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30 July 2013

Dear Security Holder

**NON-RENOUNCEABLE RIGHTS ISSUE**

On 30 July 2013, Reward Minerals Limited (**Company**) lodged a prospectus (**Prospectus**) with ASX Limited (**ASX**) and the Australian Securities and Investments Commission (**ASIC**) for a pro-rata non-renounceable rights issue of approximately 24,602,998 ordinary fully paid shares in the Company (**New Shares**), on the basis of one (1) New Share for every three (3) Shares held on 9 August 2013 (**Record Date**) to be issued at 20 cents per New Share to raise approximately \$4,920,600 before costs and one (1) free New Option for every two (2) New Shares subscribed for under the Prospectus (**Rights Issue**). The New Options have an exercise price of 25 cents and an expiry date of 30 June 2016.

A full copy of the Prospectus will be mailed on or about 15 August 2013 to all registered Shareholders at the Record Date (**Eligible Shareholders**). The prospectus is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) or the Company's website at [www.rewardminerals.com](http://www.rewardminerals.com).

The Rights Issue is not underwritten. Blackswan Equities Limited is acting as Lead Manager to place any Shortfall Securities. The Lead Manager will be paid a fee of 5% plus GST of the amount received by the Company for Shortfall Securities placed, receive 2,000,000 Lead Manager Options (being the same terms as the New Options) and be paid a monthly retainer of \$10,000 per month for 6 months commencing on completion of placing of all the Shortfall Securities.

Minimum subscription under the Rights Issue is \$1,400,000 and full subscription is \$4,920,600.

The timetable for the Rights Issue is as follows:

|  |                  |
|--|------------------|
| Ex Date (the date from which securities commence trading without the entitlement to participate in the rights issue) | 2 August 2013    |
| Record Date for determining entitlements of Eligible Shareholders to participate in the Rights Issue                 | 9 August 2013    |
| Prospectus despatched and Opening Date   | 15 August 2013   |
| Closing Date   | 29 August 2013   |
| Deferred Settlement Trading  | 30 August 2013   |
| Notification of Undersubscriptions to ASX  | 3 September 2013 |
| Despatch Shareholder Notices   | 6 September 2013 |
| Deferred Settlement Trading Ends   | 6 September 2013 |
| Normal Trading   | 9 September 2013 |

**Note:** These dates are determined based upon the current expectations of the Directors and may, subject to the Listing Rules, be changed without notice. The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

It is intended that the proceeds from the Rights Issue assuming full subscription will be used for:

- Repayment of a loan facility.
- Completion of the access road and base exploration camp at the Lake Disappointment Project.
- Infill drilling and Brine pumping trials at the Lake Disappointment Project.
- Completion of metallurgical testwork and flowsheet design for the Lake Disappointment Project.
- Scoping study on the Lake Disappointment Project.
- Feasibility study upon the Lake Disappointment Project (in the event that moneys are received beyond Minimum Subscription).
- General working capital.
- Payment of the costs of the Rights Issue process.

The capital structure of the Company post-completion of the Rights Issue assuming full subscription will be as follows:

| <b>Description</b>                               | <b>Shares</b>     | <b>Options</b>    |
|--|-------------------|-------------------|
| Securities on issue pre Rights Issue             | 73,808,996        | 12,150,000        |
| Securities issued pursuant to Rights Issue       | 24,602,998        | 12,301,499        |
| Lead Manager Options                             | 0                 | 2,000,000         |
| <b>Total securities on issue post-completion</b> | <b>98,411,994</b> | <b>26,451,499</b> |

Application will be made to the ASX for official quotation of the Shares offered under the Rights Issue. In the calculation of any entitlement, fractions will be rounded down to the nearest whole number. No shareholder approval is required to the Rights Issue.

### **Option Holders Only**

Existing option holders may participate in the Rights Issue upon exercise of their options. There are no participating rights or entitlements inherent in the options and you are not entitled to participate in new issues of capital offered to shareholders during the currency of your options. You have the ability to exercise your options prior to the Record Date, being 9 August 2013, which will entitle you to participate in the Rights Issue. Please contact the share registry, Security Transfer Registrars Pty Ltd (telephone 08 9315 2333) if you wish to exercise your options.

If you have any queries concerning your entitlement or participation in the Rights Issue, please do not hesitate to contact the Company.

Yours faithfully



**Bianca Taveira**  
**Company Secretary**