REWARD MINERALS LIMITED

ANNUAL TECHNICAL REPORT

SEL 25429 “JERVOIS”

Northern Territory

Annual report for the year ending 1 February 2008

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DATE: February 2008
KEY WORDS

JERVOIS
PROTEROZOIC
COPPER
LEAD
ZINC
SILVER
BASE METALS
DRILLING
ASSAYS
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3. TENURE
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<tr>
<td>1.</td>
<td>LOCATION DIAGRAM</td>
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<td>3.</td>
<td>GRAVITY IMAGE WITH TENEMENTS</td>
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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 Substitute Exploration Licence 25429 “Jervois” and to report these to the Department of Primary Industry, Fisheries and Mines. Information from adjacent leases and claims is also included.

LOCATION
SEL 25429 is located 380 kilometres northeast of Alice Springs on the Huckitta 1:250,000 map sheet (SF53-11) and is adjacent to the mineral leases which cover the gossanous outcrop of the Jervois Mine and its extensions.

TENURE (See figure 1)
INTERDEPENDENCE OF ALL TENEMENTS IN THE PACKAGE

Exploration of the outer tenements at Jervois including SEL 25429 is facilitated by knowledge gained in the inner tenements which host the historic mines and where there has been intensive exploration over many years. New knowledge regarding the lithological setting and structural geometry of known mineralised areas will be applied to exploration within SEL 25429. Therefore this report contains a brief description of current exploration progress within the central leases.

CURRENT EXPLORATION WITHIN CENTRAL LEASES

- All available data reviewed.
- New interpretation of the local and regional structure
- 20 hole drilling program completed, testing the historic mining centres at Bellbird, Green Parrot and Marshall Reward

WORK CARRIED OUT WITHIN EL10419 DURING YEAR ENDING 4 MAY 2007

- Review of geophysics following further drilling of prospect areas
- Field examination of geophysical anomalies
- Geological/geochemical reinterpretations by consultant Rob Balde
- Locating and recording previous drilling and soil data
- Clearance by Traditional Owners of work program
1. INTRODUCTION

Substitute Exploration Licence 25429 "Jervois", is located in the Proterozoic terrain of the Arunta Inlier. The tenement is to the east and south of the mineral leases which cover the gossanous outcrop of the Jervois Mine and its extensions along strike. SEL 25429 has a total area of approximately 110.9km² (35 blocks).

MIM Exploration Pty Ltd (MIMEX) applied for the tenement in September 1999 and was both manager and operator of the subsequent Joint Venture project. Exploration conducted by MIMEX focused on finding structurally controlled high grade Mt Isa-style copper and Broken Hill-style base metals mineralisation, as well as Fe-oxide associated copper-gold mineralisation. Following the termination of the joint venture, the tenement reverted to Solbec Pharmaceuticals as per the JV agreement.

The purpose of this report is to detail exploration conducted by Reward Minerals Limited within SEL 25429 during the year ended 1 February 2008.

This report does not describe the previous exploration at Jervois, as this was set out in some detail in previous years’ report.

2. LOCATION and ACCESS

SEL 25429 is located 380 kilometres north east of Alice Springs on the Huckitta 1:250 000 map sheet (SF53 -11), and lies to the west of 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 (See Figure 2)

Figure 2
4. GEOLOGICAL SETTING

SEL 25429 lies 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 north eastern 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 are considered to be contained within the Bonya Schist, Division 2 of Arunta Orogenic Domain (Freeman, 1986). This unit is made up of quartzo- feldspathic 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.

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 then there have been many phases of exploration by large and small companies, as detailed in last year’s report and summarised below:

- 1961-1965 New Consolidated Goldfields
- 1969-1973 Petrocarb
- 1973-1974 Petrocarb Joint venture with Union Corporation
- 1980-1983 Plenty River Mining
- 1983-1984 Plenty River Mining - Anaconda Joint Venture
- 1991-1996 Plenty River Mining – Normandy-Poseidon Joint Venture
- 1997-1999 Britannia Exploration
- 1999–2002 MIM Exploration

A comprehensive bibliography is appended.

6. INTERDEPENDENCE OF ALL TENEMENTS IN THE PACKAGE

Reward currently holds tenure over the historic Jervois Mine area (Marshall-Reward to Bellbird, (Figure 1) as well as over a large tract of similar geology which is less well understood. On the basis of the known geology this outer area could well host a large base metal deposit.

It is hoped that work carried out in the mineralised zone between Marshall-Reward and Bellbird will lead to an economic discovery in that vicinity, but it may also provide a key to exploration within the broader area currently held as exploration licence SEL 25429. Current drilling at the Marshall-Reward and Bellbird prospects is providing new information regarding the lithological and metamorphic setting of the mineralisation and its structural geometry all of which can be applied to SEL 25429.

7. CURRENT EXPLORATION IN THE VICINITY OF THE MINES

Two separate RC/Diamond drilling programs totalling 21 holes for 2501 metres were completed, testing 4 main areas – the historic mining centres at Bellbird (8 holes), Reward (7 holes), Killeen(3 holes) and Cox’s Find (2 holes).
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8. CURRENT EXPLORATION

- A review of the Geophysics undertaken by MIM in 2000-2002 was completed. The interpretation was focussed on the Bellbird North prospect where a significant anomaly was felt to be untested. A field examination of the geophysical anomalies was carried out and drill sites chosen for the next drilling campaign.
- Pickup of earlier drillholes by Petrocarb Exploration NL was completed at the Van Gils prospect. The Van Gils prospect location corresponds to a strong IP anomaly generated by MIM.
- Replotting and ground confirmation of geochemistry generated by Poesidon Exploration Ltd in relation to MIM geophysical data.
• Review of the Poseidon geochem data by Mr Rob Balde with reference to earlier exploration by MIM, Poseidon Ltd, Plenty River Mining Company NL and Petrocarb Exploration with a view to further target exploration.

• Extensive review by Mr R. Balde of the geochemistry and drilling data undertaken by Posiedon Exploration at Hamburger Hill (located within EL25429).

• On the basis of the review the company elected to undertake further drilling at the Van Gils prospect. However drilling was delayed because of lack of a suitable rig during the field season and delay in obtaining clearance from the Traditional Owners. A country meeting was finally convened by the CLC and held on the 18 October 2007. Six RC holes are planned to be drilled for the next period.
REWARD MINERALS LIMITED

SEL 25429 JERVOIS

STATEMENT OF EXPENDITURE FOR 12 MONTHS ENDED 1 FEBRUARY 2008

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REWARD MINERALS LIMITED

SEL 25429 JERVOIS

PROPOSED OF EXPENDITURE FOR 12 MONTHS ENDING 1 FEBRUARY 2009

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BIBLIOGRAPHY


Ypma, P.J., 1985: Exploration report on EL 3301, EL 3202, EL 3203, and EL 3204 for the period 1 April 1984 to 1 June 1985. Plenty River Mining Company NL (Unpublished).


Ypma, P.J., K Yates and Dickson G., 1989. Review of Base Metal Exploration in the Jervois Range Area, Northern Territory for Plenty River Mining Company N.L. (unpub)