



MACPHERSONS REWARD GOLD LIMITED

ASX Code: MRP

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ABN 98 139 357 967
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Capital Structure

31 December 2010

Ordinary Shares on issue:
194 M

Share price:
\$ 0.41

Estimated market capitalisation:
\$ 79.5 M

Options on issue:
22 M
Exercise Price \$0.30
Expiry 31 December 2013

Board of Directors

Ashok Parekh
Chairman – Executive Director

Morrie Goodz
Managing Director – Executive
Director

Jeff Williams
Non-Executive Director

Quarterly Report

For the period ending 31 December 2010

Highlights of December Quarter

The focus of the December quarterly period was to complete due diligence drilling and support documentation activities for MacPhersons Reward Gold Ltd to become an ASX listed company. MacPhersons Reward Gold Limited (MRP) was successfully listed on the 24th December 2010.

The key outcomes of the quarter were:

- Twenty (20) diamond drillholes were completed under the MacPhersons, Powell, Salvo and Kerry open pits as part a due diligence programme.
- Fifty-nine (59) separate mineralised zones were intersected with a good correlation between twin and historical drillholes, which validated the historical database.
- Completion of mapping and geotechnical review of three (3) open pits – (MacPhersons, Powells and Bakers Find) opened during 2010.
- A new 3-dimensional geological model was developed and was supported by independent geological review.
- An aggressive exploration programme of orientated HQ-size diamond drilling was designed for commencement in January 2011.

Activities Commenced Since the End of December Quarter

- Fugro Spatial Services have completed airborne ortho-imagery and DEM surveys.
- Mapping of the A-Cap and Franks Find historical mine workings.
- Fugro Airborne have completed geophysical data studies including high resolution magnetic, radiometrics and DTM surveys.
- Two year contract for diamond drilling awarded to HMR Drilling Services P/L.
- First HMR diamond core drilling rig arrives on site
- Water boring (RC) and infrastructure sterilisation drilling contract signed with Arrinooka Drilling.
- Significant increase in company staffing levels to carry our the exploration programmes.

Upcoming Activities

- Diamond drilling to commence at the Bakers Find open pit on 30 January 2011
- Water bore drilling (RC) and infrastructure sterilisation drilling (RC) will commence at the MacPhersons Reward and A-Cap pits on 31 January 2011.

Quarterly Overview

MacPhersons Reward Gold Ltd (MRP) strategy is to aggressively explore the eastern portion of the Coolgardie goldfield which has had very little drilling below the 70m depth profile, but since 1983 has had a significant amount of success in identifying gold occurrences on the surface (Figure 1).

The focus of the December 2010 Quarter was specifically to move the company from a privately funded operation to a listed company with the available capital to achieve the goals we have set. By December 2010, the project had achieved the reopening of three open pit mines, a pit cutback, construction of an operations site at the MacPhersons Reward mine, validation of the historical drilling through a due diligence diamond drill programme, and preparation of an aggressive drill programme to test the 'big pit' opportunity through the merger of adjacent pits. There currently exist 8 small open pits and several historical shafts over a strikelength of 2km.

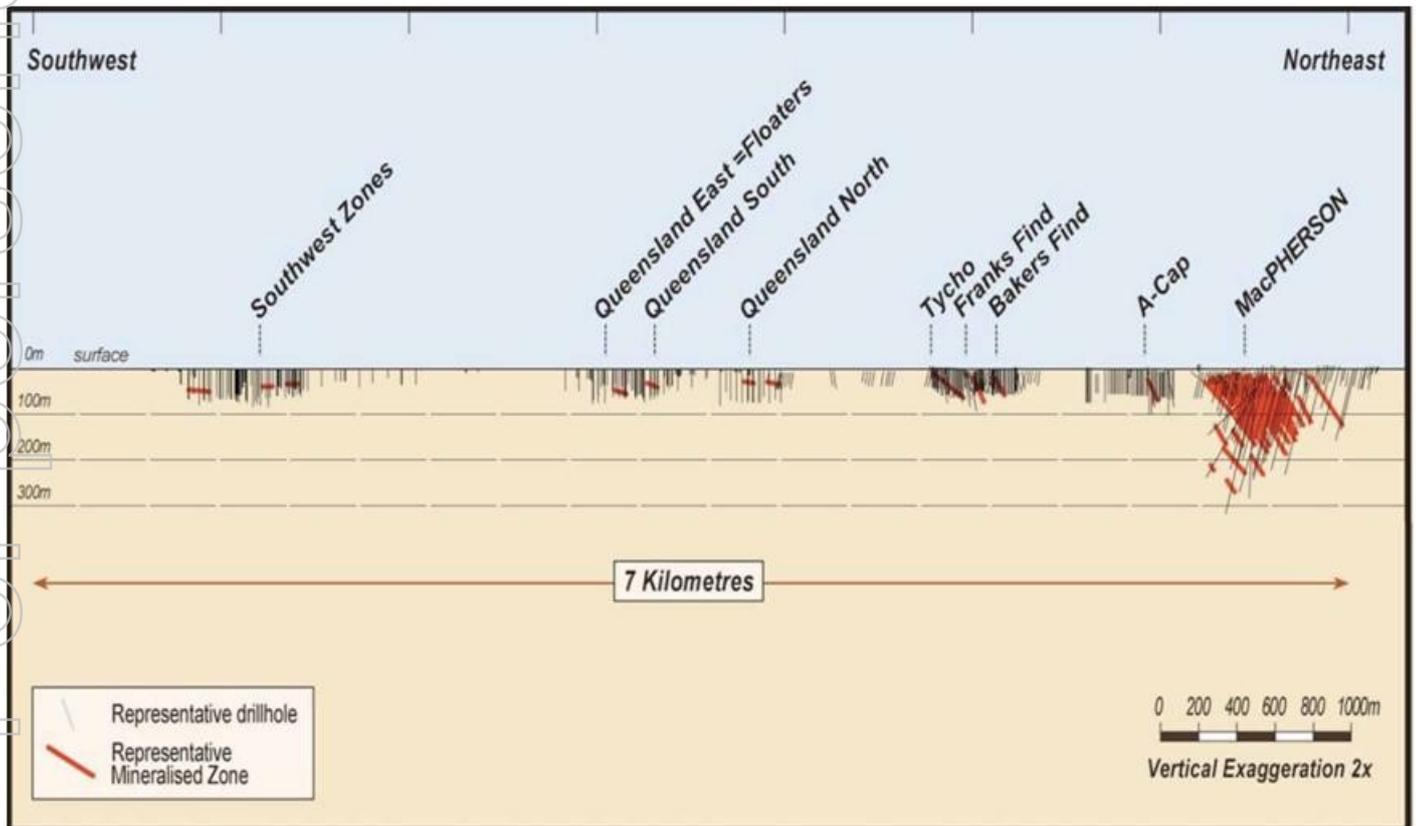


Figure 1 – Drillholes shown on 7 km strike longitudinal section of 100% MRP tenure, with >95% of drilling to <70m test depth.





The project focus initially will be on carrying out the necessary exploration to assess the big pit option by drilling between and under the existing eight open cuts. This will be through a two prong approach with one diamond rig commencing on the southern deposits (initially at the Bakers Find Pit); the second diamond rig will start on the A-Cap – Powell pit pillars. The location of these pits is shown in Figure 2.

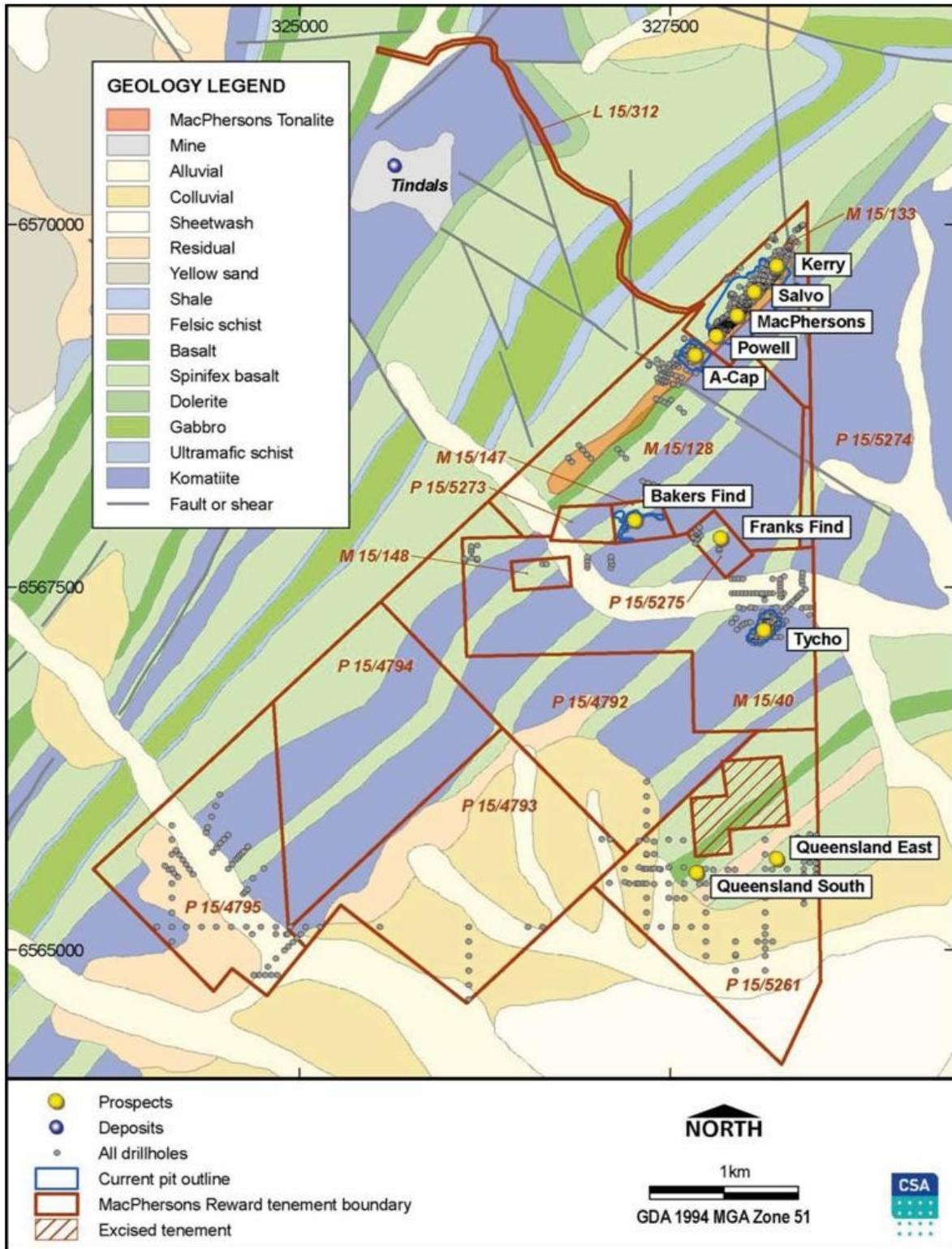


Figure 2 – Detailed geology of the MacPhersons line of workings

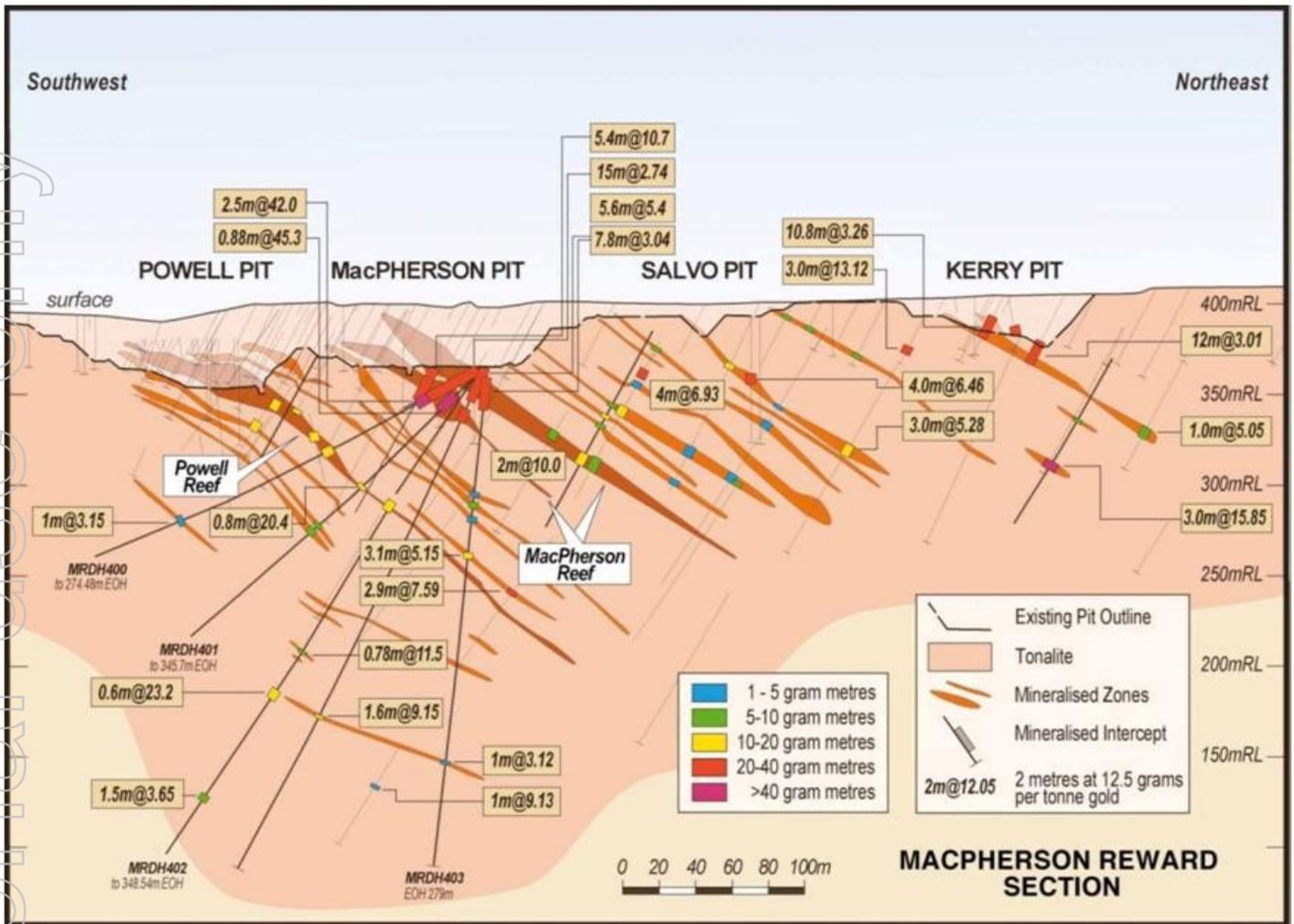


Figure 4 – MacPhersons Reward Open Pit section MR19XP, looking northwest.

For more information on MacPhersons Reward and to subscribe for regular updates, please visit our website at: www.macphersonsreward.com.au or contact our Kalgoorlie office care of Morrie Goodz.

For and on behalf of the Board,


Morrie Goodz
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About MacPhersons

MacPhersons Reward is a Kalgoorlie-based gold resource company with a number of advanced exploration projects located 37 km southwest of Kalgoorlie. Following two years of tenement acquisition MacPhersons Reward has for the first time put together 7 km of strike extension along the MacPherson open pit.

The tenement package has 8 open pits and 2 recent discoveries over a strikelength of 3 Km, that provide significant potential for both strike and depth extensions to the known mineralised zones, with >95% of historical drilling being shallower than 70 metres. There are no records of diamond drilling beyond the MacPherson open pit and no geological models, yet a substantial history of surface discoveries and workings.

The Company believes that its aggressive diamond drilling programme will unlock the geological mysteries and deliver value to the shareholders.

Competent Person's Statement

The information in this report that relates to mineral resources and exploration results is based on information compiled by Mr Morrie Goodz who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Morrie Goodz is a full time officer of MacPhersons Reward and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Goodz has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.