

10 JANUARY 2024

**ASX CODE: RWD**

## DIRECTORS

Colin McCavana  
Chairman

Rod Della Vedova  
Non-Executive Director

Michael Ruane  
Executive Director

## MANAGEMENT

Lorry Hughes  
CEO

Bianca Taveira  
Company Secretary

## HEAD OFFICE

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# RENOUNCEABLE PRO RATA ENTITLEMENT OFFER TO RAISE UP TO \$22.785 MILLION

## Highlights

- 2 for 1 Renounceable Entitlement Offer to raise up to \$22.785 million, partially underwritten to \$16,000,000 by Lead Manager, RM Corporate Finance
- Issue price of \$0.05 per share
- With every 2 New Shares subscribed, shareholders receive 1 free attaching Option
- Options will have an exercise price of \$0.10
- Since the Entitlement Offer is renounceable, shareholders can trade their rights from 10 January 2024 and they can also apply to take up additional New Shares from any shortfall
- All Reward Directors and CEO intend to participate in full or in part
- Funds raised (after costs) will be used to complete the acquisition of the Beyondie Project

**PERTH, Western Australia (10 January, 2024) - Reward Minerals Limited (ASX: RWD) (Reward or the Company)** is pleased to announce that the Company is seeking to raise approximately \$22.785 million (before costs) via a pro-rata renounceable entitlement offer of Shares to eligible Shareholders on the basis of 2 new Shares for every 1 Share held on the Record Date at an issue price of \$0.05 per new Share together with 1 free-attaching quoted option (exercisable at \$0.10 and expiring 3 years from the issue date) (**New Option**) for every 2 new Shares successfully subscribed for (**Entitlement Offer**). Further details of the Entitlement Offer are set out in the prospectus lodged by the Company with ASIC on 9 January 2024 (**Prospectus**).

### Reward CEO Lorry Hughes commented:

*“Following yesterday’s approval by Shareholders for the Company’s acquisition of the Beyondie SOP Project we are pleased to provide this notice of a Renounceable Entitlement Offer related to funding of the acquisition.*

*The capital raising will allow completion of the Beyondie transaction and for Reward to proceed to commencement of R & D activities at the site as soon as practicable with a view to development of a robust operational strategy in the near term”.*

The Entitlement Offer is renounceable which means that there will be trading of rights on the ASX and you may dispose of your entitlement to subscribe for new Shares and New Options under the Entitlement Offer (**Entitlement**) to another party other than on the ASX.

The Entitlement Offer is partially underwritten for \$16 million by RM Corporate Finance Pty Ltd (**RM Corporate Finance** or **Underwriter**). The Company wishes to note that, although previous announcements had indicated that the Entitlement Offer was proposed to be fully underwritten, due to the relative urgency with respect to completion of the proposed acquisition of the Beyondie Project (**Proposed Transaction**), which necessitated lodgement of the Prospectus on 9 January 2024, the time of year is such that the Underwriter was not in a position to secure sub-underwriting commitments for the full subscription amount of the Entitlement Offer by the Prospectus Date. Subject to (and to the extent of) securing any additional sub-underwriting commitments after the Prospectus Date, the Underwriter may underwrite the Entitlement Offer for a higher amount up to the full subscription amount of \$22,785,314. The Company notes, however, that the Entitlement Offer is conditional on the Company raising the full subscription amount of \$22,785,314. Please refer to the heading titled "Underwriting" below and the Prospectus for further details of the underwriting.

A copy of the Prospectus was lodged with ASIC and ASX and is available on the Company's website ([www.rewardminerals.com](http://www.rewardminerals.com)) and the ASX's website ([www.asx.com.au](http://www.asx.com.au)). All other announcements in relation to the Entitlement Offer are also available on the Reward and ASX websites.

### **Eligible Shareholders**

The Entitlement Offer is available to all shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

A Shareholder who has a registered address outside Australia or New Zealand will not be eligible to participate in the Entitlement Offer (**Ineligible Shareholder**).

The Company has appointed RM Corporate Finance as nominee to sell the Entitlements to which Ineligible Shareholders would otherwise be entitled if they were an Eligible Shareholder (see the Prospectus for further details).

### **Underwriting**

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriter, pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer for:

- \$16 million, being the amount of sub-underwriting commitments secured by the Underwriter as at the date of this Prospectus (**Minimum Underwriting**); plus
- subject to (and to the extent of) the Underwriter securing sub-underwriting commitments from sub-underwriters after the date of the Prospectus for an amount up to the balance of the Entitlement Offer (i.e. \$6,785,314) (**Additional Underwriting**),

(**Underwritten Amount**).

Investors should note that there is no guarantee that the Underwriter can secure sub-underwriting commitments for the Additional Underwriting. Accordingly, the Underwriter's obligation as at the date of the Prospectus to underwrite the Entitlement Offer under the Underwriting Agreement is limited to the Minimum Underwriting of \$16 million. To the extent that sub-underwriting commitments from sub-underwriters are secured after the date of the Prospectus, the Company will update the market accordingly.

The Underwriter will be remunerated by the Company for managing and providing underwriting services in relation to the Entitlement Offer as follows:

- 6% (plus GST) of the amount equal to the Underwritten Amount less Dr Ruane's sub-underwriting commitment of \$9,235,591, for maximum fees of \$812,983.38 (plus GST); and
- 2% (plus GST) of the underwritten amount represented by Executive Director, Dr Michael Ruane's sub-underwriting commitment of \$9,235,591, for fees of \$184,711.82 (plus GST).

Subject to compliance with the Listing Rules, the Underwriter may set-off all amounts payable by the Company to the Underwriter under the Underwriting Agreement against any payment obligations owed by the Underwriter or its Related Corporations or Affiliates to the Company (including in relation to payment of the Underwritten Amount and the Underwriter's subscription for Shares and New Options in accordance with the Underwriting Agreement).

In addition to the fees described above, the Company has agreed to reimburse the Underwriter for all costs and expenses of and incidental to the Entitlement Offer that the maximum individual cost and expense does not exceed \$5,000 (without the prior written consent of the Company).

***The Entitlement Offer closes at 5:00pm (AWST) on Thursday, 25 January 2024.***

### Indicative Timetable

The current timetable for the Entitlement Offer is as follows:

Event	Date
Prospectus lodged with ASIC	Tuesday, 9 January 2024
Entitlement Offer "Ex" Date and rights trading commences	Friday, 12 January 2024
Record Date	Monday, 15 January 2024
Prospectus sent to Eligible Shareholders	Tuesday, 16 January 2024
Opening Date	
Rights trading ends	Thursday, 18 January 2024
Securities quoted on a deferred settlement basis	Friday, 19 January 2024
Last date to extend Closing Date	Monday, 22 January 2024
Closing Date	Thursday, 25 January 2024
Shortfall announced to ASX	Monday, 29 January 2024
Securities issued and holding statements sent	Monday, 29 January 2024
Securities quoted on ASX	Tuesday, 30 January 2024
Completion of Proposed Transaction	

**Note:** The above timetable is indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date of the Offers or accepting late acceptances, either generally or in particular cases, without notice.

## Effect of the Entitlement Offer

The table below sets out the impact of the Entitlement Offer on the capital structure of the Company.

Security <sup>1</sup>	Existing		Completion	
	Number	Proportion	Number	Proportion
Existing Shares	227,853,138	100%	227,853,138	33.1%
Shares under Entitlement Offer	-	-	455,706,276	66.2%
Shares under Royalty Holder Offer	-	-	5,000,000	0.7%
<b>Total Shares</b>	<b>227,853,138</b>	<b>100%</b>	<b>688,559,414</b>	<b>100%</b>
Existing Options <sup>2</sup>	28,525,275	100%	28,525,275	10.7%
New Options under Entitlement Offer	-	-	227,853,138	85.5%
New Options under Lead Manager Offer	-	-	10,000,000	3.8%
<b>Total Options</b>	<b>28,525,275</b>	<b>100%</b>	<b>266,378,413</b>	<b>100%</b>
<b>Fully diluted share capital</b>	<b>256,378,413</b>	<b>100%</b>	<b>954,937,827</b>	<b>100%</b>

### Notes

1 These amounts assume that no Securities will be issued, exercised or converted prior to the Record Date.

2 Comprising the following:

- 18,275,275 quoted Options exercisable at \$0.20 by 31 March 2025;
- 5,000,000 unquoted Options exercisable at \$0.198 by 14 September 2025; and
- 5,250,000 unquoted Options exercisable at \$0.20 by 14 September 2025.

## Use of proceeds

The following indicative table sets out the proposed use of funds raised under the Entitlement Offer:

Proposed use	Amount
Completion purchase price payment <sup>1</sup>	\$14,750,000
Lead Manager and Underwriter fees <sup>2</sup>	\$997,695
Other costs related to the Proposed Transaction (e.g. legal, accounting, finance, other advisers and consultants)	\$250,000
Corporate overheads	\$600,000
Development and tenement expenditure	\$1,500,000

Beyondie Project care and maintenance activities	\$2,000,000
KP Project expenditure	\$650,000
General working capital <sup>3</sup>	\$2,037,619
<b>Total</b>	<b>\$22,785,314</b>

**Notes:**

- 1 To avoid doubt, this does not include a \$5 million deferred payment that is not due until 30 June 2025.
- 2 The above table assumes the Underwritten Amount is equal to the full amount of the Entitlement Offer. See "Underwriting" for further details.
- 3 Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, payments to creditors, interest payments, other items of a general administrative nature and cash reserves but excludes sales which may be used in connection with the Company's activities, as determined by the Board at the relevant time.
- 4 From 16 September 2019, entities controlled by Dr Ruane have loaned \$2,800,000 to the Company. The loan is on reasonable arm's length terms to the Company as it is unsecured and with interest of 7.5% per annum payable quarterly in arrears. The principal loan sum outstanding of \$2,800,00 and current accrued interest of \$378,740 totals \$3,178,740. No current funds or funds raised by the Entitlement Offer are intended to be applied to the repayment of the principal loan or interest outstanding. These outstanding sums will be carried forward for greater than 12 months as the Company and Dr Ruane have agreed that the amount of the principal loan and interest will not be called upon by Dr Ruane prior to 1 March 2025.

**Rights Trading**

The entitlements to securities under the Entitlement Offer are renounceable. Accordingly, there will be trading of Entitlements on ASX and you may dispose of your Entitlement to another party other than on ASX. If you do not dispose of your Entitlement during the rights trading period (ending on Thursday, 18 January 2024) or take up your Entitlement by the Closing Date, your right to take your Entitlement will lapse. The securities in your Entitlement that are not taken up by you, or any person that you dispose of your Entitlement to, will form part of the Shortfall (as noted below). If you are an Eligible Shareholder and you wish to sell or transfer all or part of your Entitlement to another person you should follow the directions in the Application Form and section 4 of the Prospectus.

**Shortfall**

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the shortfall (**Shortfall**).

If you take up your Entitlement in full, you may also apply for additional new Shares and New Options out of the Shortfall (to the extent there is availability) (**Shortfall Securities**) in excess of your Entitlement (**Shortfall Offer**) by completing the relevant part of the Application Form.

Any new Shares and New Options not applied for by the Closing Date will become Shortfall Securities. Shortfall Securities issued under the Shortfall Offer will be granted on the same terms and conditions as the new Shares and New Options being offered under the Entitlement Offer

The Directors (in conjunction with RM Corporate Finance) will allocate Shortfall Securities pursuant to the Shortfall Offer as set out in the Prospectus.

**Actions required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

You may take up all or some of your entitlement to subscribe for new Shares pursuant to your Entitlement. To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Automic by no later than 5:00pm (AWST) on Thursday 25 January 2024, by making a payment by BPAY or EFT in accordance with the instructions on your Application Form.

If you have taken up all of your Entitlement, you may apply for additional new Shares via the Shortfall Offer.

You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from Friday, 12 January 2024 until the close of market on Thursday, 18 January 2024. To sell any of your Entitlements you need to contact your broker as soon as possible.

You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of shares, your interest in the Company will be diluted and you will receive no value for your Entitlements.

### **DOCA and Facilitation Deed**

The Company is also pleased to confirm that it has entered into deeds of company arrangement (one for each of KLP and KLI, being the entities to be acquired by the Company under the Proposed Transaction) and the Facilitation Deed with the relevant parties to existing royalty deed which applies to KLP and KLI on terms consistent with those proposed and described in the Notice of Meeting announced to ASX on 11 December 2023. Further details on those agreements are contained in the Prospectus.

### **Queries**

If you have any questions about the Entitlement Offer, please contact:

**Michael Ruane**

**Executive Director**

[michael.ruane@rewardminerals.com](mailto:michael.ruane@rewardminerals.com)

**Lorry Hughes**

**CEO**

[lorry.hughes@rewardminerals.com](mailto:lorry.hughes@rewardminerals.com)

or

**Lead Manager:**

**RM Corporate Finance**

**Andrew Frazer**

[afrazer@lazaruscf.com.au](mailto:afrazer@lazaruscf.com.au)

**For any other registry related matters, contact Reward's share registrar, Automic Registry Services as follows:**

Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

Address: Level 5/126 Phillip St, Sydney NSW 2000

Phone: **1300 288 664 (within Australia), or +61 2 9698 5414 (international)** between 8:30am and 7:00pm (AEST) Monday to Friday.

*Authorised by the Board of Reward.*

For further information please contact:

**Bianca Taveira**

Company Secretary

[admin@rewardminerals.com](mailto:admin@rewardminerals.com)

**About Reward**

Reward is an ASX-listed advanced-stage sulphate of potash exploration and development company. Reward's flagship is its 100%-owned Kumpupintil Lake Potash Project, located east of Newman in north-western Western Australia. The Project hosts Australia's largest high-grade brine SOP deposit in a region with the highest evaporation rate.

Reward completed a detailed, conservative Pre-Feasibility Study which was updated with improved logistics in July 2018. An Indigenous Land Use Agreement ("ILUA") is in place with JYAC, the prescribed body corporate for Martu, the traditional owners of the land upon which Kumpupintil Lake is situated.

Key environmental approvals are in place and development can commence on completion of final feasibility studies and secondary regulatory approvals. The Company is currently progressing a Cultural Heritage Management Plan required by the ILUA to manage considerations related to cultural landscape characteristics in the project area.

Reward is also focused on advancement of its 100% owned Carnarvon Potash Project, located north of Carnarvon in north-western Western Australia which comprises one Exploration Licence application E09/2763.

Reward is also the 100% owner and developer of new processing technology for recovery of high-purity SOP from seawater and other high sulphate brines ("Reward Process"). The Company submitted an Australian Provisional Patent Application (Application Number - 2022902277) for the Reward Process on 11 August 2022 and completed the international application prior to 11 August 2023.