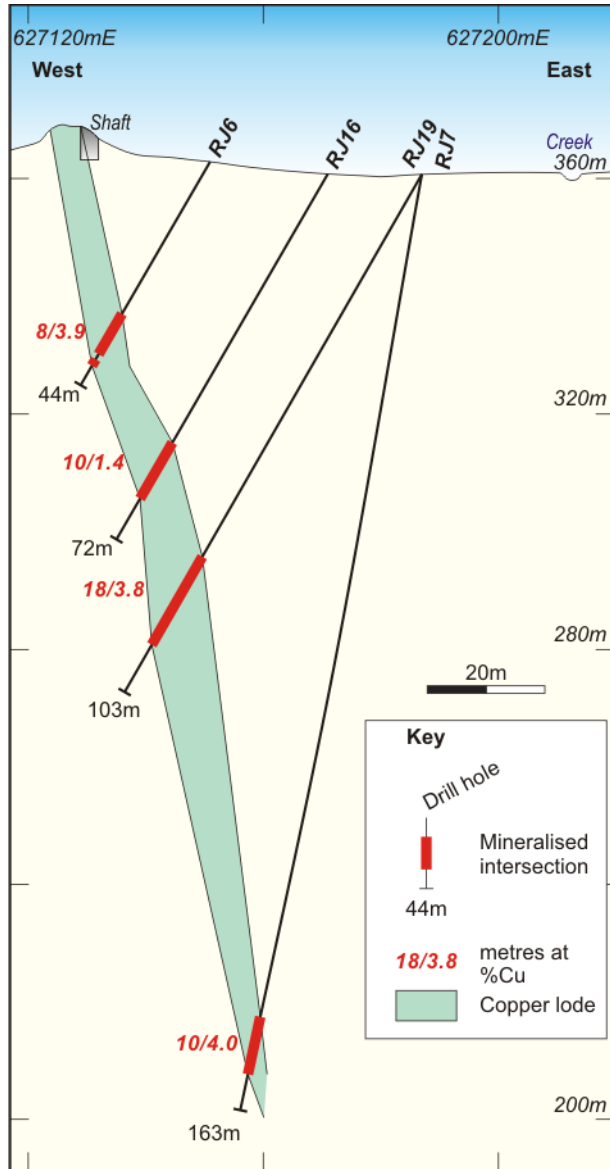


Figure 5
 Bellbird Cross Section
 7490640mN

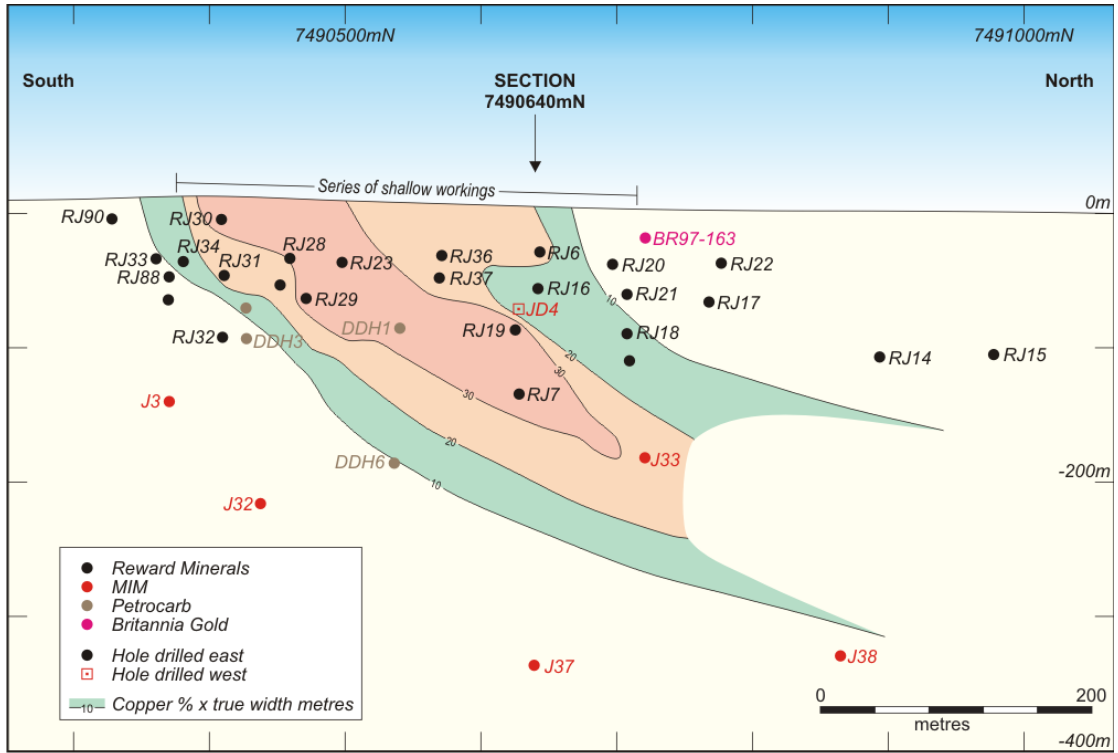
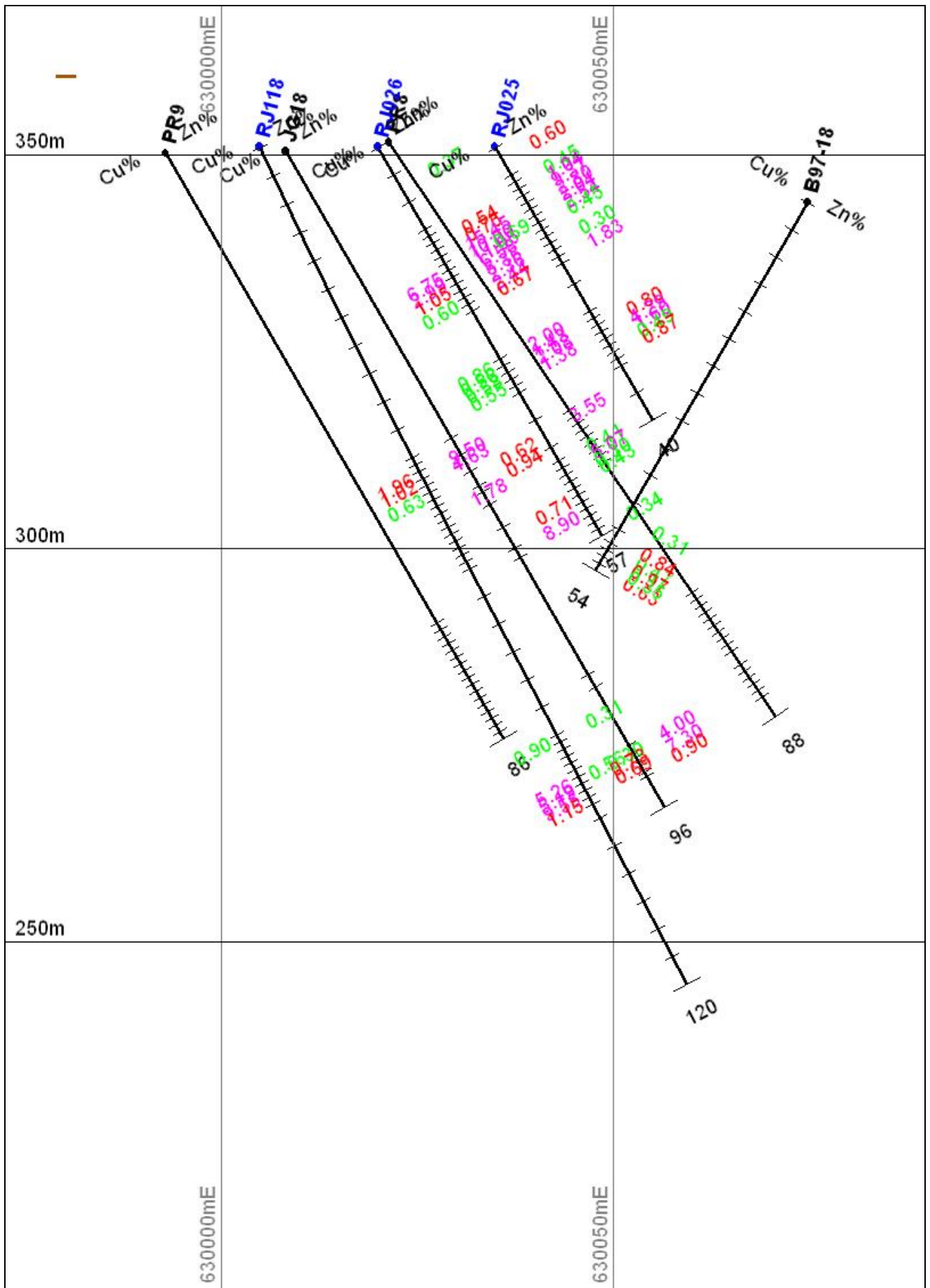


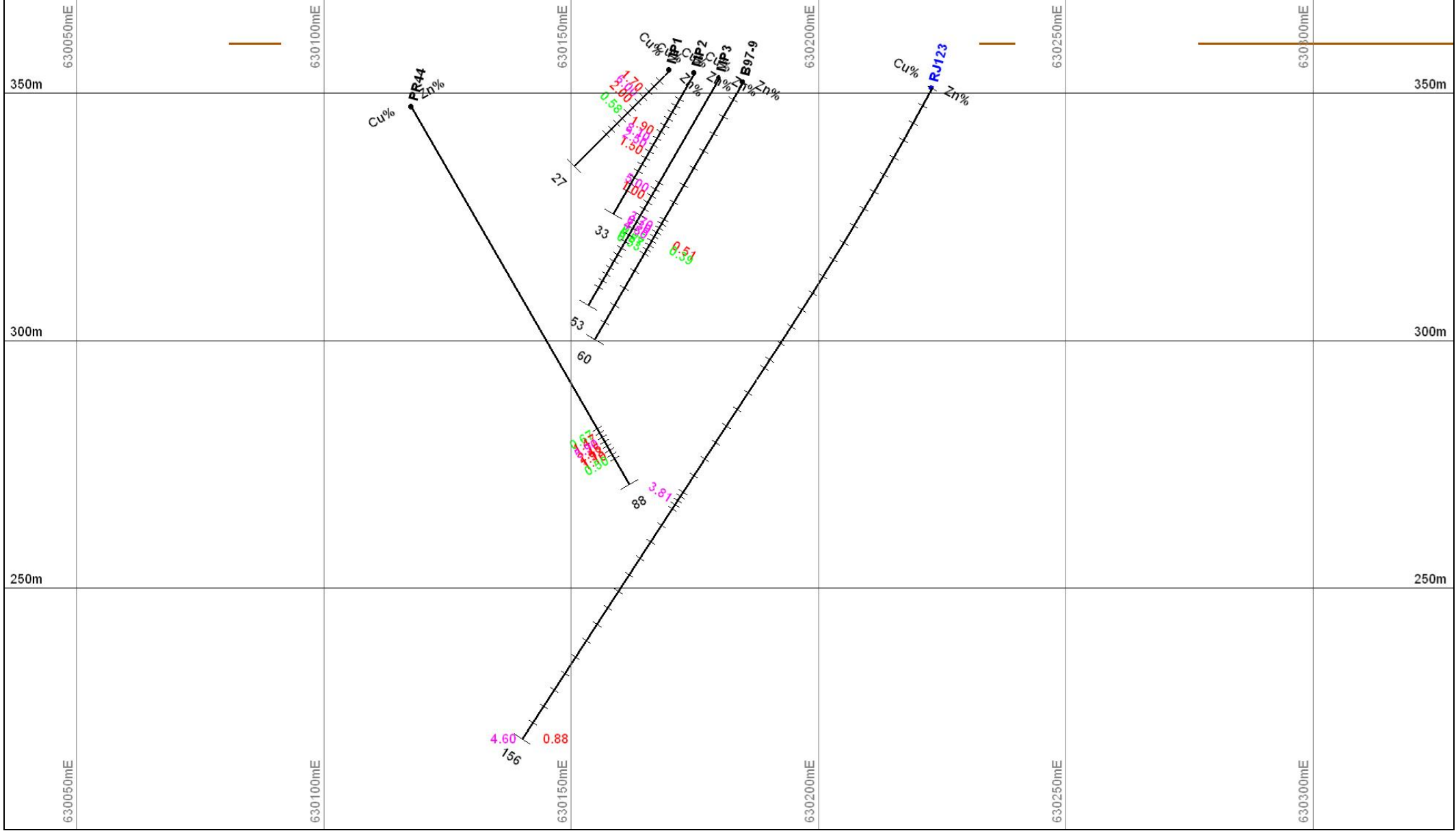
Figure 6
Bellbird Long Section

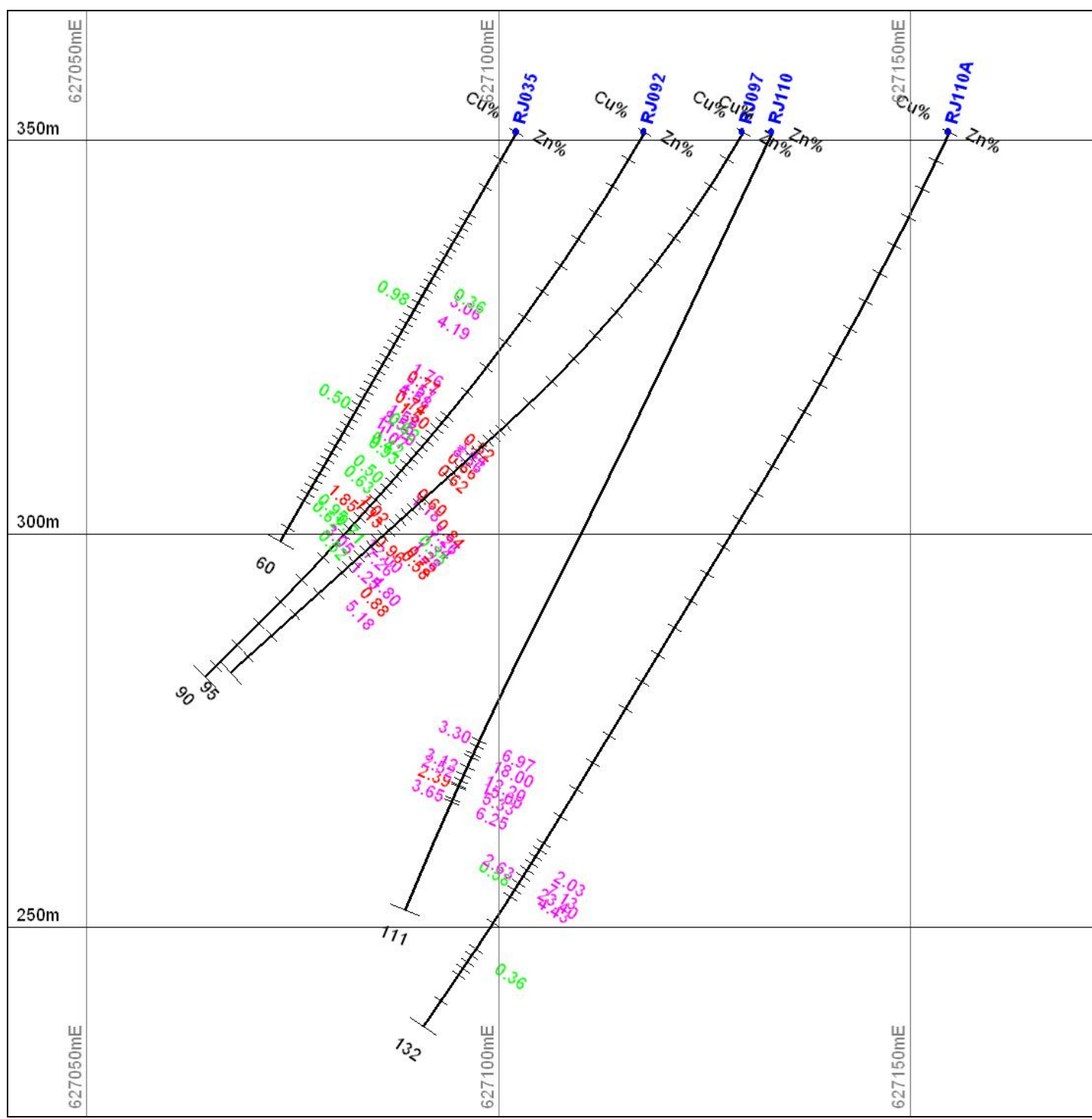
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APPENDIX 1
DRILL HOLE SECTIONS







APPENDIX 2

DIGITAL DATA

Collar File : Jervois collars 2008 RWD.txt
Assay File : Jervois assays 2008 RWD.txt
Survey File : Jervois surveys 2008 RWD.txt