
REWARD MINERALS LTD
ACN 009 173 602

Half Year Financial Report
For The Half Year Ended 30 June 2004

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Corporate Particulars

DIRECTORS

G E Lambert
C J Van Heyst
W P Brooks

SECRETARY

J E Sendziuk

REGISTERED OFFICE

Level 1
10 Stirling Highway
NEDLANDS WA 6009
Telephone 08 9284 8812
Facsimile 08 9386 9473

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone 08 9315 0933
Facsimile 08 9315 2233

AUDITORS

Horwath Perth
128 Hay Street
SUBIACO WA 6008
Telephone 08 9380 8400
Facsimile 08 9380 8499

BANKERS

Australia and New Zealand Banking Group Limited

Directors' Report

Your directors present their report on the financial statements for the half-year ended 30 June 2004.

DIRECTORS

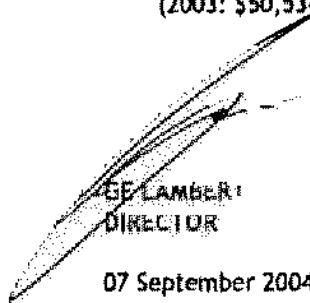
The following persons hold office as directors of Reward Minerals Ltd at the date of this report or were directors at a time during the half-year:

Geoffrey E Lambert
Cyrille J Van Heyst
William P Brooks

REVIEW AND RESULTS OF OPERATIONS

The company is now principally engaged in mineral exploration in Australia, in the half year ended 30 June 2004, the company raised an additional \$2,791,162 in working capital and exploration has commenced on the company's tenements. Announcements will be made to the ASX as results come to hand.

This report is signed in accordance with a resolution of directors. The Company incurred a loss of \$95,196 (2003: \$50,534 loss) for the half year.



GE LAMBERT
DIRECTOR

07 September 2004, Sydney

Condensed Statement of Financial Performance

For The Half-Year Ended 30 June 2004

	June 2004 \$	June 2003 \$
Revenue from ordinary activities	43,322	9,516
Exploration expenses	18,018	-
Administration expenses	120,500	60,050
Loss from ordinary activities before income tax expense	(95,196)	(50,534)
Income tax credit (expense) relating to ordinary activities	-	-
Net loss from ordinary activities after income tax expense	(95,196)	(50,534)
Net loss attributable to members of Reward Minerals Ltd	(95,196)	(50,534)
Total changes in equity other than those resulting from transactions with owners as owners	(95,196)	(50,534)
Earnings Per Share	Cents	Cents
Basic earnings per share - (loss)	(0.47)	(0.01)
Diluted earnings per share - (loss)	(0.47)	(0.01)

Condensed Statement of Financial Position

As At 30 June 2004

	June 2004 \$	December 2003 \$
CURRENT ASSETS		
Cash assets	2,919,046	372,970
Receivables	27,859	81,646
Total current assets	2,946,905	454,616
NON-CURRENT ASSETS		
Property, plant and equipment	1,044,726	525,000
Total non-current assets	1,044,726	525,000
Total assets	3,991,631	979,616
CURRENT LIABILITIES		
Payables	15,439	43,591
Other	6,715	6,715
Total current liabilities	22,154	50,306
Total liabilities	22,154	50,306
Net assets	3,969,477	929,310
EQUITY		
Contributed equity	3,861,162	725,799
Retained profits	108,315	203,511
Total equity	3,969,477	929,310

Statement Of Cash Flows

For The Half-Year Ended 30 June 2004

	June 2004 \$	June 2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from debtors	-	170
Payments to suppliers and employees	(99,273)	(50,051)
Payment for mineral exploration	(18,018)	-
Interest received	30,185	9,516
Income tax refunds received	1,746	(4,242)
Net cash used in operating activities	(85,360)	(44,607)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for mineral exploration areas	(159,726)	-
Net cash used in investing activities	(159,726)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	2,791,162	-
Net cash provided by financing activities	2,791,162	-
Net increase / (decrease) in cash held	2,546,076	(44,607)
Cash at the beginning of the half-year	372,970	933,356
Cash held at the end of the half-year	2,919,046	888,749

Notes To And Forming Part Of The Financial Statements For The Half-Year Ended 30 June 2004

1. Basis of preparation

The half-year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

It is recommended that this financial report be read in conjunction with annual financial report for the year ended 31 December 2003 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the 31 December 2003 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

	HALF-YEAR ENDED JUNE 2004 \$	HALF-YEAR ENDED JUNE 2003 \$
2. Loss From Ordinary Activities		
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Revenues		
Interest received	43,322	9,516
Expenses		
Administration expenses	120,500	60,050
Exploration expenses	18,018	-

3. Events Subsequent To Reporting Date

Since 30 June 2004 no event has arisen that would be likely to materially affect the operations of the company or the state of its affairs not otherwise disclosed in this report.

4. Contingent Liabilities

There are no contingent liabilities as at 30 June 2004.

5. Segment Information

The company is involved in mineral exploration.

The company operated for the full financial period within Australia.

Notes To And Forming Part Of The Financial Statements For The Half-Year Ended 30 June 2004

6. International Accounting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The company's directors and management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. The directors and company secretary will oversee and manage the company's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The directors are of the opinion that the key differences in the company's accounting policies which will arise from the adoption of IFRS are:

Exploration Expenditure

An IFRS on Exploration for and Evaluation of Mineral Resources has not yet been issued. Consequently, the company is unable to determine the change in policies and related impacts, if any, that may arise on adoption of IFRS on its exploration-related operations and balances at balance date.

7. Dividends

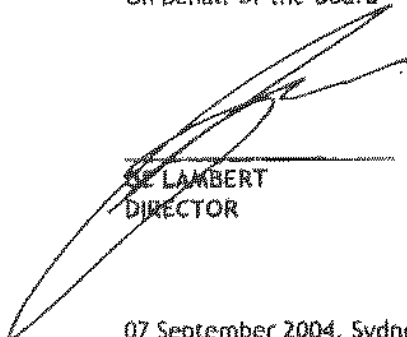
No dividends have been paid or proposed to be paid during the period.

Directors Declaration

In accordance with the resolution of the Directors of Reward Minerals Ltd, state that in the opinion of the directors;

- (a) The financial statements and notes of the company:
 - (i) give a true and fair view of the company's financial position as at 30 June 2004 and the performance for the half year ended on that date; and
 - (ii) comply with Accounting Standards AASB1029: Interim Financial Reporting and the Corporation Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



SE LAMBERT
DIRECTOR

07 September 2004, Sydney

Horwath Perth

ABN 13 412 308 092

Chartered Accountants

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**Independent review report to the members
of Reward Minerals Limited****Scope***The financial report and directors' responsibility*

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Reward Minerals Limited, for the half-year ended 30 June 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with 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.

Review approach

We conducted an independent review in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and the Corporations Act 2001, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

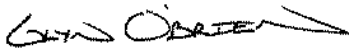
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Reward Minerals Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Dated the 7th day of September 2004.

HORWATH PERTH
Chartered Accountants

HORWATH PERTH



GLYN O'BRIEN
Partner