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**LAKE DISAPPOINTMENT PROJECT
HIGH YIELDS AND POTASH GRADES OBTAINED FROM RECENT
PILOT EVAPORATION TRIAL**

**ASX ANNOUNCEMENT
16 JULY 2013**

Reward Minerals Ltd is pleased to advise of very encouraging results obtained from a recent laboratory/pilot scale evaporation trial conduct in Perth late June early July 2013 (see Table I).

The trial achieved a Potassium (K) recovery of 80.2% in a harvest grading 8.06% K. The Potassium yield was increased to 91.9% with a fourth evaporation stage leading to an overall harvest product grading 6.97% K for the four stage process.

Importantly, the sodium chloride (NaCl) content of the harvest products were low at 11.5% and 9.95% NaCl respectively.

The current trial was a follow up to the 10,000 litre pilot evaporation trial carried out by Reward at Sylvania Station earlier this year where the harvest grade/recovery figures were:

Product A	3.44% K	-	Potash Recovery 47.5%	(63.5% NaCl)
Product B	8.80% K	-	Potash Recovery 40.0%	(29.8% NaCl)
Composite	4.80% K	-	Potash Recovery 87.5%	(57.0% NaCl)

The products from the earlier Sylvania Trial were contained higher levels of sodium chloride particularly the early stage (A) product. The considerable improvement obtained in the recent trial was achieved by back mixing of high magnesium chloride ($MgCl_2$) brine remaining from the late stages of the brine evaporation cycle.

The recycle of high $MgCl_2$ brine to an early stage of the evaporation cycle causes rapid deposition of NaCl prior to crystallization of any of the Potash Salts (see Figures 1 and 2).

This results in higher grade Potash harvest with the correspondingly lower sodium chloride content. The current trial results demonstrate that this technique should prove very effective in processing Lake Disappointment brines for Potash recovery.



PROCESS IMPLICATIONS

The low sodium chloride (NaCl) content of the trial harvest is of particular importance in the overall process for producing Potassium Sulfate (SOP) at Lake Disappointment. Maintaining the NaCl content of the Potash harvest below 20% has the potential to eliminate the flotation stage from the currently proposed flowsheet (Figure 3).

The primary function of the flotation stage is to upgrade the harvest Potash salts (Schoenite/Leonite) by removal of NaCl prior to their processing to SOP. If the NaCl content is low (<20%) it will dissolve entirely during the milling/conversion stage (Figure 3) of the process thereby eliminating the requirement for the flotation upgrading step in the process. Metallurgical testwork undertaken to date appears to confirm this possibility and that a relatively well balanced overall flowsheet exists without the flotation step.

The elimination of the flotation stage would lead to a significant reduction in the capital and operating costs for the project.

Further testwork is in progress to optimize the brine evaporation parameters with the inclusion of the end brine and conversion brine recycle streams. Results will be available shortly.

In the meantime, Reward has engaged Simulus Engineers to revamp the flowsheet/Mass Balance/Plant Design calculations and commence the Lake Disappointment Project Scoping Study.

Further information will be provided as it becomes available.

Michael Ruane
Director
on behalf of the Board



Table I

Phase III - Brine Evaporation Trial – July 2013

Stage	Solids Product Analyses						
	K %	Mg %	Na %	Cl %	SO ₄ %	Ca %	Mass gm
1	0.49	0.92	31.30	51.2	1.60	0.040	2,761
2	0.75	3.69	19.60	35.0	12.00	0.062	3,375
3	7.32	7.60	5.07	20.0	23.40	0.103	2,845
4	8.98	8.09	3.87	21.8	23.40	0.187	1,662
5	8.96	8.77	3.82	27.4	16.80	0.450	676
6	3.77	10.46	2.12	21.4	17.40	0.180	1,763
7	0.39	10.95	0.26	27.40	5.80	0.190	1,712
Brines*							
Feed	19.55	53.25	53.45	210	55.0	0.1	37,300
End	0.85	133.7	1.80	N/A	N/A	0.15	5,885

*Analyses in gm/litre



Figure 1

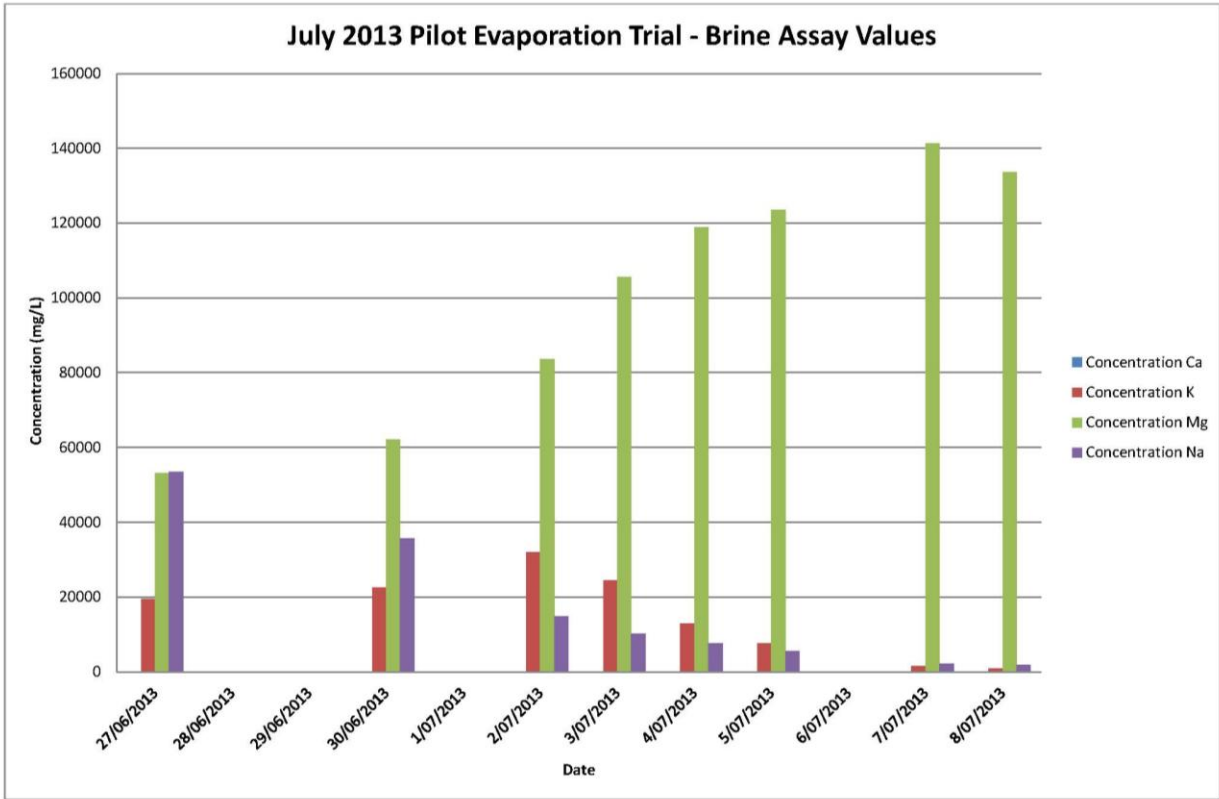


Figure 2

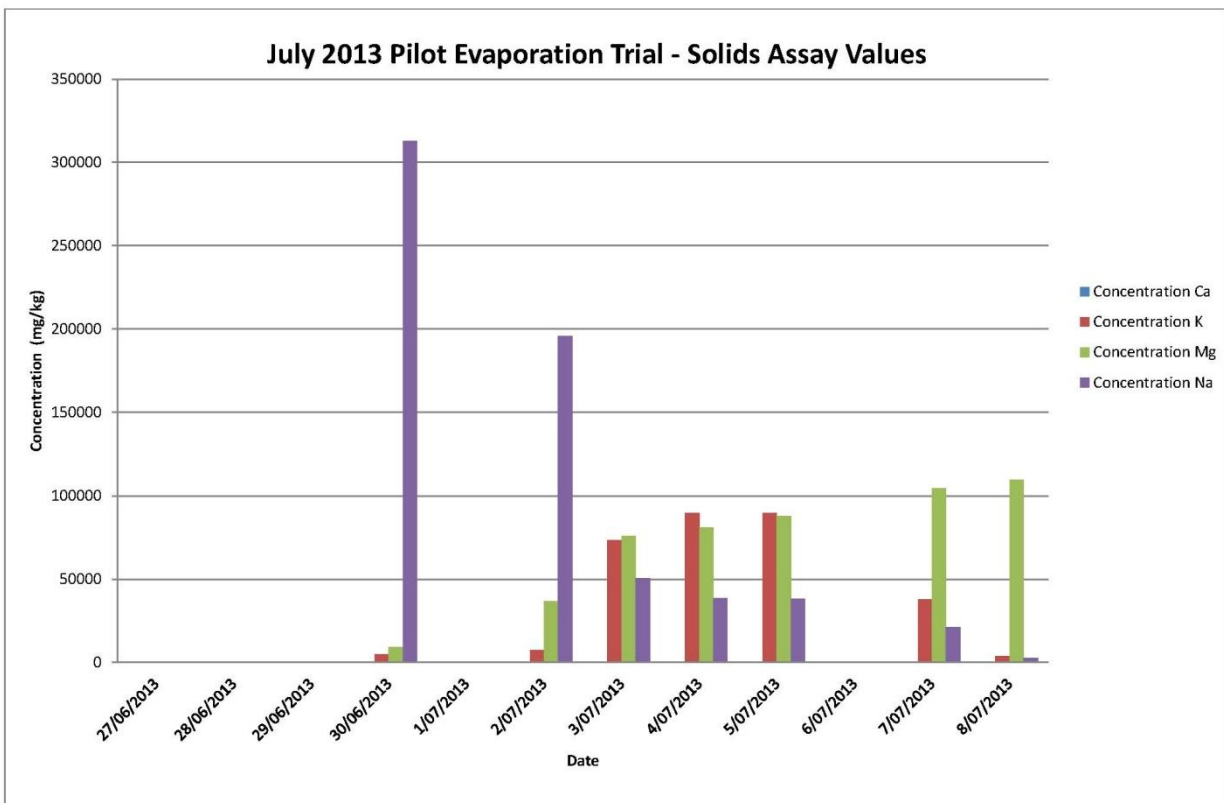


Figure 3
Proposed Process Flowsheet – Lake Disappointment Project

