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NON-RENOUCEABLE RIGHTS ISSUE – ALLOTMENT OF SHORTFALL

**ASX ANNOUNCEMENT
8 OCTOBER 2013**

Reward Minerals Ltd advises in respect of the current Rights Issue that Lead Manager Blackswan Equities Ltd has placed 10,350,000 shortfall shares and 5,175,000 attaching options raising \$2,070,000 bringing the total raised to date to \$4,808,800 of the \$4,920,600 offering. The Lead Manager has received commitments for the remaining shares and options (\$111,800). The shares and options subscribed for so far will be allotted immediately.

Reward is pleased to complete the Capital Raising in a difficult market and expresses its appreciation to Blackswan Equities in achieving full uptake of the shortfall securities.

The current issued capital of the Company after taking the above into account is as follows:

| | Issued Capital as at 30 July 2013 | Accepted Shares and attaching Options | Total Issued Capital as at 8 October 2013 |
|--|--|--|--|
| Ordinary Fully Paid Shares | 73,808,996 | 24,124,195 | 97,933,191 |
| Listed Options expiring 30 June 2016 exercisable at \$0.25 cents | 0 | 12,062,049 | 12,062,049 |

Funds raised from the issue will be primarily directed to the next phase of works at the Lake Disappointment Potash Project. These works include:

Infill drilling – Resource upgrade – Tonnage and JORC Resource status
Geotechnical Evaluation – Pond Design, Seepage Parameters
Brine Recovery Trials – Lake Trenching – Pumping trials
Metallurgical Testwork – Finalisation of Flowsheet and Plant Design
Environmental – Flora and Fauna Baseline Study Phase 2



The Company has recently completed the Lake Disappointment Access Track and Base Camp installation (see Photos). Power, water and plumbing works have been completed this week hence the next round of works can now proceed from a fully functional base.



Reward anticipates completion of the infill drilling of Lake Disappointment by the end of November. Installation of the (nine) brine trenches and associated monitoring stations will commence as soon as practicable. Timing of the program is somewhat dependent on delivery of the amphibious excavator unit selected for the purpose. It is hoped that these works will be well advanced by the end of December 2013.

Recent Metallurgical testwork results have been very encouraging. Brine evaporation trials have consistently produced a harvest product grading above 9.0% Potassium (K) and containing less than 15% Sodium Chloride (NaCl) at yields of around 80% of K input. Testwork on recovery of Potassium Sulfate (K_2SO_4 – SOP) from the harvest product is also well advanced and appears to confirm conventional process parameters for SOP production from Lake Disappointment brine. With the K grades and low levels of NaCl being obtained in the crude harvest, it appears that the flotation circuit previously included in the process design may be dispensed with thereby greatly simplifying SOP recovery operations.

The current Metallurgical testwork program designed to finalise the process parameters for a fully balanced circuit is expected to be completed within the next few weeks. This will enable the process engineers to firm up plant design and costings for Scoping Study purposes.

Further information on Company progress and new developments will be provided in the forthcoming Quarterly Report.

Michael Ruane
Director