

REWARD MINERALS LIMITED
ACN 009 173 602

PROSPECTUS

For the offer of a non-renounceable pro-rata rights issue to Eligible Shareholders of approximately 27,152,079 New Shares, on the basis of 1 New Share for every 5 Shares held at an issue price of 18 cents per New Share, to raise up to approximately \$4,887,374 before costs and approximately 13,576,040 New Options on the basis of 1 free attaching New Option for every 2 New Shares issued, with each New Option having an exercise price of 24 cents and an expiry date of 30 June 2021

The Shortfall is underwritten by Mac Equity Partners Pty Ltd to \$1,500,000.

IMPORTANT NOTICE

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. You should read the entire document including the Entitlement and Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

The New Shares and New Options offered by this Prospectus should be considered highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 16 July 2018 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares and New Options will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

Restrictions on distribution

The Offer is made in Australia and New Zealand only. This Prospectus does not constitute an Offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus can be downloaded from our website at www.rewardminerals.com. If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

Competent person statement

The information in this Prospectus that relates to Resource Estimation and hydrogeology is based on information compiled by Mr Robert Kinnell, a hydrogeologist and Competent Person who is a Member of The Australian Institute of Mining and Metallurgy and a Fellow of the Geological Society of London. Mr Kinnell is employed by Strategic Water Management and is a consultant to the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kinnell consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Brine and Sediment Assays and Analyses is based on information compiled by Dr Geoff Browne, of SBL Browne Pty Ltd, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. SBL Browne Pty Ltd provides consulting services to Reward Minerals. Dr Browne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Browne consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

The ASX announcement dated 7 February 2017 titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" contains full details of the Mineral Resource. The Company confirms that it is not aware of any new information or data that materially affects the information included in the 2017 announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented in the original ASX announcement have not been materially modified.

The ASX announcement dated 1 May 2018 titled "PFS Confirms LD Project as a Globally Significant SOP Project" contains full details of the LD Brine SOP Project Pre-Feasibility Study ("PFS"). Additional progress has been made on the Project and an ASX Announcement dated 13 July 2018 titled "LD SOP Project PFS Enhancements" contains additional relevant information. The Company confirms that it is not aware of any new information or data that materially affects the information included in these two announcements and that all material assumptions and technical parameters underpinning the LD SOP Project continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented in the ASX announcements have not been materially modified.

CORPORATE DIRECTORY

DIRECTORS

Mr Colin McCavana (Non-Executive Chairman)
Dr Michael Ruane (Executive Director)
Mr Rod Della Vedova (Non-Executive Director)

CHIEF EXECUTIVE OFFICER

Mr Greg Cochran

COMPANY SECRETARY

Mrs Bianca Taveira

BUSINESS OFFICE

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SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011

UNDERWRITER AND LEAD MANAGER

Mac Equity Partners Pty Ltd
Suite 7, 29 The Avenue
Nedlands WA 6009

SHARE REGISTRY *

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153

Tel: 1300 992 916

Fax: +61 8 9315 2233

* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

TIMETABLE

Prospectus lodged with ASIC and ASX	16 July 2018
"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer)	19 July 2018
Record Date (to determine eligibility of Shareholders to participate in the Offer)	20 July 2018
Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	25 July 2018
Closing Date	8 August 2018
Issue date	15 August 2018
New Shares commence normal trading on ASX.	16 August 2018

Please note that these dates are subject to change. We reserve the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.

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Chairman's Letter

Dear Shareholders,

On behalf of the Board of Directors of Reward Minerals Limited, I am pleased to advise the Company is undertaking a partially underwritten rights issue to raise up to approximately \$4,887,374. All Eligible Shareholders are entitled to subscribe for 1 New Share, at an issue price of 18 cents per New Share, for every 5 Shares held on the Record Date of 20 July 2018. Eligible Shareholders will also receive 1 free attaching New Option for every 2 New Shares issued. Each New Option will have an exercise price of 24 cents and expire on 30 June 2021. A maximum of approximately 27,152,079 New Shares and approximately 13,576,040 New Options will be issued through the Offer.

Over the last 12 months the Company has continued to make excellent progress on its Lake Disappointment Sulphate of Potash ("SOP") Project (the "LD Project"). The Company completed the Project Pre-Feasibility Study ("PFS") and submitted the Environmental Review Document (ERD), which is under review by the Environmental Protection Agency of Western Australia and the Federal Department of the Environment and Energy. The completion of the PFS earlier this year and the lodgement of the ERD at the end of last year were major milestones for the Company.

The Company has also recently undertaken large scale pumping trials on two 1 km (x 2 m deep) brine trenches in the northern sector of the LD Project. The trenches have been pumped at flow rates of 7 - 12 litres per second for extended periods (25 to 65 days) and are continuing. Brine drawdown and extraction parameters from these trials will be incorporated into the hydrological models for brine supply via surface trenches on the Lake Disappointment playa. The trenches are being deepened to assess the additional brine recovery from lake sediments in the 2 to 5 metre depth zone. SOP grade of brine pumped has remained consistently above 12kg/m³.

A critical component of a successful brine operation is the evaporation pond performance. The Company has completed a number of pilot pond trials and constructed two new pilot evaporation ponds in the final quarter of 2017. These trials are continuing in 2018 and will provide essential data on brine evaporation and pond seepage rates for the LD Project. Plans are advanced for construction of larger scale ponds to investigate different pond design and construction methodologies and the application to proceed with these ponds has been lodged with the authorities.

The Company was pleased to appoint its new Chief Executive Officer, Greg Cochran at the end of 2017. As an experienced senior international mining executive, he brings a fresh perspective and renewed focus on the Company's strategy and the development of its flagship LD Project.

The proceeds raised from the Offer will be used to continue a range of site activities to de-risk the LD Project and to advance a Definitive Feasibility Study as well as enable additional resource work and hydrological modelling to be completed. Funds will also be allocated to ongoing engagement with the regulators in regard to the LD Project's environmental assessment, tenement holding costs, provide general working capital and cover the repayment of a loan facility and the expenses associated with the Offer.

On behalf of the Board I encourage you to review the Prospectus in full. I also wish to take this opportunity to thank you and look forward to receiving your support of the Offer.

Yours sincerely,

Colin McCavana
Non-Executive Chairman

1. INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Shares and New Options to Eligible Shareholders by a non-renounceable rights issue.</p> <p>Under the Rights Issue, Eligible Shareholders may subscribe for 1 New Share for every 5 Shares held on the Record Date. Each Eligible Shareholder will also be entitled to 1 free New Option for every 2 New Shares subscribed for under the Prospectus.</p>	Section 2.1
What is the Issue Price for the New Shares?	The Issue Price is 18 cents per New Share.	Section 2.1
What are the terms of the New Options?	The New Options have an exercise price of 24 cents and an expiry date of 30 June 2021. The full terms of the New Options are set out in Section 6.2.	Section 6.2
Who is an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders only.</p> <p>An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date.</p>	Section 5.1
How many New Securities will be issued?	The maximum number of securities that may be issued under the Offer is 27,152,079 New Shares and 13,576,040 New Options.	Section 2.1
What is the amount that will be raised under the Offer?	<p>At the date of this Prospectus the maximum amount that may be raised under the Offer is \$4,887,374.</p> <p>The actual amount of funds that will be raised under the Offer is not known as it depends upon Eligible Shareholders take-up of the Offer and the placing of subsequent Shortfall.</p>	Section 2.1
What is minimum subscription?	<p>The Minimum Subscription is \$2,780,769.</p> <p>This equates to the commitment given by Dr Ruane that he and entities associated with him will subscribe for \$1,280,769 plus the Underwritten Amount of \$1,500,000.</p>	Section 5.1
What is the purpose of the Offer?	<p>The purpose of the Offer is to raise funds to:</p> <ul style="list-style-type: none">• Repay a loan facility.• Continue activities to de-risk the LD Project.• Advance studies relating to the LD Project.• Ongoing engagement with regulators for the Environmental Assessment of the LD Project.• General working capital.	Section 2.2

Question	Response	Where to find more information
	<ul style="list-style-type: none"> • Payment of the costs of the rights issue process including an underwriting fee. <p>A budget of how we intend to use the funds raised both at Minimum Subscription and Full Subscription is set out in Section 2.2. As with any budget, new circumstances may change the way we apply the funds.</p>	
<p>What is the effect of the Offer?</p>	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"> • Increase the number of Shares and Options on issue. • Increase our cash reserves by approximately \$4,887,374 (at Full Subscription and before the costs of the Offer). 	<p>Section 2.3</p>
<p>What are the risks of a further investment in the Company?</p>	<p>The Rights Issue should be considered highly speculative. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <ul style="list-style-type: none"> • Development risk – Resource development is by its nature a high risk undertaking. The key focus of the Company is the development of the LD Project which features an Indicated and Inferred Drainable Resource of 153 million tonnes of Sulfate of Potash ("SOP" – K₂SO₄). Please refer to ASX announcements dated 7 February 2017 titled "Lake Disappointment (LD) Project Confirmed as a Globally Significant Tier 1 Sulphate of Potash Deposit" for full details of the Mineral Resource and 1 May 2018 titled "PFS Confirms LD Project as a Globally Significant SOP Project" for full details of the PFS. There is no assurance that the Company's development on its projects including the LD Project will result in a commercially viable operation. • Future capital needs and additional funding – The Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all which would prejudice the development of the projects and the viability of the Company. • SOP price – The Company is seeking to develop the LD Project. Adverse fluctuations in the SOP price may detrimentally affect the LD Project and the Company. • Aboriginal heritage/Native title risk – The Company has a registered Indigenous Land Use Agreement (ILUA) with the Martu land holders, however, it needs to maintain workable arrangements with native title parties to ensure heritage clearance for works and development 	<p>Section 4</p>

Question	Response	Where to find more information
	<p>programmes are obtained.</p> <ul style="list-style-type: none"> • Reliance on key personnel - The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry and the Company's ability to retain its key executives. • General market risk – Stock market trading conditions may affect the Company's share price regardless of the Company's underlying performance. 	
<p>What are the underwriting and Lead Manager arrangements?</p>	<p>Mac Equity Partners Pty Ltd (the Broker) is both the Underwriter and the Lead Manager.</p> <p>The Broker has agreed to underwrite the Shortfall to the amount of \$1,500,000 (the Underwritten Amount) and will be paid a fixed underwriting fee of \$50,000 plus 5% of the Underwritten Amount (\$75,000) being a total of \$125,000 plus GST.</p> <p>The Broker has appointed Tyson Resources as sub-underwriter to subscribe for the Shortfall up to \$1,500,000 (which is equal to the Underwritten Amount). The Broker (and not the Company) will pay Tyson Resources the sub-underwriting fee of 4% of the Underwritten Amount (\$60,000 plus GST).</p> <p>Tyson Resources is an entity controlled by Dr Michael Ruane, a director of the Company. Dr Ruane and his entities currently have a relevant interest in 30.60% of the Company. Dr Ruane and his entities will increase their relevant interest in the Company if Tyson Resources is called upon to sub-underwrite the Offer. Please refer to Section 3 for further information about the sub-underwriting arrangements and the impact on control of the Company.</p> <p>The Broker is also appointed as the Lead Manager to seek to place any Shortfall. The Broker will be paid 5% plus GST on the value of any Shortfall that is placed.</p>	<p>Section 3</p>
<p>How do I accept my entitlement under the Offer?</p>	<p>All Eligible Shareholders are entitled to subscribe for New Shares and New Options under the Offer. If you wish to make an Application in respect to your Entitlement, you must complete the Entitlement and Acceptance Form that accompanies this Prospectus.</p> <p>You may accept all or part of your Entitlement.</p> <p>If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement will lapse.</p>	<p>Section 5.2</p>

Question	Response	Where to find more information
What happens if Eligible Shareholders don't accept their Entitlement?	<p>Any Entitlement not accepted by Eligible Shareholders will form the Shortfall.</p> <p>The Broker must apply for the Shortfall up to the amount of \$1,500,000 in accordance with the terms of the Underwriting Agreement. The Broker has appointed Tyson Resources (an entity controlled by Dr Ruane and a related party to the Company) as sub-underwriter to subscribe for the Shortfall up to \$1,500,000 (being the Underwritten Amount).</p> <p>Eligible Shareholders who have subscribed for their full Entitlement may also apply for some of the Shortfall.</p> <p>The Broker will seek to place any remaining Shortfall after close of the Offer.</p>	Sections 3.4 and 5.4
How will Shortfall be allocated?	<p>The Shortfall will be allocated on a priority basis as follows:</p> <ul style="list-style-type: none"> • First – to Eligible Shareholders (other than related parties) who have subscribed for their full Entitlement. • Second – to Tyson Resources as sub-underwriter up to the Underwritten Amount. • Then – remaining Shortfall (if any) will be allocated at the discretion of the Directors in consultation with the Broker. Any Shortfall may be placed within 3 months of the Closing Date. 	Section 3.4
What happens to Excluded Shareholders?	<p>The Offer is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is not in Australia or New Zealand).</p> <p>The Company has appointed the Broker as nominee to sell the New Shares and New Options that Excluded Shareholders would have been entitled to under the Offer. Any sale proceeds net of expenses (in Australian dollars) will be distributed to the Excluded Shareholders in proportion to their shareholding.</p>	Section 5.2
What is the effect on control of the Offer?	<p>The maximum dilution to shareholding that will be experienced by Eligible Shareholders that do not subscribe for their Entitlement is 16.67%.</p> <p>Dr Ruane and his entities have the largest combined shareholding in the Company with a relevant interest of 30.60%.</p> <p>The effect of the Offer on control of the Company will depend on number of acceptances of Entitlements by Eligible Shareholders and the placing of any Shortfall. Shortfall priorities have been established to minimise any control issues arising from sub-underwriting by Tyson Resources.</p> <p>If Tyson Resources (as sub-underwriter up to \$1,500,000) is called upon to take up the Shortfall then the relevant interest of Dr Ruane and his entities will increase.</p>	Section 3.5

2. REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY

2.1 Background

The prime focus of the Company is the development of the LD Project in the East Pilbara region of WA. The Project has defined a combined Indicated and Inferred Drainable Resource of 153 million tonnes of SOP contained in the lakebed sediments of Lake Disappointment playa.

Submissions for environmental approval of the LD Project have been lodged and a pre-feasibility study has been completed.

We are making this Offer which consists of a pro-rata non-renounceable rights issue of approximately 27,152,079 New Shares to Eligible Shareholders. The Offer is made on the basis of 1 New Share for every 5 Shares held by Eligible Shareholders on the Record Date at an issue price of 18 cents per New Share and 1 free New Option for every 2 New Shares subscribed for under the Prospectus. The Rights Issue will raise up to approximately \$4,887,374 before costs at Full Subscription and approximately \$2,780,769 before costs at Minimum Subscription.

2.2 Use of funds

We are seeking to raise a total of up to approximately \$4,887,374 from this Rights Issue. Presented below is how the Company intends to use its current funds and the proceeds of the Offer at Minimum Subscription and Full Subscription.

Funds Available	Minimum Subscription (\$2,780,769)	Full Subscription (\$4,887,374)
Cash on hand at the date of this Prospectus ¹	\$793,000	\$793,000
Funds raised under the Offer	\$2,780,769	\$4,887,374
Total funds available	\$3,573,769	\$5,680,374

Use of Funds	Amount	Amount
Repay Loan Facility ²	\$1,030,600	\$1,030,600
Continue activities to de-risk the LD Project ³	\$1,140,000	\$2,910,000
Advance a Definitive Feasibility Study for the LD Project	\$250,000	\$250,000
Ongoing engagement with regulators for the Environmental Assessment of the LD Project	\$250,000	\$250,000
LD Project tenement holding costs	\$550,000	\$550,000
General working capital ⁴	\$179,619	\$510,694
Costs of the Offer ⁵	\$173,550	\$179,080
Total	\$3,573,769	\$5,680,374

Notes:

1. Currently, the Australian Commonwealth Government research and development tax incentive provides a refundable tax offset for certain research and development activities for an entity whose aggregated turnover is less than \$20 million. As in previous years, the Company is eligible for a tax offset from the Australian Commonwealth Government in respect of various research and development activities. In June 2018, the Company applied for a tax offset payment for research and development activities for the financial

year ended 31 December 2017. The amount applied for was \$1,830,306. Any such funding by way of receiving a refundable tax offset is intended to be applied pro-rata to the items "*continue activities to de-risk the LD Project*" and "*general working capital*" based on the amounts at Minimum Subscription. Any such funding is uncertain and has therefore not been included in the budgets above.

2. On 13 February 2018, Dr Ruane loaned \$1,000,000 to the Company to be used for ongoing work relating to the LD Project. The loan is on reasonable arms length terms to the Company as it is unsecured and with interest of 7.5% per annum payable quarterly in arrears. The loan including accrued interest at the date of this Prospectus is approximately \$1,030,616.
3. The activities to de-risk include additional resource work and hydrological modelling.
4. General working capital includes corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax, audit and corporate advisory fees, insurance and travel costs.
5. The items comprising the costs of the Offer are set out in Section 6.8. These costs include the underwriting fee payable to the Broker. The Broker is also entitled to a 5% fee on the placement of any Shortfall. Payment of this fee (if any) will be paid out of general working capital. The fees of the Broker are set out in Section 3.
6. In the event that moneys are received beyond Minimum Subscription (\$2,780,769) but less than Full Subscription, the Company intends to apply the additional funds firstly to activities that de-risk the LD Project (up to an additional \$1,770,000) and the balance (up to an additional \$331,075) to general working capital.
7. This table is a statement of our proposed application of the funds raised as at the date of this Prospectus. As with any budget, unexpected events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

2.3 Effect on Shareholders' equity and cash reserves

Assuming that all New Shares and New Options offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company will be to:

- (a) increase the total number of Shares and Options on issue (see Section 2.4); and
- (b) increase our cash reserves, before taking into account the costs of the Offer (see Section 2.5).

A pro forma statement of financial position that contains further information about the effect of the Rights Issue on the Company is provided in Section 2.5.

2.4 Effect on capital structure

The capital structure of the Company following the Offer is shown in the following table.

	Minimum Subscription (\$2,780,769)	Full Subscription (\$4,887,374)
Shares¹		
Existing Shares	135,760,396	135,760,396
New Shares issued under Rights Issue	15,448,717	27,152,079
Total Shares on issue after completion of the Rights Issue	151,209,113	162,912,475
Options²		
Existing Options (exercise price 44.3 cents expiry date 1 December 2020) ³	2,000,000	2,000,000
New Options issued under Rights Issue (exercise price 24 cents expiry date 30 June 2021)	7,724,359	13,576,040
Total Options on issue after completion of the Rights Issue	9,724,359	15,576,040

Notes:

1. The Company has agreed to issue a further 500,000 Shares to Greg Cochran (CEO) on 1 December 2018 under the terms of his employment contract. Additionally, Greg Cochran has been issued with 2,000,000 performance rights that convert into Shares on the basis of 1 Share for every 1 performance right. Thereby up to 2,000,000 Shares may be issued if all the performance rights convert. The terms of the performance rights are set out in the 2017 Annual Report.
2. Under the terms of a Mining and Indigenous Land Use Agreement in respect of the LD Project announced on 23 December 2011, in the event of a decision to mine upon the Project, the Company will be obliged to issue to the Western Desert Lands Aboriginal Corporation or its nominee 3,000,000 Options and in the event of the commencement of potash production at the LD Project, the Company will be obliged to issue a further 7,500,000 Options. These Options will have an exercise price of 50 cents and an expiry date of 4 years from the date of issue.
3. The existing Options have been issued to Greg Cochran (CEO) as part of his remuneration package. The Options vest on 1 December 2018 and until then cannot be exercised.

2.5 Pro forma Statement of Financial Position

To illustrate the effect of the Rights Issue on the Company, a pro forma statement of financial position has been prepared based on the audited balance sheet as at 31 December 2017. The pro forma statement of financial position shows the effect of the Rights Issue as if it had been made on 31 December 2017 at both Minimum Subscription and Full Subscription based on the following assumptions:

- (a) at Minimum Subscription, the issue of 15,448,717 New Shares at an issue price of 18 cents each and the issue of 7,724,359 free attaching New Options to raise \$2,780,769 less estimated costs of \$173,550; and
- (b) at Full Subscription, the issue of 27,152,079 New Shares at an issue price of 18 cents each and the issue of 13,576,040 free attaching New Options to raise \$4,887,374 less estimated costs of \$179,080.

	31 Dec 2017 Consolidated audited \$	31 Dec 2017 Proforma (Minimum Subscription) \$	31 Dec 2017 Proforma (Full Subscription) \$
Current assets			
Cash and cash equivalents	1,647,403	4,254,622	6,355,697
Trade and other receivables	142,042	142,042	142,042
Total current assets	1,789,445	4,396,664	6,497,739
Non-current assets			
Other assets	40,000	40,000	40,000
Property, plant and equipment	760,822	760,822	760,822
Exploration and evaluation expenditure	19,420,888	19,420,888	19,420,888
Mine development expenditure	13,645,113	13,645,113	13,645,113
Total non-current assets	33,866,823	33,866,823	33,866,823
Total assets	35,656,268	38,263,487	40,364,562
Current liabilities			
Trade and other payables	684,900	684,900	684,900
Total current liabilities	684,900	684,900	684,900
Total liabilities	684,900	684,900	684,900
Net assets	34,971,368	37,578,587	39,679,662
Equity			
Contributed equity	35,844,508	38,451,727	40,552,802
Reserves	10,344,264	10,344,264	10,344,264
Accumulated losses	(11,217,404)	(11,217,404)	(11,217,404)
Total equity	34,971,368	37,578,587	39,679,662

3. UNDERWRITING, LEAD MANAGER ARRANGEMENTS AND EFFECT ON CONTROL

3.1 Underwriter and Underwriting Agreement

The Broker is appointed under the Underwriting Agreement to underwrite any Shortfall up to the Underwritten Amount (\$1,500,000). The Broker is not a related party or Shareholder of the Company.

Under the Underwriting Agreement the Broker as Underwriter is obliged to subscribe for any Shortfall up to the Underwritten Amount of \$1,500,000 by the issue date under the Offer timetable. The maximum number of securities that the Broker is required to subscribe for under the Shortfall is 8,333,333 New Shares and 4,166,667 New Options.

The Company is required to reimburse the Broker for all reasonable out-of-pocket expenses.

The Company is required to make the Offer in accordance with all relevant regulatory requirements and the Company has given various representations and warranties to the Underwriter, which are customary for an agreement of this kind.

The Underwriter has discretion to terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, which may occur before the issue of any Shortfall. The termination events are customary for an agreement of this kind. The more significant termination events include the S&P/ASX 200 Index falling to a level that is 85% or less of the level at the close of trading at the date of the Prospectus and where a material adverse change occurs in respect of the Company or its assets. The failure of the Underwriter to appoint sub-underwriters will not relieve the Underwriter of its obligations.

The Company will pay the Broker a fee of \$50,000 plus 5% of the Underwritten Amount (\$75,000) being a total of \$125,000 plus GST on completion of the Offer.

3.2 Sub-underwriter and Sub-underwriting Agreement

The Broker has appointed Tyson Resources to sub-underwrite any Shortfall for \$1,500,000 (which is equal to the Underwritten Amount).

Tyson Resources is an entity controlled by Dr Ruane and is therefore a related party of the Company. It is also a substantial shareholder of the Company. Tyson Resources is a private investment company which has invested in the resources sector for in excess of 20 years. Dr Ruane is a director and controls the shareholding of Tyson Resources. Dr Ruane and his associates are substantial shareholders of the Company and Intermin Resources Limited, which are ASX listed entities.

Tyson Resources will be paid a fee of 4% of the Underwritten Amount (\$60,000 plus GST) by reason of its sub-underwriting of the Shortfall.

3.3 Lead Manager and Lead Manager Agreement

The Broker is the Lead Manager to place any Shortfall. The Broker has agreed to use its best endeavours to place any Shortfall.

The Broker in its role as Lead Manager will be paid 5% plus GST of the amount received by the Company by reason of any Shortfall placed by the Broker.

3.4 Shortfall/Allocation Policy

Any New Shares and New Options under the Rights Issue that are not applied for will form the Shortfall. Information on how to apply for Shortfall is set out in Section 5.4.

The Company will allocate any Shortfall in accordance with the following priorities:

- (a) First priority will be given to Eligible Shareholders who are not related parties and who have subscribed for their full Entitlement.

Note:

- Shortfall will be allocated to these Eligible Shareholders at the discretion of the Directors.
 - Shortfall will only be allocated to these Eligible Shareholders so long as their voting power in the Company does not exceed 20%. It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall.
 - The Company may scale back applications if the number of securities applied for exceeds the number of Shortfall securities. In this circumstance, the Directors intend to allocate any Shortfall on a proportionate basis relative to shareholdings at the Record Date.
 - Related parties may not apply for the Shortfall without prior Shareholder approval.
- (b) Second priority will be to Tyson Resources (as sub-underwriter at the direction of the Underwriter). This is to minimise the take-up by Tyson Resources as sub-underwriter and thereby minimise any control issues arising from the sub-underwriting.

The Directors have a further discretion to place any additional Shortfall (after the priority process has been completed) in consultation with the Broker within 3 months of the Closing Date. Any placement of Shortfall will be at the same price as the offer under the Rights Issue.

3.5 Potential effect on control

The Offer is 1 New Share for every 5 Shares held by Eligible Shareholders together with 1 free attaching New Option for every 2 New Shares issued. The maximum dilution that will be experienced by any Eligible Shareholder that fails to subscribe for any Entitlement is 16.67% of an existing holding.

Under the Underwriting Agreement, the Broker is obliged to subscribe for the Shortfall up to the Underwritten Amount (maximum of 8,333,333 New Shares and 4,166,667 New Options). If the Broker is required to subscribe for the Shortfall up to the Underwritten Amount, then the relevant interest of the Broker will be 5.51% at Minimum Subscription. However, the Broker has appointed Tyson Resources as sub-underwriter to subscribe for the Shortfall up to the Underwritten Amount. The potential effect on control if Tyson Resources is required to subscribe for the Shortfall up to the Underwritten Amount is described below.

At the date of this Prospectus, Dr Ruane and entities associated with him (including Tyson Resources) have a relevant interest 30.60% (41,536,176 Shares).

Based on publicly available information at the date of this Prospectus, there are no other substantial shareholders of the Company (having a relevant interest of 5% or more in the Company).

Dr Ruane has given a commitment to the Company that he and entities associated with him will subscribe for at least \$1,280,769 of their Entitlements under the Offer. Therefore, Dr Ruane and his entities will subscribe for at least 7,115,383 New Shares (and 3,557,692 New

Options) offered to them. In addition, Tyson Resources has agreed to subscribe for up to 8,333,333 New Shares (and 4,166,667 New Options) under any Shortfall as a sub-underwriter.

Dr Ruane's commitment to subscribe for at least \$1,280,769 does not include an Entitlement by Intermin Resources Limited to subscribe for New Shares based on its 5,959,257 Shares. Dr Ruane is not a director of Intermin Resources Limited but is deemed to have a relevant interest in the Shares held by that company by reason of having a voting power of greater than 20% in that company.

The effect of the Offer on the voting power of Dr Ruane and his associates is reliant on the take up of Entitlement by other Shareholders and the subsequent placing of any Shortfall. If all Eligible Shareholders take up their Entitlement in full then there will be no change in control by reason of the Rights Issue. However, if there is a Shortfall and Tyson Resources is called upon to subscribe for New Shares under the sub-underwriting arrangements then the relevant interest of Dr Ruane and his associates will increase. Below is a table detailing various scenarios based on Dr Ruane and his associates taking up \$1,280,769 of their Entitlement. The table assumes that no Shortfall is placed except to Tyson Resources (as sub-underwriter).

Voting power of Dr Ruane and his associates					
At date of this Prospectus	At completion of the Offer				
	100% take up (Full Subscription)	75% take up	50% take up	25% take up	0% take up (Minimum Subscription)
30.60%	30.60%	33.49%	35.72%	36.67%	37.69%

In this table:

- "100% take up" assumes that Dr Ruane and his associates take up \$1,280,769 of their Entitlement and all other Eligible Shareholders take up 100% of their Entitlement. This is the Full Subscription scenario.
- "75% take up" assumes that Dr Ruane and his associates take up \$1,280,769 of their Entitlement and all other Eligible Shareholders (including Intermin Resources Limited) take up 75% of their Entitlement. In this scenario, there will be a Shortfall and Tyson Resources will be called upon to subscribe for part of the Underwritten Amount as sub-underwriter.
- "50% take up" assumes that Dr Ruane and his associates take up \$1,280,769 of their Entitlement and all other Eligible Shareholders (including Intermin Resources Limited) take up 50% of their Entitlement. In this scenario, there will be a Shortfall and Tyson Resources will be called upon to subscribe for the full Underwritten Amount (8,333,333 New Shares) as sub-underwriter.
- "25% take up" assumes that Dr Ruane and his associates take up \$1,280,769 of their Entitlement and all other Eligible Shareholders (including Intermin Resources Limited) take up 25% of their Entitlement. In this scenario, there will be a Shortfall and Tyson Resources will be called upon to subscribe for the full Underwritten Amount (8,333,333 New Shares) as sub-underwriter.

- "0% take up" assumes that Dr Ruane and his associates take up \$1,280,769 of their Entitlement and all other Eligible Shareholders take up none of their Entitlement. In this scenario, there will be a Shortfall and Tyson Resources will be called upon to subscribe for the full Underwritten Amount (8,333,333 New Shares) as sub-underwriter. This is the Minimum Subscription scenario.

The allocation policy for the Shortfall as set out in Section 3.4 is intended to minimise any change in control in favour of Dr Ruane and his associates.

3.6 Future intention of Dr Ruane and his associates

Dr Ruane and his associates (including Tyson Resources as sub-underwriter) may by the Offer increase their relevant interest in the Company by reason of the Rights Issue. Dr Ruane and his associates have informed the Company that they are supportive of the current direction and they do not currently intend to make any major changes to the direction and objectives of the Company, and other than as disclosed in this Prospectus:

- do not currently intend to make any significant changes to the existing business;
- do not currently intend to inject further capital into the Company other than in taking up their Entitlement and partly sub-underwriting the Offer. However, if the Company requires additional funding in the future, they will assess such requirement and decide whether to provide such funding based on the prevailing circumstances at the time;
- intend to support the Company's decisions regarding the future employment of present employees and contemplate that they will continue in the ordinary course of business;
- do not currently intend for any property to be transferred between the Company and Dr Ruane or any person or entity associated with him;
- do not currently intend to redeploy any fixed assets; and
- do not currently intend to change the Company's existing financial or dividend policies.

Dr Ruane and his associates have indicated that their intentions detailed above are based on the facts and information presently known to them regarding the Company and the general business environment as at the date of this Prospectus. Any future decision will be reached by them based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, their intentions may change accordingly.

4. RISK FACTORS

4.1 Introduction

An investment in the securities of the Company should be considered speculative as there are risk factors that may have a material impact on the Company's future operating and financial performance. Appropriate systems, safeguards and strategies have been implemented by the Company for identified risks however there are other risks that beyond the Company's control. The key material risks are described below.

You should carefully consider the risks described below, the information contained in other sections of this Prospectus and all other relevant material including our public announcements and reports.

The Company is exposed to specific risks due to its involvement in the resources industry and as the developer of a large sulphate of potash project. The Company is also exposed to risks of a general economic nature.

4.2 Specific risks

Development and mining

The Company has completed a Prefeasibility Study and, subject to funding, further feasibility related studies will be undertaken on the LD Project during 2018 and beyond. There is no guarantee upon the economic outcome of these studies.

Additionally, the possible future development of the LD Project is dependent on, and may be affected by, a number of factors including, but not limited to, failure to acquire and/or delineate economically recoverable resources, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, excessive seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risks from third parties providing essential services.

In the event that the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected geological formations or hydrological conditions including flooding.

Exploration

Investors should understand that exploration and development is by its nature a high risk undertaking. There can be no assurance that the Company's exploration of its LD Project or any other projects that may be acquired in the future will be commercially viable.

Future capital needs and additional funding

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Prospectus and the Company's announcements to ASX. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including the prospectivity of its projects (existing and future), the results of exploration, feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

SOP price and exchange rate volatility

It is anticipated that any revenues derived from the LD Project will be derived from the sale of SOP. Consequently, any future earnings are likely to be closely related to the price of SOP and the terms of any offtake agreements which it enters into.

SOP prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for SOP and related and/or competing fertilisers, forward selling by producers and production cost levels at other operations or in other producing regions. Global weather patterns that could impact crop fertility may also affect the price of SOP.

Moreover, the SOP and other commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the relevant commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

In addition, exchange rate volatility may impact on the Company's financial success as a substantial portion of its SOP product is likely to be marketed overseas.

Native title and Aboriginal heritage

As previously announced on 23 December 2011, the Company has entered into a Mining and Indigenous Land Use Agreement with the Martu people for the LD Project covering commercial terms and commitments by the Company in respect of cultural and heritage matters, employment and contracting of Martu people in the project development.

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining licences, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining the consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of infrastructure, development or mining operations.

Reliance on key personnel

The Company's success largely depends on the core competencies of its Directors, senior management and other key personnel. The Company cannot assure that it will be able to retain its key employees and the loss of one or more of these employees may result in a significant disruption to the business and its operations.

The LD Project may be the first large-scale SOP project to be developed in Australia and as a result there may initially be a shortage of suitably experienced personnel to staff the operation. This could lead to a longer period of commissioning or lower output in the early years of the project.

Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. They are also influenced by the recoverability of the value component from the defined resource.

Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

Title and statutory approvals

All of the tenements or licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements are subject to a number of State specific legislative conditions including payment of rent and meeting minimum annual expenditure commitments. The inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed.

If a tenement or licence expires, is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

In addition, the development and future operation of the Company's LD Project and any other future operations are subject to Commonwealth and State laws, regulations and specific conditions as well as approvals to explore and conduct trials. These laws, regulations and specific conditions may impact the profitability of the LD Project as well as the ability for the LD Project to achieve the requisite permits.

Approvals will be required from Western Australia's Environmental Protection Authority, the Department of Mines, Industry Regulation and Safety, Department of Water and Environmental Regulation and numerous other agencies. Approval will be required from the federal Department of Environment and Energy. Permitting may consequently take longer to be completed or may not be completed at all.

Adverse changes to government policies, legislation or regulations at a state or federal level could affect the Company's title to its exploration tenements and projects.

Environmental

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

Brine SOP operation

The Company has conducted a significant number of trials onsite at the LD Project as well as offsite to develop the design parameters for its trench system, supplementary bores, evaporation pond layout and process plant flow sheet, as well as its process water borefield. Independent consultants have from time to time been utilised to review or assist with these tests and/or resulting designs. However, there is a risk that the forecast extraction or evaporation rates and the grade of the brine pumped may not be achieved.

In addition, the success of a brine operation such as that envisaged at for the LD Project is to a significant degree reliant on ongoing prevailing weather conditions. Severe rainfall could lead to flooding and/or damage to the operation's infrastructure at the Project site which could negatively affect production and therefore profitability.

4.3 General Investment Risks

Securities Investments and Share Market Conditions

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

Economic Risk

Changes in the general local and global economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, interest rates and the rate of inflation.

Legislative

Changes in relevant taxes, legal and administration regimes, accounting practices and government policies may adversely affect the financial performance of the Company.

5. DETAILS OF THE OFFER

5.1 The Offer

(a) Overview

All Eligible Shareholders are entitled to participate in the Rights Issue. You are an Eligible Shareholder if you are a Shareholder with an address in Australia or New Zealand on the Record Date. The Record Date is 5:00pm WST, 20 July 2018.

As an Eligible Shareholder you are entitled to subscribe for 1 New Share for every 5 Shares held on the Record Date at the Issue Price of 18 cents per New Share. You are also entitled to 1 free attaching New Option for every 2 New Shares subscribed for. When calculating your Entitlement, we will round fractions up to the nearest whole number.

We must receive your Entitlement and Acceptance Form by the Closing Date (being 5:00pm WST on 8 August 2018).

The Offer is non-renounceable. This means that you may not sell or transfer all or part of your Entitlement. The Offer will lapse if you do not accept your Entitlement by the Closing Date.

(b) Minimum Subscription

The Minimum Subscription is \$2,780,769.

This approximates the commitment given by Dr Ruane that he and entities associated with him will subscribe for \$1,280,769 plus the Underwritten Amount of \$1,500,000.

No New Shares or New Options will be issued until the Minimum Subscription is reached. If the Minimum Subscription is not reached within 4 months after the date of this Prospectus, the Company will refund all application moneys without interest in accordance with the Corporations Act.

(c) Underwriting and Lead Manager arrangements

The underwriting, sub-underwriting and Lead Manager arrangements are set out in Section 3. The Shortfall is partly underwritten to the Underwritten Amount and the Lead Manager has been engaged to seek to place the Shortfall.

(d) Rights attaching to New Shares and terms of New Options

A summary of the rights attaching to the New Shares and the terms of the New Options are set out in Sections 6.1 and 6.2.

5.2 How to accept the Rights Issue

(a) Action required by Eligible Shareholders

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying the Prospectus sent to you. To subscribe to the Rights Issue, you must complete this form in accordance with the instructions.

You may take up your Entitlement in whole or in part or allow all of your Entitlement to lapse.

You may pay by cheque or by BPAY.

If you pay by cheque, please make the cheque payable to "Reward Minerals Limited – Rights Issue Account" and cross it "Not Negotiable". Completed Entitlement and Acceptance Forms (and a cheque for the Application Money) must be mailed to the postal address or delivered by hand to the delivery address set out below.

Postal address: Reward Minerals Limited
c/- Security Transfer Australia Pty Ltd
PO Box 535
Applecross, WA, 6953

Delivery address: Reward Minerals Limited
c/- Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross, WA, 6153

If you pay by BPAY, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed BPAY payments.

We must receive your Entitlement and Acceptance Form by the Closing Date. If we receive your Entitlement and Acceptance Form after the Closing Date, we may, at our discretion, accept or reject your Application. If we reject your Application, you will receive a refund in full of any payment of Application Money without interest.

If you complete and lodge an Entitlement and Acceptance Form, you will be deemed to have accepted the Offer to subscribe, on the terms set out in this Prospectus and in the Entitlement and Acceptance Form, for the number of New Shares and New Options specified in the Form.

We will hold your Application Money on trust until we issue the New Shares and New Options in accordance with the Corporations Act. We will retain any interest earned on the Application Money, whether or not the New Shares and New Options are issued to you.

If you are in any doubt as to how to complete or deal with your Entitlement and Acceptance Form, you should contact your professional adviser for assistance.

(b) Shareholders outside Australia and New Zealand (Excluded Shareholders)

The Offer is not made to Shareholders with a registered address which is outside Australia or New Zealand (Excluded Shareholders). The Company has formed the view that it is unreasonable to make an offer to Excluded Shareholders having regard to the number of Excluded Shareholders, the number and value of Shares the Excluded Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

(c) Nominee for Excluded Shareholders

The Company has appointed the Broker as nominee (Nominee) to subscribe for the New Shares and New Options the subject of the Entitlement of Excluded Shareholders and then to sell those New Shares and New Options. The Nominee will have the absolute and sole discretion to determine the timing and price at which the

New Shares and New Options will be sold and the manner of any such sale. The Company will pay the Nominee a fee of \$2,000 for this service.

The net proceeds (if any) of the sale of the New Shares and New Options will be forwarded by the Company as soon as practicable to the Excluded Shareholders, in proportion to their shareholding (after deducting any expenses).

Any interest earned on the proceeds of the sale of the New Shares and New Options will be applied against the expenses of the sale and any balance will accrue to Excluded Shareholders.

Excluded Shareholders will not receive any net proceeds of sale if the amount received from the sale of the New Shares and New Options is less than the subscription cost of the New Shares. The Nominee is not required to sell Excluded Shareholders' New Shares and New Options at a particular price.

The Company has applied to ASIC to approve the appointment of the Nominee pursuant to the Corporations Act. As at the date of this Prospectus, ASIC has not yet approved the appointment of the Nominee.

(d) **New Zealand offer restrictions**

The New Shares and New Options are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(e) **Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares and New Options. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares and New Options.

5.3 Issue and quotation

(a) **Issue of New Shares and New Options**

The New Shares and New Options under the Rights Issue will be issued as soon as practicable after the Closing Date. We will issue the New Shares and New Options on the basis of your Entitlement.

Pending the issue of New Shares and New Options or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

(b) **Quotation by ASX**

We intend to apply to ASX for quotation of the New Shares and New Options within 7 days of the date of this Prospectus. One of the quotation conditions for a class of securities that is not already quoted (such as the New Options) is that there are 50 holders with a marketable parcel. If the ASX accepts our application, quotation of the New Shares and New Options will commence after the issue of the New Shares and New Options.

If any New Shares and New Options are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Shares and New Options and the Application Money in respect of those New Shares and New Options will be refunded to you without interest within the time prescribed by the Corporations Act.

(c) **Holding Statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of New Shares and New Options issued to you under this Prospectus. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

5.4 Shortfall

Any New Shares and New Options under the Rights Issue that are not applied for will form the Shortfall Shares. The Offer to issue Shortfall Shares is a separate offer under the Prospectus.

Shareholders may apply for any Shortfall by completing the relevant Shortfall section in the Entitlement and Acceptance Form and sending it to the Company's share registry with payment by cheque or BPAY on the same terms as in Section 5.2.

The priorities between different categories of parties in the allocation of Shortfall Shares is set out in Section 3.4.

Application for Shortfall with moneys does not guarantee any allotment of any Shortfall. All application moneys in relation to which Shortfall are not allocated will be returned without interest.

It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall Shares.

6. ADDITIONAL INFORMATION

6.1 Rights attaching to New Shares

The rights attaching to ownership of Shares in the Company (including the New Shares) are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

Voting rights

At a general meeting each Shareholder present in person or by proxy, company representative or attorney is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney is entitled to one vote for each fully paid share that the Shareholder holds.

General meetings

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at any general meeting of the Company. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution of the Company or the Corporations Act.

Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

Dividend rights

There is no entitlement to a dividend other than that determined by Directors from time to time. The New Shares will rank equally with all other issued Shares in the capital of the Company for the purposes of participation in any dividend paid out of the profits of the Company. The Directors are not anticipating paying dividends at this stage of the Company's development.

Future increases in capital

The issue of Shares is under the control of the Directors. Subject to restrictions on the issue of Shares to Directors, the Constitution of the Company and the Corporations Act, the Directors may issue or otherwise dispose of new Shares on such terms and conditions as they may determine.

Amendment of Constitution

The Constitution of the Company can only be amended by a special resolution, passed by at least three quarters of the votes cast by holders of Shares entitled to vote on the resolution, at general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

Predominance of Listing Rules

While the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

6.2 Terms of New Options

The terms of the issue of the New Options are:

- (a) Each Option entitles the holder to one Share in the capital of the Company.
- (b) The Options may be exercised at any time prior to 5:00pm Western Standard Time on 30 June 2021 ("Expiry Date").
- (c) The exercise price of the Options is 24 cents each.
- (d) Application will be made for the Options to be quoted and the Options will be freely tradeable.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed shareholder. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (f) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX within 7 business days after the date of issue of all Shares pursuant to the exercise of Options to be admitted to quotation.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (h) If on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company, then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of

securities which would have been issued to him or her under that bonus issue if the Options had been exercised before the record date for the bonus issue.

- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

6.3 Transaction specific prospectus and continuous disclosure obligations

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is only required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of this Prospectus with ASIC.

We lodged our latest annual report with ASX on 29 March 2018. Since then, we have made the following announcements to ASX, shown in the table below.

Date	Description of Announcement
29/03/2018	Corporate Governance Statement
29/03/2018	Appendix 4G
12/04/2018	Notice of Annual General Meeting/Proxy Form

Date	Description of Announcement
13/04/2018	Pre-Feasibility Study Update
30/04/2018	Quarterly Activities Report
30/04/2018	Quarterly Cashflow Report
01/05/2018	PFS Confirms LD as a Globally Significant SOP Project
07/05/2018	Change of Director's Interest Notice
07/05/2018	Presentation
18/05/2018	Addendum to Quarterly Report for December 2017
18/05/2018	Addendum to Quarterly Report for March 2018
21/05/2018	Change of Director's Interest Notice
21/05/2018	Response to ASX Aware Query
29/05/2018	LD Project - Environmental Permitting Update
30/05/2018	AGM Presentation
30/05/2018	Chairman's Address
30/05/2018	Results of Meeting
07/06/2018	Change of Director's Interest Notice
25/06/2018	Change of Director's Interest Notice
27/06/2018	Company presentation
03/07/2018	Change of Director's Interest Notice
11/07/2018	Change of Director's Interest Notice
13/07/2018	LD SOP Project – PFS Enhancements

6.4 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the day prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	24.5 cents	17 April 2018
Lowest	16.5 cents	5 July 2018
Latest	22.5 cents	13 July 2018

6.5 Board and Management

The Board consists of:

- Mr Colin McCavana (Non-Executive Chairman)
- Dr Michael Ruane (Executive Director)
- Mr Rod Della Vedova (Non-Executive Director)

Dr Ruane is an executive Director and currently has a relevant interest of 30.60% in the Shares in the Company. Dr Ruane is not an independent director.

Mr McCavana and Mr Della Vedova are independent directors.

The Senior Management are:

- Mr Greg Cochran (Chief Executive Officer)
- Mr Daniel Tenardi (Project Director)
- Mrs Bianca Taveira (Company Secretary)

6.6 Directors' Interests

(a) Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

- (i) the formation or promotion of the Company; or
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (iii) the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

(b) Interests in Securities as at the date of this Prospectus

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the Shares and Options of the Company as set out in the table below. Interests include those held directly and indirectly.

Each Director who is an Eligible Shareholder will be entitled to participate in the Rights Issue. The table below does not include the New Shares and New Options that the Directors may subscribe for under the Offer.

Director	Number of Shares	Number of Options
Colin McCavana	1,054,997	0
Michael Ruane ¹	41,536,176	0
Rod Della Vedova	20,000	0

Notes:

- Dr Ruane has given commitments to the Company that he and entities associated with him will subscribe for at least \$1,280,769 of their Entitlement under the Offer (7,115,383 New Shares and 3,557,692 New Options). Further, Tyson Resources which is an entity that is controlled by Dr Ruane, has agreed to sub-underwrite the Shortfall up to \$1,500,000 (8,333,333 New Shares and 4,166,667 New Options).

(c) **Remuneration of Directors**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current aggregate amount is not to exceed \$150,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2016	2017	2018
Colin McCavana	\$36,000	\$36,000	\$36,000
Michael Ruane ¹	\$81,750	\$0	\$0
Rod Della Vedova	\$30,000	\$30,000	\$30,000

- In order to preserve the Company's cash position and to ensure the Company's sustainability, Dr Ruane has foregone remuneration since 2017.

6.7 Interests of Experts and Advisers

Other than as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Offer. We estimate that we will pay approximately \$20,000 (plus GST) for these services. In the past two years, Fairweather Corporate Lawyers has been paid fees (excluding GST) of approximately \$8,677 by the Company.

Mac Equity Partners Pty Ltd is the Underwriter and Lead Manager to the Offer. We will pay \$125,000 (plus GST) as the underwriting fee, a 5% fee (plus GST) on the amount of any Shortfall that is placed and \$2,000 for acting as nominee for Excluded Shareholders. See Sections 3 and 5.2(c). In the past two years, Mac Equity Partners Pty Ltd has not been paid any fees by the Company.

Tyson Resources Pty Ltd is the sub-underwriter to the Shortfall as described in this Prospectus. Tyson Resources is an entity controlled by Dr Ruane, a Director of the Company. The Underwriter will pay Tyson Resources a fee of 4% of the Underwritten Amount (\$60,000 plus GST) by reason of its sub-underwriting of the Shortfall. In the past two years, Tyson Resources has not been paid any fees by the Company.

6.8 Costs of the Offer

The costs connected to the Rights Issue payable by the Company are estimated at approximately \$173,550 exclusive of GST at Minimum Subscription and \$179,080 exclusive of GST at Full Subscription. These expenses are expected to be applied to the items set out in the table below.

Item of Expenditure	Minimum Subscription	Full Subscription
Underwriting Fee	\$125,000	\$125,000
Fee to Broker for acting as nominee for Excluded Shareholders	\$2,000	\$2,000
Legal Fees	\$20,000	\$20,000
Printing, share registry, miscellaneous	\$10,000	\$10,000
ASIC lodgement fee	\$3,206	\$3,206
ASX fee for New Shares and New Options	\$13,344	\$18,874
Total	\$173,550	\$179,080

Note – The expenses above do not include a fee of 5% plus GST to the Broker in respect of the placement of any Shortfall.

6.9 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

Mac Equity Partners Pty Ltd has consented to being named as the Underwriter and Lead Manager to the Offer and the inclusion in the Prospectus of all statements referring to it.

Tyson Resources Pty Ltd has consented to being named as the sub-underwriter to the Shortfall and the inclusion in the Prospectus of all statements referring to it.

Rothsay Auditing has consented to the reference in this Prospectus to the audited financial information of the Company. The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

7. DIRECTORS' AUTHORISATION AND CONSENT

This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 16 July 2018



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Signed for and on behalf of Reward Minerals Limited
By Dr Michael Ruane
Executive Director

8. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

Applicant	A person who submits and Entitlement and Acceptance Form.
Application	An application for New Shares and New Options under the Rights Issue.
Application Money	The Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates
Board	The Board of Directors.
Broker	Mac Equity Partners Pty Ltd (ACN 126 369 640) (AFSL 338731).
Closing Date	The time and date at which the Offer expires, being 5.00pm WST, 8 August 2018, subject to the Company varying this date in accordance with the Listing Rules.
Company or Reward	Reward Minerals Limited (ACN 009 173 602).
Constitution	The constitution of the Company.
Corporations Act	The Corporations Act 2001 (Cth)
Director	A director of the Company for the time being.
Eligible Shareholders	Shareholders with a registered address in Australia or New Zealand at the Record Date.
Entitlement	The entitlement to subscribe for New Shares and New Options under the Rights Issue.
Entitlement and Acceptance Form	The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer.
Excluded Shareholders	Shareholders with a registered address outside Australia or New Zealand at the Record Date.
Full Subscription	The maximum amount to be raised under the Offer being \$4,887,374.

JORC Code	2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' prepared by the Joint Ore Reserves Committee of Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
Issue Price	18 cents per New Share, being the price payable to subscribe for each New Share.
LD Project	The Company's SOP project located at Lake Disappointment in Western Australia.
Lead Manager	The Broker.
Listing Rules	The listing rules of ASX.
Minimum Subscription	The minimum amount to be raised under the Offer being \$2,780,769.
New Options	The Options offered under the Rights Issue.
New Securities	The New Shares and New Options.
New Shares	The Shares offered under the Rights Issue.
Offer	The offer to Eligible Shareholders of New Shares and New Options under the Rights Issue.
Option	An option to acquire a Share.
Prospectus	This Prospectus dated 16 July 2018.
Record Date	The time and date for determining a Shareholder's entitlement to participate in the Rights Issue, being 5:00pm WST, 20 July 2018.
Rights Issue	The pro-rata non-renounceable offer to Eligible Shareholders of 1 New Share for every 5 Shares held by Eligible Shareholders on the Record Date with 1 free New Option for every 2 New Shares subscribed for.
Share	A fully paid ordinary share in the issued capital of the Company.
Shareholder	Registered holder of Shares.
Shortfall	New Shares and New Options not applied for under the Offer before the Closing Date.
SOP	Sulphate of Potash
Tyson Resources	Tyson Resources Pty Ltd (ACN 008 739 080), the sub-underwriter to the Shortfall.
Underwriter	The Broker.

Underwriting Agreement	The underwriting agreement between the Company and the Broker.
Underwritten Amount	The sum of \$1,500,000.
WST	Western Standard Time.
\$	means Australian dollars unless otherwise stated.