



# SCORPION MINERALS LIMITED

ABN 40 115 535 030

## Financial Report

For the year ended 30 June 2021

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## CORPORATE DIRECTORY

### Directors

Bronwyn Barnes      Non-Executive Director  
Craig Hall            Non-Executive Director  
Kate Stoney          Non-Executive Director

### Company Secretary

Kate Stoney

### Registered Office

Level 1, 24 Mumford Place  
Balcatta WA 6021

Telephone            08 6241 1877  
Facsimile            08 6241 1811

### Solicitors

Mills Oakley  
Level 24, 240 St George's Terrace  
Perth WA 6000

Telephone: 08 9197 9800

### Share Registry

Advanced Share Registry

Telephone            08 9389 8033  
Facsimile            08 6370 4203  
Email:                admin@advancedshare.com.au

### Auditors

Rothsay Auditing  
Level 1, Lincoln House  
4 Ventnor Avenue  
West Perth WA 6005

Telephone            08 9486 7094

ASX Code            SCN  
Website              www.scorpionminerals.com.au

## DIRECTORS' REPORT

Your Directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Scorpion Minerals Limited and the entities it controlled at the end of or during the financial year ended 30 June 2021.

### DIRECTORS

The names and details of the Group's Directors in office during the financial year and until the date of this report are as follows:

Bronwyn Barnes	Non-Executive Director – appointed 31 October 2018
Craig Hall	Non-Executive Director – appointed 11 February 2019
Kate Stoney	Non-Executive Director – appointed 16 February 2021
Carol New	Non-Executive Director – appointed 1 February 2019 (resigned 16 February 2021)

### INFORMATION ON DIRECTORS

#### **Bronwyn Barnes** *(appointed 31 October 2018)*

Ms Barnes has had an extensive career in the resources sector, having worked with companies ranging from BHP Billiton to emerging juniors in directorship, executive leadership, and operational roles in Australia and internationally. Ms Barnes has extensive experience in ASX listed company boards focused on minerals exploration and development.

Ms Barnes is currently Executive Chairman of ASX listed Indiana Resources Limited and Non-Executive Chairman of Aerison Group Limited. She is also a Non-Executive Director of Synergy (Electricity Generation and Retail Corporation). Ms Barnes was previously a Non-executive director of MOD Resources Limited, Windward Resources Limited, Auris Minerals Ltd and JC International Group Ltd.

#### **Craig Hall** *(appointed 11 February 2019)*

Mr Hall is an experienced geologist with over 30 years of mineral industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas.

Mr Hall is currently a Non-executive director of ASX listed Auris Minerals Limited and Horseshoe Metals Limited. Mr Hall was previously a Non-executive Director of Redbank Copper Limited, Eclipse Metals Limited and Target Energy Limited.

#### **Kate Stoney** *(appointed 16 February 2021)*

Ms Stoney is a CPA qualified accountant with over 15 years' experience working with public companies in administration, finance and company secretarial positions.

Ms Stoney is currently a Non-executive director of ASX company Horseshoe Metals Limited.

### COMPANY SECRETARY

#### **Kate Stoney** B Bus, CPA *(appointed 02 December 2019)*

## PRINCIPAL ACTIVITY

The principal activity of the Group is exploration for mineral resources.

## INTERESTS IN SHARES AND OPTIONS

As at the date of this report, the interests of the Directors in the shares and options of Scorpion Minerals Limited were:

	Ordinary shares	Options over Ordinary Shares
Bronwyn Barnes	17,868,250	11,486,845
Craig Hall	-	1,750,000
Kate Stoney	-	-

## DIVIDENDS

There were no dividends declared or paid during the financial year.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Apart from the above or as noted elsewhere in this report no significant changes in the state of affairs of the Group occurred during the financial year.

## OPERATING AND FINANCIAL REVIEW

### GOING CONCERN

The Group auditor has inserted an emphasis of matter in the audit report regarding going concern. The Directors believe it is appropriate to prepare the financial statements on a going concern basis as there are no matters that exist at the date of the report that indicate the Group will be unable to manage the matters referred to in the Note 1 for the next 12 months.

### REVIEW OF OPERATIONS

Scorpion Minerals Limited (ASX: SCN) provides the following review of activities for year ending 30 June 2021.

#### PHAROS GOLD and BASE METALS PROJECT Murchison, WA

During the year, the Company purchased tenement E20/948 and is currently transferring E20/953 from Element 25 (ASX:E25); both of which form the basis for the Pharos Project (refer Figures 1 & 2), covering 384 km<sup>2</sup> of prospective ground contiguous with 58 km<sup>2</sup> of granted SCN tenure (E20/931) containing the Mount Mulcahy copper-zinc volcanic-hosted massive sulphide (VMS) deposit. The Company also has the granted E20/962 west of E20/953.

#### E20/948 Discussion

During the year the Company undertook two phases of RC drilling within areas of focus on the tenement. Subsequently the Company announced significant high grade near-surface gold mineralisation at two prospects, specifically:

- **7m @ 8.33 g/t Au** from 4m (including **3m @ 18.0 g/t Au**) from 4m at Lantern Prospect
- **5m @ 8.28 g/t Au from 9m** (including **1m @ 22.9 g/t Au**) from 9m at Cap lamp Prospect

Additional drilling is required at both prospects, which are some 3km from each other (refer Figure 3). Mineralisation intercepted at Cap Lamp is open north-south along strike and across strike and dip to the west.

Both results at Lantern and Cap Lamp confirm the presence of significantly mineralised shear zones and quartz veins are likely hosted within the highly prospective mafic quartz dolerite unit that is interpreted to extend from Cap Lamp in the east to the Atlanta Prospect in the west, a distance of about 9km (refer Figure 2).

Phase One drilling comprised 28 RC holes totalling 2,482m drilling to a maximum depth of 174m across seven separate prospects within E20/948, completed in September 2020 (refer Figure 3). In October, to take advantage of drill rig availability, the Company announced it had brought forward its planned second Phase RC drilling, which allowed for an additional 2,500m of follow up exploration.

Phase Two drilling consisted of 21 holes completed for 2,008m of drilling and included additional drilling at Cap Lamp, Lantern, Candle, Salt Flat and Oliver's Patch; and initial drilling across workings at Terry's South and north of Maguires Reward (refer Figure 3).

Both Phases were a reconnaissance test of each target with at least one drill fence designed to confirm mineralisation, structural setting and geometry. Apart from Cap Lamp, Oliver's Flat, Maguires North and Terry's South, all prospects were blind targets beneath shallow cover in deeply weathered terrain.

Samples from Phase 2 were submitted to the laboratory requesting *aqua regia* digestion in an effort to expedite results and geological understanding from an expanded assay suite (most notably arsenic content), with anomalous gold samples to be re-analysed by fire assay.

The Company has reported sample results for Phase One and Phase Two drilling. Drilling results received are discussed below. Full results are outlined in Table 2.

### **Cap Lamp Prospect Drilling Discussion**

The Cap Lamp Prospect consists of a line of shallow workings (<5m depth) oriented NNE-SSW covering some 150m of strike (refer Figure 4). A compilation of historical Rotary Air Blast (RAB) drilling results and soil geochemical sampling confirms the mineralised trend. Channel sampling of west-dipping veining in the only easily accessible surface working returned multiple high-grade values with an approximate average value of 2.1 g/t Au over approximately 5m length, with a maximum value of 7.5 g/t Au returned from the north face of the working in a one metre wide quartz vein.

Eight holes (CLRC001-008) for 532m were completed on four 40m spaced sections in Phase 1 drilling, along with a deeper drill traverse 80m further south, east of the line of workings. A single hole for 30m (CLRC009) on the northern section was completed in Phase 2.

A significant result of **5m @ 8.28 g/t Au** from 9m was returned in CLRC009, which is open to the north and west (refer Figures 3, 4 & 5). The result is also down-dip of near-surface channel samples in workings that returned **5m @ 2.11 g/t Au** (see ASX release dated 9 July 2020). A down-dip result of **3m @ 2.72 g/t Au** was returned from CLRC005, and near-surface mineralisation was noted in CLRC006 further west (refer Figures 4 & 5).

Further drilling will be completed to define the extent of the mineralisation down-dip and along strike. Possible faulted repetitions to the west will also be tested by extension of the existing drill fences. Some variability in lab duplicates from the current programme was noted and is being assessed for "nugget effect" by umpire assaying, as well as field resampling.

### **Lantern Prospect Drilling Discussion**

The Lantern Prospect includes significant intersects previously recorded by RAB drilling of **12m @ 7.4 g/t Au, including 2m @ 42.4 g/t Au** in RAB hole WLR033; and **16m @ 3.1 g/t Au, including 2m @ 16.8 g/t Au** in RAB hole WOR006.

Drilling was targeting sub-vertical to west dipping structures, oriented NW-SE crosscutting an approximately E-W oriented stratigraphic sequence of dolerite with thin (ca. 1-3m width at surface) intercalated Banded Iron Formation (BIF) horizons. This structural orientation was based on the high-grade results in WLR033 and WOR006 interpreted as being hosted by the same structure.

Six RC holes (LTRC001-006) for 696m were completed on two E-W sections 40m apart as part of Phase One drilling. Drilling defined a significantly weathered profile oxidised to around 75m depth, with primary rock around 10m-15m further down. Quartz veining was intersected throughout the weathering profile hosted by dolerite or its sheared/altered counterparts. Significant mineralised sulphide and veining was developed on sheared contacts between dolerite and intercalated BIF including a deep intersection in LTRC003.

A significant high grade result of **3m @ 18.0 g/t Au** from 4m was returned from drill hole LTRC004, within a larger intercept of **7m @ 8.33 g/t Au** from 4m (using a 0.5 g/t Au lower cut), in proximity to high-grade from the historic intersect of **2m @ 16.8 g/t Au** from 8m in Hole WOR006 (refer Figures 3 & 6).

Phase Two drilling 'scissored' the Phase One drilling to test a possible east-dipping mineralisation control. Seven holes (LTRC007-013) on three 40m sections for 820m advance were completed to a maximum depth of 200m. Results for three of these holes (LTRC007-009) allowed reinterpretation of this drilling, and resulted in the following observations:

1. The target structure (T1) is now interpreted in an WNW-ESE orientation dipping north at about 70° (refer Figures 6 & 7) and passes through the high-grade intercepts in WOR006 and LTRC004, and potentially passes through the high-grade intercept in WLR033.
2. An additional parallel structure T2 is postulated adjacent to an untested 3,100ppb soil anomaly approximately 150m north of T1 (refer Figure 6).
3. A broad low-grade intercept in historically drilled WLR024 (refer Table 3) was only 4m composite sampled and never re-split at one metre intervals, and appears to support the T1 interpretation (refer Figures 6, 7 & 8).
4. The deep intercept in LTRC003 (6m @ 0.85 g/t AU from 148 to 154m) appears to have intersected T1 about 120m below the surface (Figure 7). This interval was extremely sulphidic, and affected by high water flow and poor sample recovery. Resampling of this interval is being undertaken to check grades.
5. The existing E-W drill fences inefficiently test T1, and follow-up shallow drilling on N-S oriented drill fences is planned, along with proposed future diamond drilling after confirmation of mineralisation. This includes some possible shallow RC drilling as a check on a south-dipping control (refer Figures 7 & 8).

A small RC drilling programme at Lantern targeting T1 was proposed to commence mid-December 2020, but availability of drill rigs for such a small programme was dependent on local availability of rigs completing work for other companies prior to Christmas and heritage monitor availability and could not be conducted. The work is now planned for inclusion as part of a larger drilling programme after further heritage surveys are completed within E20/953 and E20/948 in 2021.

### **Candle, Beacon and Atlanta Prospect Drilling Discussion**

The Beacon and Candle Prospects were highlighted from multiple anomalous rock chip samples to a maximum of 2.79 g/t Au taken from historically unsampled dolerite hosted quartz outcrops-oriented NW-SE. The newly discovered zones at Candle were some 375-475m south of a historical RAB drilling highlight of 4m @ 2.65 g/t Au from 28m to the bottom of hole in WOR008.

The Company drilled six holes (CNRC001-006) for 594m on three sections in Phase 1 drilling, with two holes per section line 100m apart targeting the outcrop in the south, and two holes on a single section targeting mineralisation highlighted by the historical result in WOR008. A further three holes for 370m (CNRC007-009) were completed in Phase 2, with a single hole scissored back on each section against the Phase 1 drilling to better assess the dip of expected mineralisation. All results have been received from Phase 1, and partial results from Phase 2.

At Candle, CNRC002 in the second section intersected 7m of mineralised dolerite from 101m to the end of hole at 108m, including **2m @ 1.34 g/t Au** from 106m (refer Table 2), and hole CNRC009 returning **1m @ 2.08 g/t Au** from 55m in prospective geology in the northernmost section, open to the north and east. The Company is considering the impact of the postulated T1 structural orientation interpreted at Lantern at Candle and other prospects, and further work is planned.

The Beacon Prospect was defined on the back of two anomalous rock chip samples to a maximum value of 0.84 g/t Au earlier this year, and surface nugget distribution in the proximal area. Two RC holes for 200m were drilled 40m apart as an initial test of a larger planned E-W traverse to be extended further to the west. Drilling encountered a variably silicified and veined shear within a strongly carbonate-altered dolerite. The intensity and style of alteration intersected is considered to be proximal to mineralisation.

At Atlanta, 4km west of Beacon, historical reconnaissance drilling returned a composite value of 5m @ 0.69 g/t Au from 15m in Hole RYA99-013 (close to the transported laterite interface). The zone was tested by two holes (ATRC001-002) totalling 212m which intersected dolerite hosted quartz veining below the transported (approximately 20m thick) cover; no gold

anomalism was intersected in ATRC001 whilst results for ATRC002 are awaited. Given the depth of cover, further work will await the outcome of the structural interpretation gained from drilling other prospects in the dolerite unit.

### **Salt Flat Prospect Drilling Discussion**

The Salt Flat Prospect was highlighted from high grade (**10.5 g/t Au** and **10.0 g/t Au**) rock chip samples from undrilled workings 200m apart, located approximately 200m west of Cap Lamp (refer Figure 4). The Company drilled three holes (SFRC001-003) for 228m in Phase 1 drilling and a further three holes for 222m (SFRC004-006) in Phase 2. Hole SFRC003 returned 3m @ 0.15 g/t Au from 7m mostly associated with quartz veining below the 10.0 g/t result, with further anomalous gold returned at depth in composites and single metre sampling in likely extensions to Cap Lamp mineralisation. An additional hole (SFRC004) was drilled further west, along with single holes on section lines 40m north (SFRC005) and south (SFRC006).

Field review of the drill hole samples and reconnaissance mapping has determined that the high-grade surface quartz vein is significantly different in morphology and hosted by a sediment/black shale unit that separates the main Salt Flat workings from Cap Lamp and is relatively steep-dipping (refer Figure 4). The sub-surface orientation of these sediment/contact-hosted veins is unknown and further drilling is required to adequately test the prospective structure.

Further, significant graphitic material was logged in the sediment unit and some re-assaying is planned to eliminate possible issues related to the sample content. It would appear the northern workings at Salt Flat are located away from the sediment unit, and are similar in style and structural orientation (NNE strike and flat west dip) to the vein structures at Cap Lamp, located to the east.

SFRC001 and SFRC002 were drilled on a section targeting these workings, with SFRC001 returning a low-grade intercept of 6m @ 0.22 g/t Au from 17m, thinning at depth in SFRC002.

### **Oliver's Patch Prospect Drilling Discussion**

The Oliver's Patch Prospect was identified by pit and stopped workings on quartz vein outcrop, to a maximum depth of around 5m. Rock chip samples returned anomalous values to a maximum value of 3.05ppm in the main working. The Prospect was undrilled. Subsequently the Company drilled two holes (OPRC001-002) for 140m in Phase 1 drilling and a further two holes for 130m (OPRC003-004) in Phase 2 drilling on two section lines 40m apart targeting the vein outcrop.

Drilling intersected a 70° west-dipping quartz vein filled shear of approximately 10m true width. Results returned a maximum assay of 0.16 g/t Au in OPRC001 in the centre of the shear. Field RC drill sample re-splitting and assaying is being completed.

### **Maguires North Prospect Drilling Discussion**

The Maguires North Prospect was identified by pit and shaft workings on quartz vein outcrop, to a maximum depth of around 10m. Rock chip samples returned anomalous values to a maximum value of 0.33ppm Au north of the main working, which is located some 500m north along strike of the Maguires Reward Prospect (within P20/2318, not on SCN tenure- refer Figure 3), and some 80m north of the E20/948 boundary with that tenement. The Maguires North Prospect was undrilled, and the Company drilled two holes (MNRC001-002) for 124m in Phase 2 drilling, with no significant result. Further work is planned.

### **Terry's South Prospect Drilling Discussion**

The Terry's South Prospect was identified by a shaft in the centre of P20/2253 developed to a maximum depth of around 10m-15m. A quartz sample from the working returned a maximum value of 1.18ppm Au. The Company has initially drilled two holes (TSRC001-002) for 192m in Phase 2 drilling to test this structure.

Drilling intersected a sub-vertical to east-dipping shear with quartz veining of around 5m true width, with a best intercept of 3m @ 0.84 g/t Au recorded. Significant sulfide mineralisation with gold anomalism (to a maximum value of 0.15 g/t Au) was encountered in the footwall of the second hole drilled. Field mapping along strike to the north of the drilling has confirmed significant untested veining and a possible east dip to the mineralised zone. Further drilling is required to complete the initial single fence test of the structure. This area is considered very prospective and further detailed evaluation is warranted.

## 2021 RC Drilling

Post-year end, on 12 August, the Company announced it had commenced RC drilling on E20/948 to follow up the successful 2020 RC drilling programme across multiple targets including Beacon, Candle, Candle North, Lantern and Cap Lamp (Figure 3).



*Photo 1: RC drill rig on site at Pharos , August 2021*

The Company subsequently announced on 23 August 2021 it had completed its Phase 3 programme, which included 16 holes drilled for a total of 1,134m to a maximum depth of 145m in North South drill sections. The holes were designed to scissor historic intersections to determine strike and dip of the high-grade structures. A single section was drilled at each target, apart from Lantern where two sections were completed. Several drill holes intersected significant dolerite-hosted structures with associated quartz veining, alteration (silica-carbonate-chlorite-pyrite-arsenopyrite) and/or the weathered remnants. Regional alteration (carbonate-chlorite) of the dolerite host rocks was also noted.

Initial assays are expected to be received in September 2021, with follow-up RC drilling expected to commence shortly thereafter.

## E20/953 Discussion

The second Pharos Project tenement E20/953 was granted in September 2020, with the tenement considered very prospective for gold and ultramafic-hosted PGE-Ni-Cu targets. The Company purchased the tenement from Element 25, and is in the process of transferring ownership as the first year of grant has now passed.

The Company has undertaken a review of historic open file data and identified targets for gold exploration adjacent to the historic Ryansville, Ulysses and Hercules Prospects (refer Figure 2). In addition, base metal exploration completed by CRA Exploration Pty Ltd (CRA) targeting possible repetitions of the Mt Mulcahy-style VMS mineralisation culminated in the drilling of two holes on E20/953. A single vertical 90m deep hole (83WRR3) targeting a magnetic anomaly at Poona North intersected **significant PGE-Ni mineralisation** (refer Figures 2 & 9, and Tables 6 & 7).

Results included:

- **44 metres at 0.18% Ni, 0.39% Cr, 0.63% Ti from 46-90m**
- **elevated Cu (1500ppm) and Au (0.10ppm) at the water table**
- **highly anomalous Pd+Pt of 0.78ppm over 2metres 86-88m\***

\*bottom of hole (88-90m) not assayed for Pd/Pt.

This significant result has received no follow up since the drilling conducted by CRA some 37 years ago. The PGE-Ni-Cu mineralisation is thought to be associated with either layered or chonolith-style mafic/ultramafic intrusives. These intrusives are of particular significance given the recent Julimar discovery by Chalice Gold on the western edge of the Yilgarn Craton, and Podium's nearby (refer Figure 1) Parks Reef PGE-Au-Base Metals Project (inferred resource of **1,140,000 ounces combined Pt-Pd and Au plus 37,300 tonnes Cu**<sup>1</sup>). The Company applied for E20/962 ('Choallie Creek') west of E20/953 on the strength of results outlined in its review.

### **Project Background**

E20/953 covers over 180km<sup>2</sup> of the total 640km<sup>2</sup> of the Pharos Project. CRA completed an exploration programme in the area from 1982 to 1984 following on from programmes completed by Kennecott (1974) and Western Mining Corporation (WMC) prior (1969). Work completed by these groups included airborne magnetics, electromagnetic (EM) surveys followed up with ground magnetics, and EM targeting VMS style polymetallic mineralisation. CRA collated the historic magnetic data and identified several untested anomalies outlined primarily by ground magnetic surveys, and followed up with two single RC drill holes (83WRRRC3, 83WRRRC4- refer Figure 2, and Tables 5, 6 & 7) testing two targets on now E20/953. There was no outcrop noted with any of the anomalies.

Hole 83WRRRC3 (refer Figure 9) intersected significant ultramafic intrusive hosted PGE-Ni-Cu mineralisation at a prospect named Poona North, outlining 44m at 0.18% Ni, 0.39% Cr, 0.63% Ti from 46m-90m (open at end of hole); along with elevated Cu (1500ppm) and Au (0.10ppm) adjacent to the water table (32m-34m); and highly anomalous Pd+Pt of 0.78ppm over 2m at the bottom of the hole (86m-88m). The final interval (88m-90m) was not assayed for Pd or Pt for an unknown reason. The Pd/Pt ratio noted is approximately 1:1, with the Pd value currently around 2.6 multiples of Pt.

Anomalous copper and gold analyses detected adjacent to the water table may indicate a nearby source for these elements to leach and mobilise into the groundwater and weathering profile. Hole 83WRRRC4 (refer Figure 2 and Table 5) drilled some 6km to the east also intersected anomalous Ni and Cr (refer Table 6), however at a lower level than 83WRRRC3. As outlined there has been no follow up of these isolated single RC drill hole tests of the magnetic anomalies, and the Company is extremely encouraged by the opportunity that the outlined anomalism represents.

### **Next Steps- E20/953 targets**

The Company intends to conduct field reconnaissance activities as soon as low impact exploration clearance is available. Reprocessing of detailed open file and purchased air magnetic datasets will be completed and if warranted, followed up with Airborne VTEM surveys over selected targets. These activities will support further geological understanding and assist in planning for target drill testing of these and additional priority targets outlined to commence immediately after necessary clearances are obtained.

### **Iron Ore – Binding Term Sheet with Fenix Resources Ltd**

In February 2020 the Company announced that it had entered into a binding Term Sheet for a farm-in and joint venture agreement with Fenix Resources Limited (ASX: FEX) for two tenements E20/953 (currently the subject of an option to acquire between Scorpion and Element 25 Limited) and E20/948 (currently 100%-owned by Scorpion). The two tenements totalling 384 km<sup>2</sup> are located adjacent and contiguous to Fenix's Iron Ridge operation and have iron ore targets totalling 15 strike kilometres.

The binding term sheet provides for Fenix to undertake exploration activities for iron ore, whilst leaving Scorpion to focus on its gold and PGE Ni-Cu targets within the tenements.

The material terms of the Binding Term Sheet are as follows:

- (a) Scorpion grants to Fenix the right to earn a 70% interest in the Iron Ore Rights in the tenements during the Farm-in Period of four years; and

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<sup>1</sup> *POD:ASX announcement 'Parks Reef Resources grows 54% to 1.14Moz at increased grade' released on 3 February 2020*

- (b) for the remainder of the Farm-in Period, Scorpion grants to Fenix the sole and exclusive right to carry out exploration for iron ore on the tenements for the purpose of exercising the Iron Ore Rights as required to satisfy the Farm-in Requirements.

### **Pharos Project Planned Exploration Activities**

The following activities are planned to take place at Pharos for the remainder of the calendar year and have been amended to bring forward follow up drilling of Pharos gold targets in September. The multi-commodity targets are 100% owned by Scorpion and are in addition to the iron ore targets that are the subject of an option agreement with Fenix Resources Ltd (ASX: FEX).

1. Airborne detailed photography	August - completed
2. RC drill testing Pharos gold targets	August - completed
3. Heritage Survey and Clearance	October
4. Airborne and/or ground EM surveys	October
5. RC drill follow up Pharos gold targets	October
6. RC drill testing (~1000m programme) of Iron targets identified	October-November
7. Diamond drilling Mt Mulcahy (~800m)	Q4 2021

The Company continues to assess the potential of additional targets within E20/948 and E20/953.

*For additional background on Pharos Project information please refer to ASX releases:*

25/06/2020	"Pharos Project Exploration Update"
09/07/2020	"High Grade Gold Rock Chips - Pharos Project"
13/08/2020	"Drilling to Commence – Pharos Project"
31/08/2020	"Commencement of Drilling - Pharos Project"
28/09/2020	"High Grade Gold Confirmed at Lantern - Pharos Project"
08/10/2020	"Phase 2 RC Drilling Commenced- Pharos Project"
02/11/2020	"Priority PGE Ni-Cu Targets – Pharos Tenement"
24/11/2020	"Further High-Grade Gold Results – Pharos Project"
08/02/2021	"Term Sheet – Iron Ore Rights at Pharos"
08/04 2021	"PGE-Ni-Cu Targets Identified at Pharos Project"
28/04/2021	"Fenix Iron Ore JV Update – Pharos"
16/06/2021	"Pallas PGE-Ni-Cu Target – Pharos"
23/06/2021	"Multiple Commodity Targets Identified at Pharos"
13/07/2021	"Fenix Iron Ore JV and Pallas PGE Target Exploration Update"
21/07/2021	"Iron Ore Targets Advanced and Drilling Expedited – Fenix JV"
12/08/2021	"RC Drilling Commences at Pharos Gold Targets"
23/08/2021	"Completion of Drilling at Pharos Gold Targets"

### **MT MULCAHY COPPER PROJECT** **Murchison, WA**

#### **Geology Discussion**

The Mt Mulcahy Project in Western Australia (Refer Figures 1, 2) hosts the Mount Mulcahy copper-zinc deposit, a volcanic-hosted massive sulphide (VMS) zone of mineralisation with a JORC 2012 Measured, Indicated and Inferred Resource of 647,000 tonnes @ 2.4% copper, 1.8% zinc, 0.1% cobalt and 20 g/t Ag (refer PUN:ASX release 25 September 2014 and Table 1) at the 'South Limb Pod' (SLP). The tenement containing the SLP is now in its second year of grant (refer ASX:SCN Mt Mulcahy Exploration Licence granted 16 September 2019). The Company noted the following highlights in that release:

Contained metal at the SLP resource of:

- **33.5M pounds (15,200 tonnes) of Cu**
- **26.3M pounds (11,800 tonnes) of Zn,**
- **1.35M pounds (600 tonnes) of Co,**
- **415,000 ounces of Ag, and**
- **5,000 ounces of Au**

- 87% of tonnes & 91% of Cu, Zn and Ag metal content classified Measured + Indicated.
- Significant intercepts from the historic drilling at SLP include:
  - 6.8m @ 4.9% Cu, 3.7% Zn, 0.16% Co, 39 g/t Ag, and 0.19 g/t Au
  - 10.2m @ 4.5% Cu, 4.0% Zn, 0.17% Co, 33 g/t Ag, and 0.18 g/t Au
  - 12.4m @ 3.1% Cu, 2.3% Zn, 0.10% Co, 28 g/t Ag, and 0.21 g/t Au
  - 11.3m @ 4.9% Cu, 4.2% Zn, 0.16% Co, 44 g/t Ag, and 0.57 g/t Au

The folded horizon hosting the SLP VMS mineralisation forms a regional keel, where the surface expression can be traced for a distance of at least 12km along strike and excellent potential exists for additional mineralisation to be discovered along this prospective horizon. Twenty untested targets have been identified along strike of this horizon using a combination of VTEM and soil geochemistry. These targets have characteristics similar to the SLP and are considered prospective for VMS base metal accumulations. The Company has plans for three extensional diamond tail holes targeting down dip of the current resource.

Gold targets within E20/931 are currently being evaluated in conjunction with the base metal prospectivity. A north-south trending Big Bell Shear splay is interpreted to pass through the western side of the licence area and auger soil geochemistry is planned to test for targets to be followed by RC drill testing of any anomalies defined by the programme.

**Table 1: Current Mineral Resource Estimate, Mt Mulcahy Project**

(refer ASX release 25/9/2014 "Maiden Copper - Zinc Resource at Mt Mulcahy", which also contains a list of significant drill intersections for the deposit, listed within that report at Table 2)

Mt Mulcahy South Limb Pod Mineral Resource Estimate											
Resource Category	Grade						Contained Metal				
	Tonnes	Cu (%)	Zn (%)	Co (%)	Ag (g/t)	Au (g/t)	Cu (t)	Zn (t)	Co (t)	Ag (oz)	Au (oz)
Measured	193,000	3.0	2.3	0.1	25	0.3	5,800	4,400	220	157,000	2,000
Indicated	372,000	2.2	1.7	0.1	19	0.2	8,200	6,300	330	223,000	2,000
Inferred	82,000	1.5	1.3	0.1	13	0.2	1,200	1,100	60	35,000	
<b>TOTAL</b>	<b>647,000</b>	<b>2.4</b>	<b>1.8</b>	<b>0.1</b>	<b>20</b>	<b>0.2</b>	<b>15,200</b>	<b>11,800</b>	<b>610</b>	<b>415,000</b>	<b>4,000</b>

**CORPORATE**

Early in the financial year the Company issued 2,000,000 fully paid shares priced at \$0.07 as part of a drill-for-equity arrangement with its drilling contractor, for work undertaken at its Pharos Project, and the Company also announced that terms of unsecured loans provided to the Company had been varied by extending the repayment term to 31 December 2021, and the date of the Annual General Meeting (AGM), to be held on Monday 30 November 2020, with the Notice of Meeting to follow.

On the 20 October 2020 the Company announced that all \$0.05 cent options expiring within October 2020 had been exercised, with the Company issuing 13,357,500 fully paid shares, with funds received totalling \$667,875.

On 2 November 2020, the Company proposed the issue of 15,000,000 shares to be issued as debt reduction of \$1,200,000; and 20,250,000 unlisted options with an exercise price of \$0.12, with a proposed expiry of 29 November 2023, as outlined in the Notice of Meeting and Explanatory Statement issued 30 October 2020.

On 30 November 2020, the Company held its Annual General Meeting ("AGM"), with all resolutions set out in the Notice of Meeting and Explanatory Statement issued 30 October 2020 endorsed by shareholders. On 23 December 2020, the Company issued 1,750,000 \$0.12 options expiring 22 December 2023 to each director as approved by shareholders at the AGM.

The Company continues to address opportunities within Australia that complement the focus of the Company's current areas.

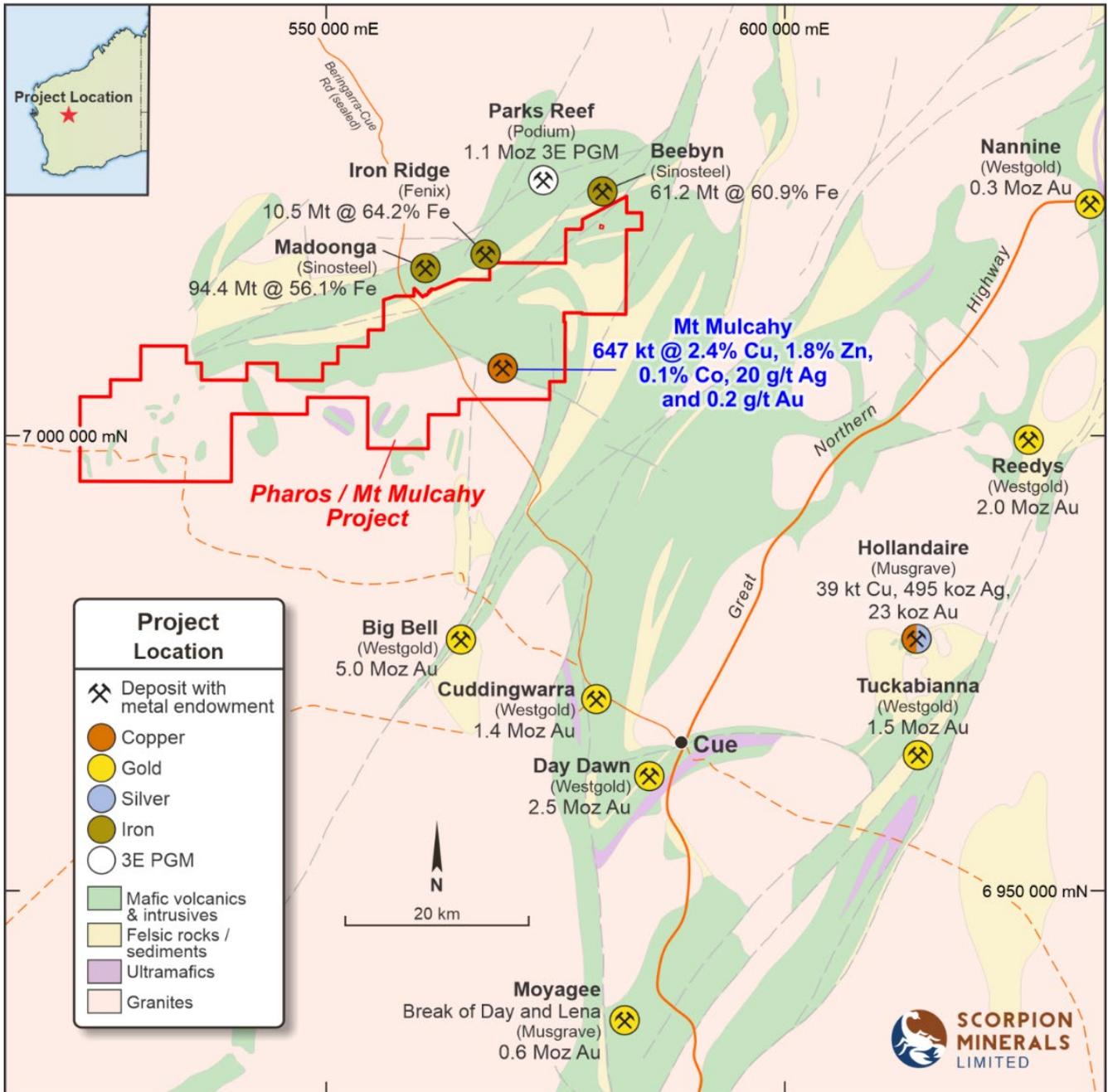


Figure 1 – Location of the Pharos/Mt Mulcahy Project and Regional Resources in Murchison area, WA

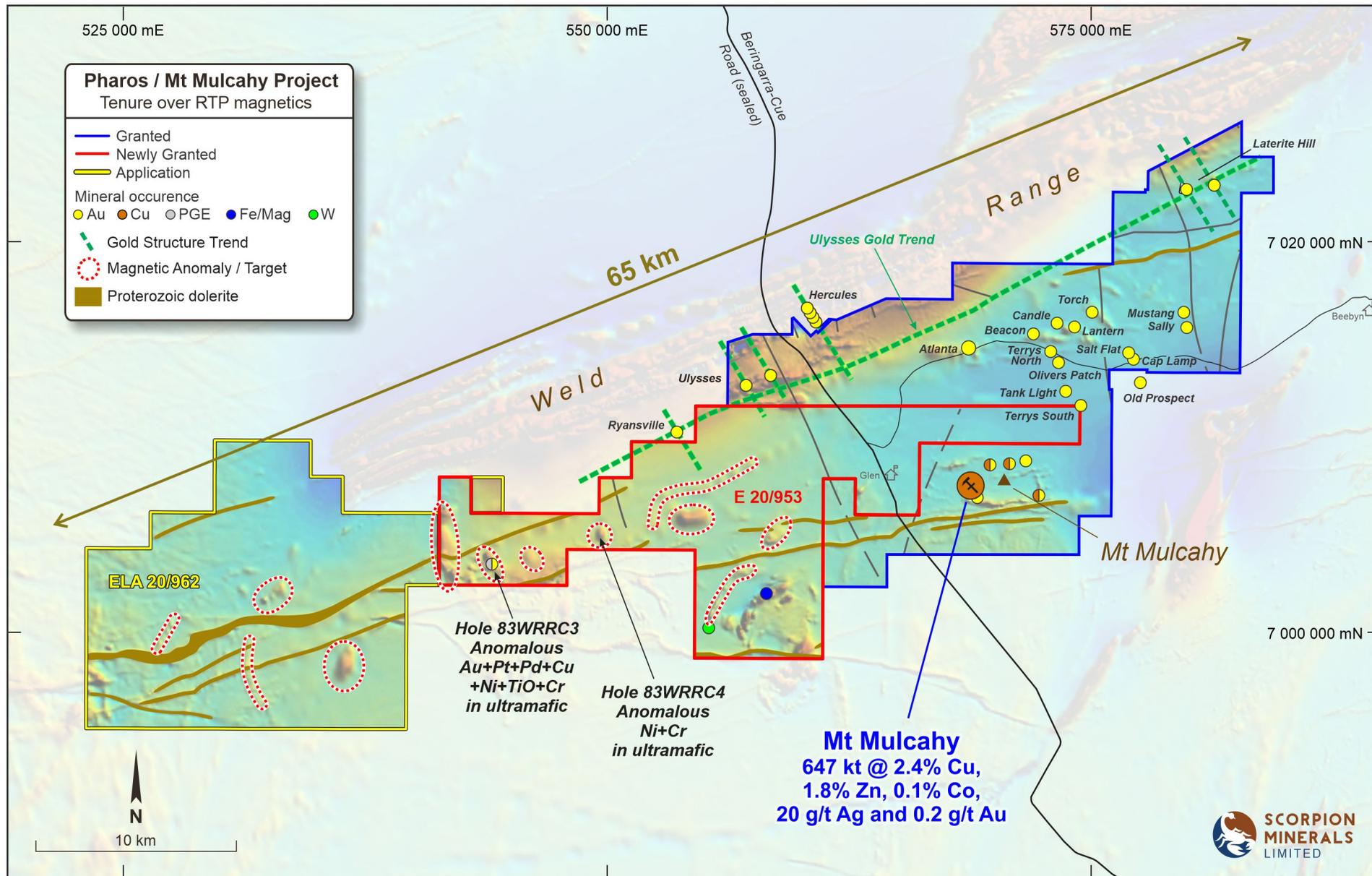


Figure 2 – Location of Pharos Project, highlighting targets and historic CRA Pty Ltd RC drilling overlain on regional magnetics on E20/953

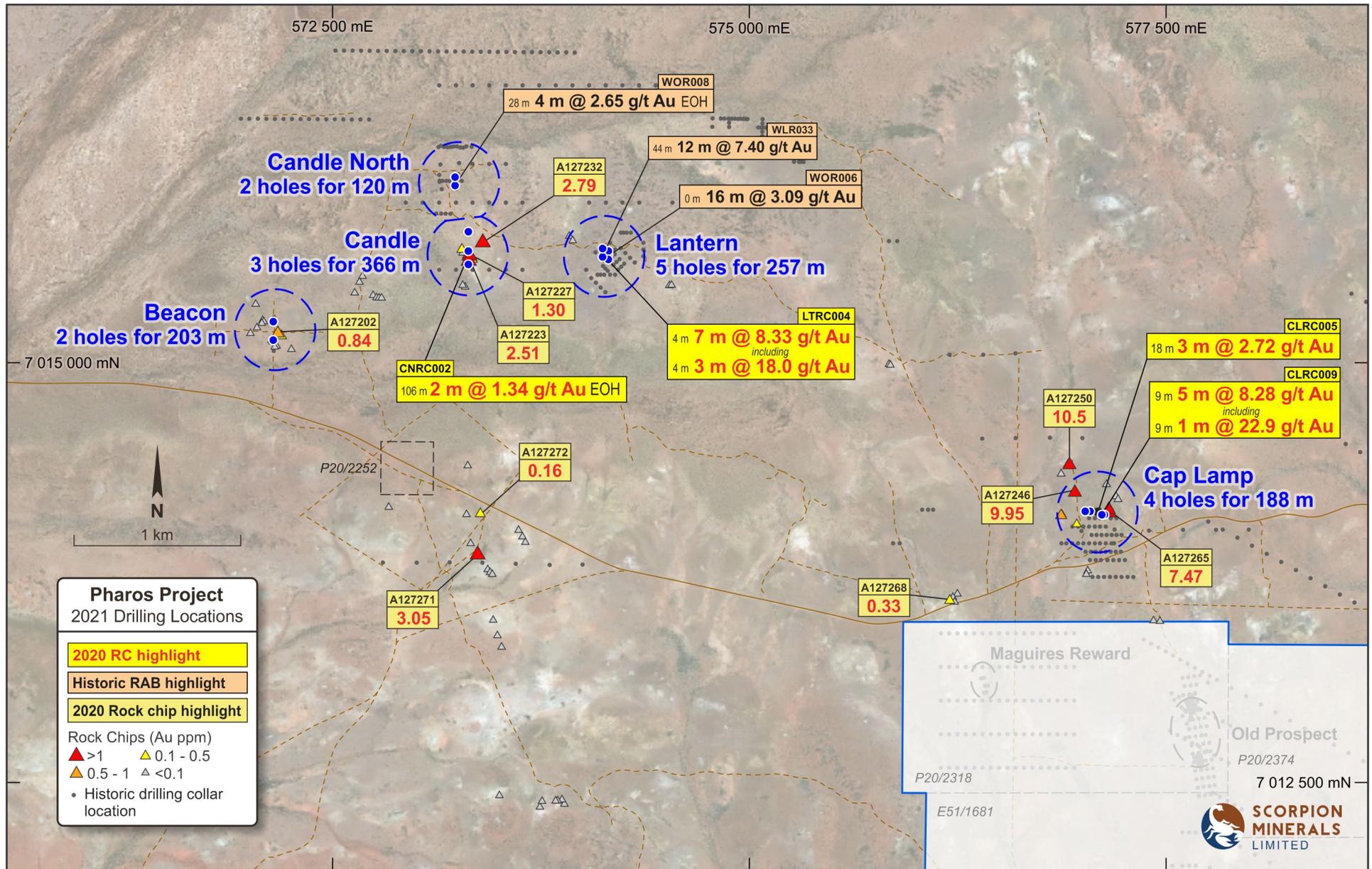


Figure 3 – Location of RC Drilling of prospects, set against rock chip sampling highlights, Pharos Project. Blue notations highlight 2021 RC Drilling Locations

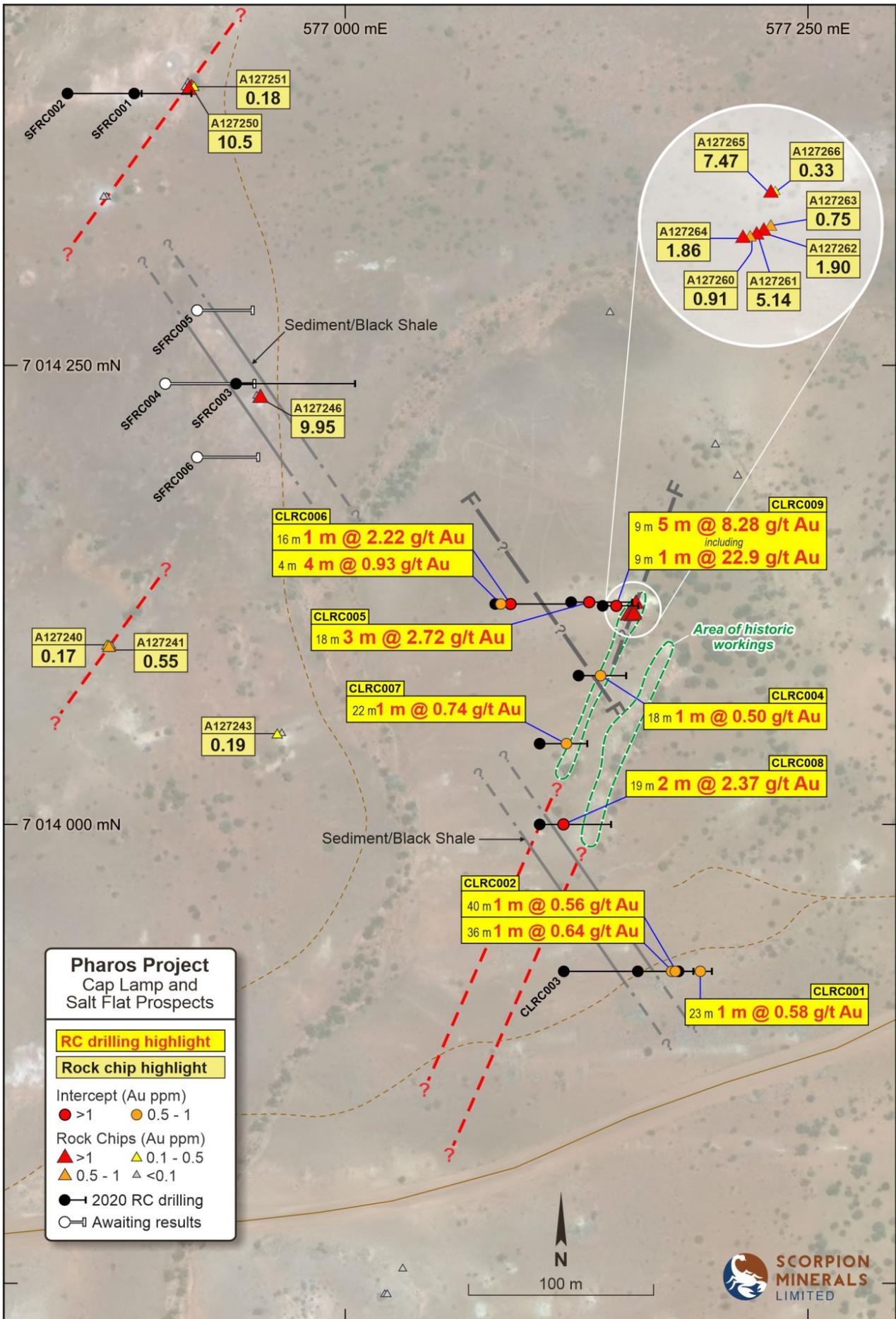


Figure 4 – Location of RC Drilling at Cap Lamp and Salt Flat prospects, Pharos Project

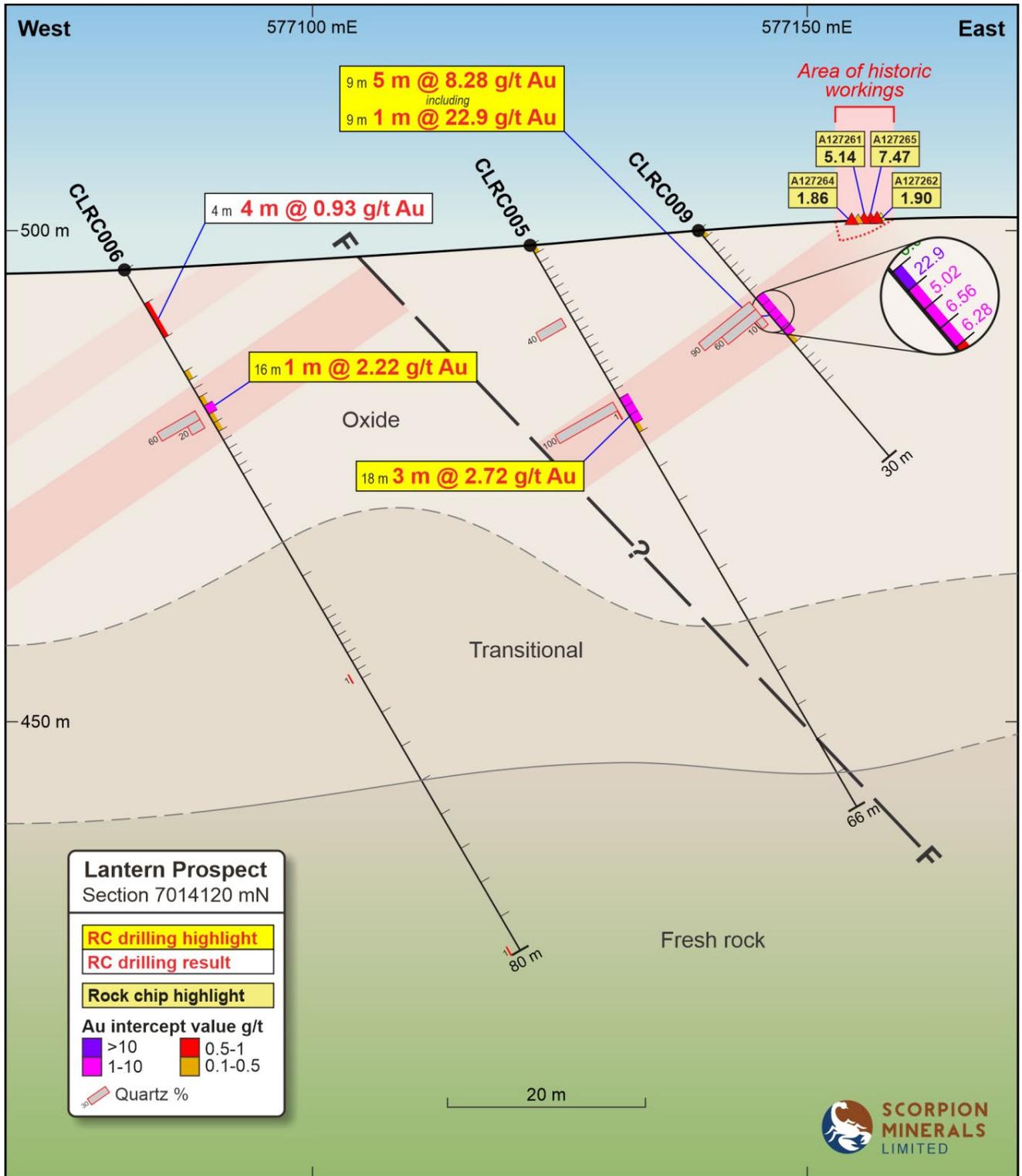


Figure 5 –RC Drilling Cap Lamp Prospect, Cross Section 7014120 mN showing mineralisation open to the West and North

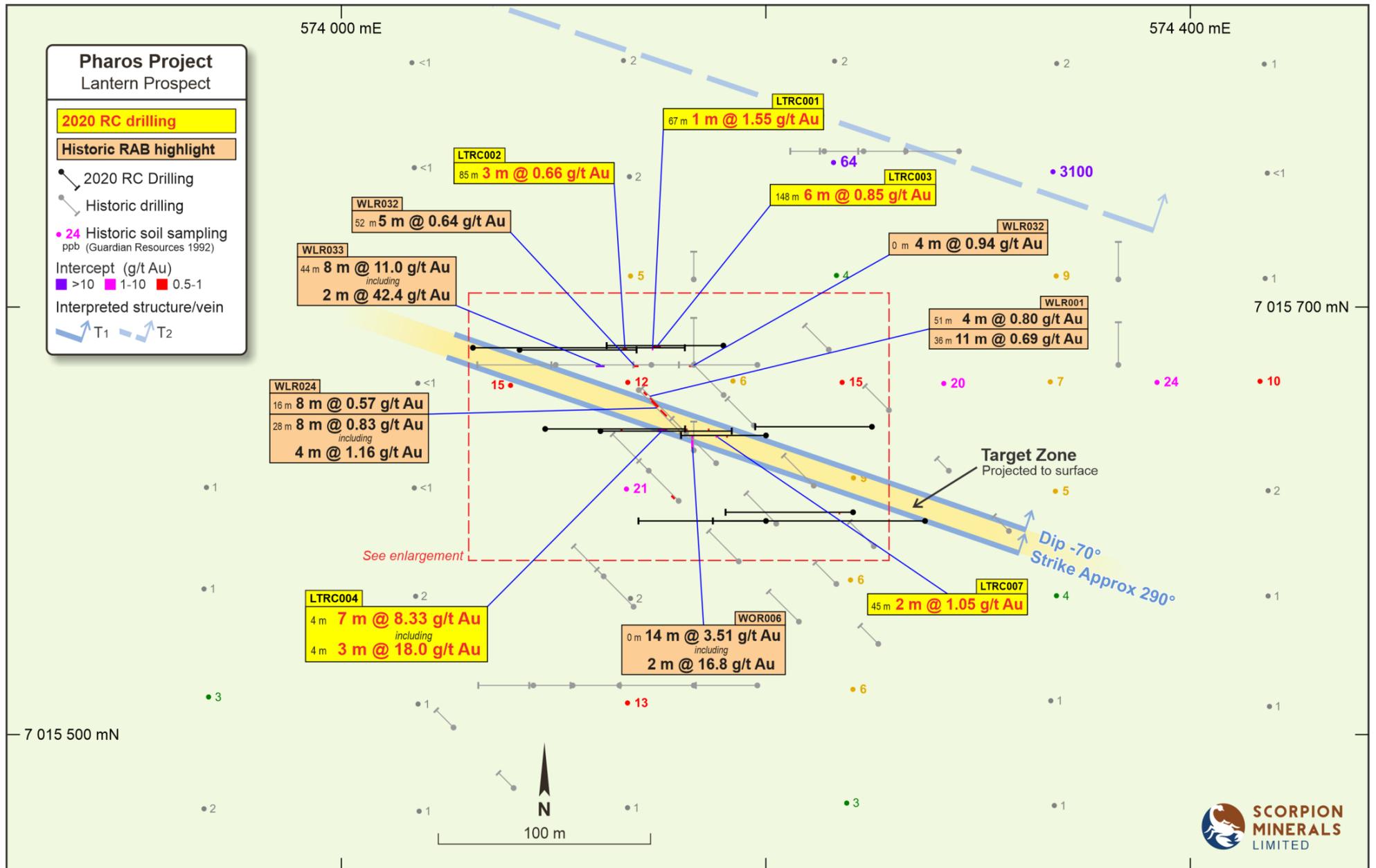


Figure 6 –RC Drill Plan Lantern Prospect

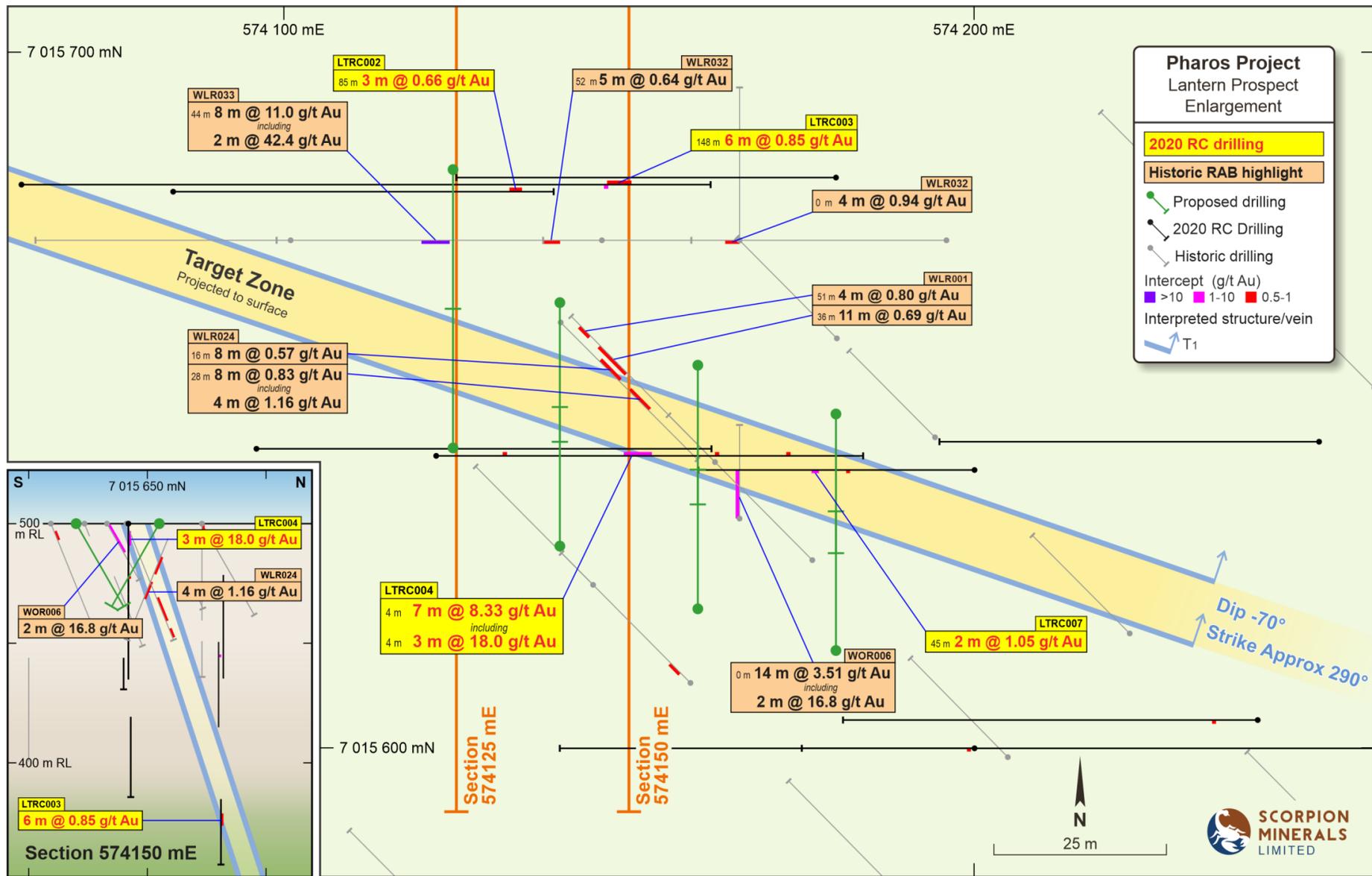


Figure 7 –RC Drill Inset Plan Lantern Prospect

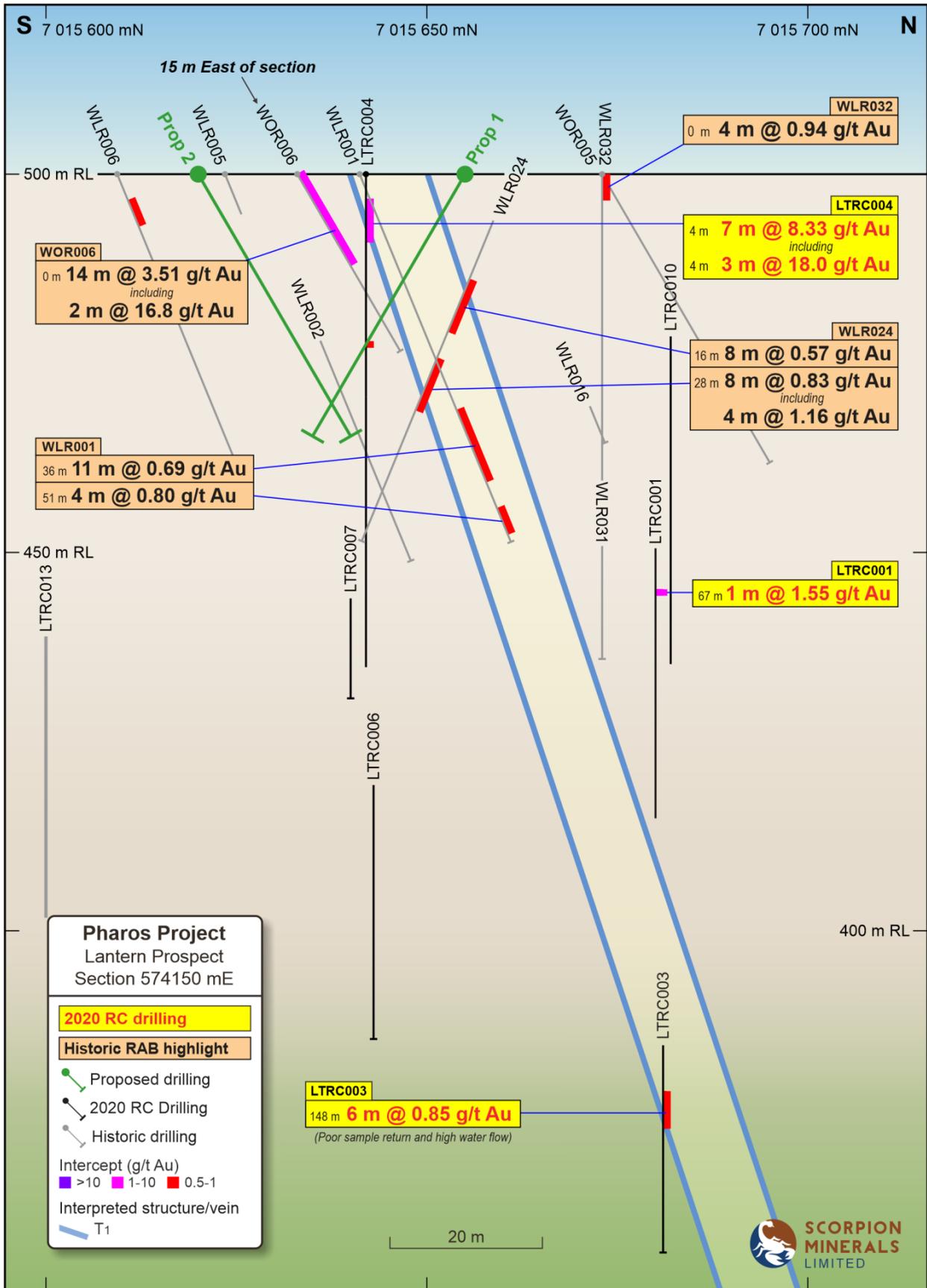


Figure 8—Lantern RC Drill section 574150 mE highlighting T1. Proposed drilling includes a possible shallow check of a south-dipping mineralisation control (Prop 2)

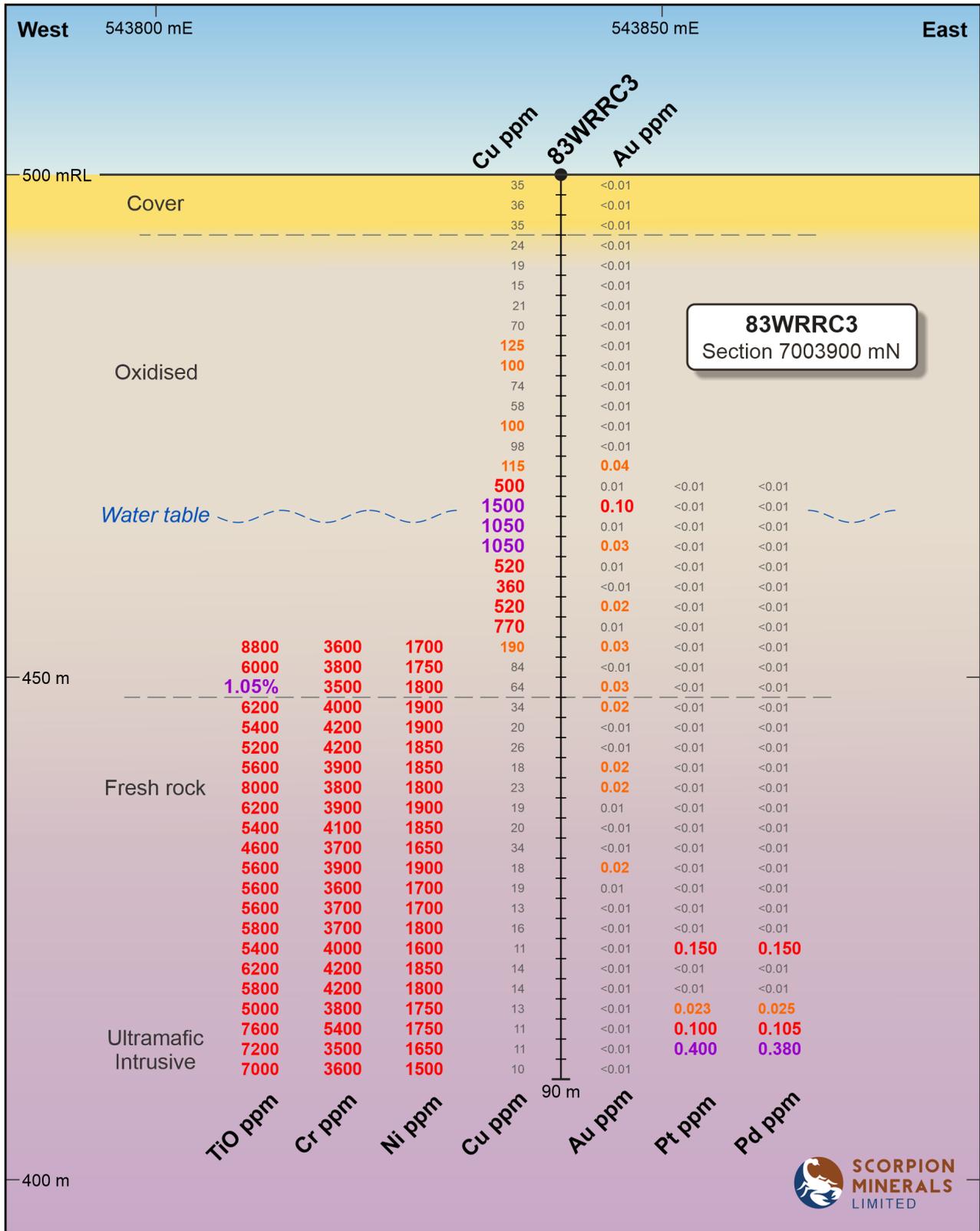


Figure 9 – Cross Section of 83WRRC3 showing anomalous Pd/Pt, Ni, CU, Au, Cr and Ti

**Table 2 -Rock chip sample location and assay**

Results released 9/7/2020

Prospect	Sample ID	North MGA	East MGA	Au ppm
Salt Flat	A127240	7014097	576872	0.170
	A127241	7014097	576872	0.551
	A127242	7014097	576873	0.005
	A127243	7014049	576964	0.186
	A127244	7014049	576965	0.004
	A127245	7014233	576953	0.005
	A127246	7014233	576954	9.947
	A127247	7014342	576871	0.013
	A127248	7014342	576870	0.014
	A127249	7014401	576916	0.057
	A127250	7014401	576917	10.501
	A127251	7014401	576917	0.184
	PP004	7014404	576915	0.002
Cap Lamp	A127252	7013758	577031	0.005
	A127253	7013744	577022	0.006
	A127254	7013744	577022	0.006
	A127255	7013458	577425	0.005
	A127256	7013458	577426	0.003
	A127257	7014190	577212	0.002
	A127258	7014207	577200	0.018
	A127259	7014279	577143	0.002
	A127260	7014114	577154	0.910
	A127261	7014115	577155	5.136
	A127262	7014115	577156	1.898
	A127263	7014116	577157	0.751
	A127264	7014114	577153	1.856
	A127265	7014121	577157	7.472
	A127266	7014121	577158	0.334
PP003	7013456	577465	0.003	
Olivers Patch	A127270	7013857	573374	0.114
	A127271	7013860	573371	3.046
	A127272	7014104	573386	0.159
	A127273	7014097	573303	0.008
	A127274	7013925	573328	0.005
	A127275	7013769	573431	0.002
	A127276	7013752	573445	0.002
	A127277	7013744	573457	0.005
	A127278	7013933	573657	0.002
	A127279	7013966	573639	0.001
	A127280	7014004	573616	<0.001
	A127281	7014388	573310	0.001
	A127282	7013469	573463	0.001
	A127283	7013469	573464	<0.001
	A127284	7013375	573489	0.001
	A127285	7013311	573515	0.001
	PP005	7014140	572837	0.001
North Of Maguires	A127267	7013604	576220	0.045
	A127268	7013588	576202	0.334
	A127269	7013578	576232	0.006
Tank Light	A127286	7012423	573501	0.004
	A127287	7012423	573502	0.005
	A127288	7012389	573757	0.003
	A127289	7012392	573839	0.018
	A127290	7012393	573851	0.009
	A127291	7012398	573876	0.010
	A127292	7012372	573891	0.012
PP002	7012355	573744	0.005	
Terrys	PP001	7011718	574472	1.182

Previously released 13/2/2020

Prospect	Sample ID	North MGA	East MGA	Au ppm
Beacon	A127202	7015170	572182	0.841
	A127203	7015166	572183	0.382
	A127204	7015166	572183	0.068
	A127205	7015126	572138	0.003
	A127206	7015131	572134	0.002
	A127207	7015098	572159	0.001
	A127208	7015096	572153	0.001
	A127209	7015081	572254	0.003
	A127210	7015208	572046	0.002
	A127211	7015176	572007	<0.001
	A127212	7015236	572076	<0.001
	A127213	7015250	572084	0.001
	A127214	7015247	572086	0.001
	A127215	7015349	572039	0.003
	East of Beacon	A127216	7015416	572633
A127217		7015480	572661	<0.001
A127218		7015515	572680	0.001
A127219		7015401	572743	0.001
A127220		7015387	572767	0.001
A127221		7015386	572778	0.001
A127222		7015386	572794	0.001
Candle	A127223	7015617	573319	2.509
	A127224	7015618	573331	0.328
	A127225	7015462	573284	0.003
	A127226	7015451	573292	0.004
	A127227	7015636	573313	1.303
	A127228	7015640	573312	0.397
	A127229	7015657	573280	0.023
	A127230	7015673	573277	0.18
	A127231	7015709	573401	0.011
	A127232	7015716	573401	2.794
Regional	A127233	7015728	573940	0.017
	A127234	7015464	574530	0.004
	A127235	7015755	573920	0.006
	A127236	7015463	574528	0.007
	A127237	7014986	575847	0.001
	A127238	7014987	575846	0.002

Coordinate system MGA94 zone 50, sample sites located by GPS, accuracy +/- 3m: Assay method, 50g Fire assay, lower detection limit 0.001 ppm

**Table 3: Material Historical Results (= $>4m$  @  $>0.2$  g/t Au)- Reported intervals are downhole lengths, true width not known**

Prospect	Hole ID	MGA Northing	MGA Easting	Assumed RL	MGA Azimuth	Dip	Max Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Drill Type	Company
Candle	RYA99-035	7015952	573141	0	0	-90	95.00	62.00	72.00	10.00	0.24	Aircore	Newcrest
Candle	RYA99-039	7015952	573541	0	0	-90	50.00	20.00	25.00	5.00	0.51	Aircore	Newcrest
Candle	RYA99-047	7016188	573260	0	0	-90	55.00	0.00	2.00	2.00	0.41	Aircore	Newcrest
Candle	WCR05	7016082	573277	0	270	-60	58.00	40.00	44.00	4.00	0.21	RAB	Hampton
Lantern	WLR001	7015633	574164	0	315	-60	59.00	36.00	47.00	11.00	0.69	RAB	Guardian
								51.00	55.00	8.00	0.80		
Lantern	WLR006	7015601	574159	0	315	-60	53.00	4.00	8.00	4.00	0.74	RAB	Guardian
								24.00	28.00	4.00	0.23		
Lantern	WLR009	7015566	574124	0	315	-60	40.00	0.00	4.00	4.00	0.28	RAB	Guardian
								8.00	12.00	4.00	0.36		
Lantern	WLR024	7015654	574143	0	135	-60	56.00	16.00	24.00	8.00	0.57	RAB	Guardian
								28.00	36.00	8.00	0.83		
								32.00	36.00	4.00	1.16		
Lantern	WLR032	7015666	574169	0	270	-60	57.00	0.00	4.00	4.00	0.94	RAB	Hampton
								52.00	57.00	5.00	0.64 EOH		
Lantern	WLR033	7015666	574149	0	270	-60	94.00	44.00	52.00	8.00	11.00	RAB	Hampton
								46.00	48.00	2.00	42.41		
								68.00	72.00	4.00	0.23		
Lantern	WOR005	7015674	574159	0	0	-60	44.00	40.00	44.00	4.00	0.51 EOH	RAB	Guardian
Lantern	WOR006	7015633	574158	0	0	-60	27.00	0.00	14.00	14.00	3.51	RAB	Guardian
								8.00	10.00	2.00	16.80		
								20.00	24.00	4.00	0.37		
Candle	WOR008	7016072	573243	0	0	-60	32.00	28.00	32.00	4.00	2.65 EOH	RAB	Guardian
Candle	WOR009	7016033	573243	0	0	-60	32.00	0.00	4.00	4.00	0.37	RAB	Guardian
Mustang Sally	MS256-4	7016797	579630	0	117	-60	102.00	89.00	91.00	2.00	2.46	RAB	Equinox
Mustang Sally	MS255-3	7016689	579607	0	117	-60	81.00	49.00	50.00	1.00	3.50	RAB	Equinox
Mustang Sally	MS264-5	7016606	579558	0	117	-60	89.00	53.00	58.00	5.00	1.38	RAB	Equinox
Laterite Hill	LWL100-4	7022651	581237	0	156	-60	55.00	28.00	32.00	4.00	1.36	RAB	Equinox
Laterite Hill	LWN329-3	7022599	582096	0	117	-60	71.00	43.00	44.00	1.00	1.18	RAB	Equinox
Laterite Hill	LWN330-4	7022716	582134	0	117	-60	54.00	29.00	30.00	1.00	1.35	RAB	Equinox
Cap Lamp	OP 102-1	7013923	577175	0	90	-60	49.00	16.00	24.00	8.00	1.65	RAB	Newcrest
								18.00	20.00	2.00	5.45		
Cap Lamp	OP 102-2	7013923	577140	0	90	-60	65.00	46.00	49.00	3.00	0.64	RAB	Newcrest
Cap Lamp	OP 103-2	7014023	577105	0	90	-60	41.00	9.00	11.00	2.00	0.40	RAB	Newcrest
Cap Lamp	OP 103-3	7014023	577075	0	90	-60	21.00	16.00	18.00	2.00	1.43	RAB	Newcrest
Cap Lamp	OP 104-2	7014123	577105	0	90	-60	54.00	20.00	24.00	4.00	0.45	RAB	Newcrest
Cap Lamp	OP 1015-2	7013873	577200	0	90	-60	71.00	16.00	28.00	12.00	0.27	RAB	Newcrest
Cap Lamp	OP 1015-3	7013873	577170	0	90	-60	65.00	48.00	52.00	4.00	0.20	RAB	Newcrest
Cap Lamp	OP 1035-3	7014073	577135	0	90	-60	26.00	8.00	12.00	4.00	0.20	RAB	Newcrest

**Table 4 – Pharos Project RC Drilling Significant Results: >1m>= 0.5 g/t Au**

Prospect	Hole ID	MGA Northing	MGA Easting	RL	MGA Azimuth	Dip	Max Depth (m)	From (m)	To (m)	Interval (m)	Au g/t	Notes	
Atlanta	ATRC001	7014357	568689	500	90.0	-60.0	92.0			NSI		2,a	
	ATRC002	7014344	568648	500	90.0	-60.0	120.0			NSI*		b	
Beacon	BCRC001	7015185	572160	500	90.0	-50.0	80.0			NSI		2,a	
	BCRC002	7015185	572120	500	90.0	-55.0	120.0			NSI		2,a	
	BCRC003	7015140	572150	500	360	-55	103					3, 4, c	
Cap Lamp	BCRC004	7015250	572150	500	180	-55	100					3, 4, c	
	CLRC001	7013920	577180	500	90.0	-60.0	36.0	23.0	24.0	1.0	0.58	2,a	
	CLRC002	7013920	577158	500	90.0	-60.0	60.0	36.0	37.0	1.0	0.64	2,a	
								40.0	41.0	1.0	0.56	2,a	
	CLRC003	7013920	577118	500	90.0	-60.0	150.0			NSI		2,a	
	CLRC004	7014081	577126	500	90.0	-50.0	40.0	18.0	19.0	1.0	0.50	2,a	
	CLRC005	7014121	577122	498.5	90.0	-60.0	66.0	18.0	21.0	3.0	2.72	2,a	
	CLRC006	7014120	577081	496	90.0	-60.0	80.0	4.0	8.0	4.0	0.93	1,2,a	
								16.0	17.0	1.0	2.22	2,a	
	CLRC007	7014044	577105	500	90.0	-50.0	40.0	22.0	23.0	1.0	0.74	2,a	
	CLRC008	7014000	577105	500	90.0	-50.0	60.0	19.0	21.0	2.0	2.37	2,a	
	CLRC009	7014119	577139	500	90.0	-50.0	30.0	9.0	14.0	5.0	8.28	3,b	
								<i>Including</i>	9.0	10.0	1.0	22.88	3,b
	CLRC010	7014120	577050	500	90	-55	55					3, 3, 4, c	
	CLRC011	7014120	577020	500	90	-55	60					3, 3, 4, c	
CLRC012	7014100	577135	500	90	-55	30					3, 3, 4, c		
CLRC013	7014100	573120	500	90	-55	43							
Candle	CNRC001	7015723	573296	500	90.0	-50.0	120.0			NSI		2,a	
	CNRC002	7015720	573284	500	90.0	-70.0	108.0	102.0	103.0	1.0	1.47	3,a	
								<i>End of Hole</i>	106.0	108.0	2.0	1.34	3,a
	CNRC003	7015620	573298	500	90.0	-55.0	78.0			NSI		2,a	
	CNRC004	7015619	573263	500	90.0	-55.0	100.0			NSI		2,a	
	CNRC005	7016079	573225	500	90.0	-50.0	80.0	43.0	44.0	1.0	1.12	2,a	
	CNRC006	7016079	573204	500	90.0	-55.0	108.0			NSI		2,a	
	CNRC007	7015623	573381	500	270.0	-60.0	90.0			NSI		3,b	
	CNRC008	7015721	573440	500	270.0	-60.0	180.0			NSI		3,b	
	CNRC009	7016079	573296	500	270.0	-60.0	100.0	55.0	56.0	1.0	2.08	3,b	
	CNRC010	7015785	573320	500	180	-55	121					3, 4, c	
	CNRC011	7015670	573320	500	360	-55	145					3, 4, c	
	CNRC012	7016060	573240	500	360	-55	60					3, 4, c	
	CNRC013	7016110	573240	500	180	-55	60					3, 4, c	
	CNRC014	7015590	573320	500	360	-55	100					3, 4, c	
Lantern	LTRC001	7015680	574108	500	90.0	-55.0	126.0	67.0	68.0	1.0	1.55	2,a	
	LTRC002	7015680	574084	500	90.0	-55.0	96.0	85.0	88.0	3.0	0.66	2,a	
	LTRC003	7015681	574062	500	90.0	-55.0	174.0	148.0	154.0	6.0	0.85	2,a	
	LTRC004	7015642	574147	500	90.0	-55.0	60.0	4.0	11.0	7.0	8.33	2,a	
								<i>Including</i>	4.0	7.0	3.0	18.04	2,a
									27.0	28.0	1.0	0.71	2,a
									45.0	46.0	1.0	0.99	2,a
	LTRC005	7015642	574122	500	90.0	-55.0	108.0	17.0	18.0	1.0	0.65	2,a	
	LTRC006	7015643	574096	500	90.0	-60.0	132.0			NSI		2,a	
	LTRC007	7015640	574200	500	270.0	-60.0	80.0	36.0	37.0	1.0	0.55	3,b	
								45.0	47.0	2.0	1.05	3,b	
	LTRC008	7015644	574250	500	270.0	-60.0	110.0			NSI*		3,4,b	
	LTRC009	7015680	574140	500	270.0	-60.0	80.0			NSI*		3,4,b	
	LTRC010	7015682	574180	500	270.0	-60.0	110.0			NSI*		3,4,b	
	LTRC011	7015604	574241	500	270.0	-60.0	120.0	12.0	13.0	1.0	0.51	3,b	
	LTRC012	7015600	574275	500	270.0	-60.0	200.0			NSI*		b	
	LTRC013	7015600	574200	500	270.0	-60.0	120.0	1.0	2.0	1.0	0.53	3,b	
	LTRC014	7015650	574160	500	180	-55	37					3, 4, c	
LTRC015	7015670	574160	500	180	-55	55					3, 4, c		
LTRC016	7015620	574160	500	360	-55	55					3, 4, c		
LTRC017	7015635	574125	500	360	-55	55					3, 4, c		
LTRC018	7015685	574125	500	180	-55	55					3, 4, c		
Maguires North	MNRC001	7013535	576209	500	90.0	-50.0	40.0			NSI*		3,4,b	
	MNRC002	7013537	576191	500	90.0	-60.0	84.0			NSI*		3,4,b	
Olivers Patch	OPRC001	7013860	573356	500	90.0	-60.0	40.0			NSI*		2,4,a	
	OPRC002	7013857	573323	500	90.0	-60.0	100.0			NSI*		2,4,a	
	OPRC003	7013898	573329	500	90.0	-50.0	40.0			NSI*		3,4,b	
	OPRC004	7013896	573301	500	90.0	-60.0	90.0			NSI*		3,4,b	
Salt Flat	SFRC001	7014398	576886	500	90.0	-50.0	48.0			NSI		2,a	
	SFRC002	7014398	576850	500	90.0	-60.0	80.0			NSI		2,a	
	SFRC003	7014240	576941	500	90.0	-50.0	100.0			NSI		2,a	
	SFRC004	7014240	576903	500	90.0	-60.0	96.0			NSI*		3,4,b	
	SFRC005	7014280	576920	500	90.0	-60.0	60.0			NSI*		3,4,b	
	SFRC006	7014200	576920	500	90.0	-60.0	66.0			NSI*		3,4,b	
Terrys South	TSRC001	7011720	574440	500	90.0	-50.0	78.0	55.0	58.0	3.0	0.84	3,4,b	
	TSRC002	7011720	574434	500	90.0	-60.0	114.0			NSI*		3,4,b	

**Notes**

- 1 - 4m composite
- 2 - Au by 50gm Fire Assay, NAGROM method – FA50\_OES
- 3 - Au by 40gm Aqua Regia Digest, NAGROM method – ICP008
- 4 - Incomplete sampling
- Drilling phases, a = 1, b = 2; c=3
- No upper cut applied, 0.5 g/t lower cut, allowing 2m internal waste
- Coordinate system GDA94z50. Northing and Easting obtained by handheld GPS, accuracy +/- 3m, nominal RL used
- NSI = No Significant Intercept, NSI\* = No Significant Intercept, but incomplete sampling

**Table 5: Collar Details Historical Drilling E20/953**

Hole ID	Drill Type	East MGA	North MGA	RL	Depth	Dip	Azimuth	Company	Year
83WRRC3	RC	543840	7003900	500	90	-90	0	CRA	1983
83WRRC4	RC	549880	7005060	500	86	-70	325	CRA	1983

MGA coordinates generated from georeferenced map

**Table 6: Significant Intercepts Historical Drilling E20/953**

83WRRC3	From	To	Length	Au ppm	Pt ppm	Pd ppm	Cu ppm	Ni %	Cr %	TiO %
	32.0	34.0	2.0	0.10						
	86.0	88.0	2.0		0.40	0.38				
					Pt + Pd 0.78					
	32.0	38.0	6.0				1200			
	46.0	90.0	44.0					0.18	0.39	0.63

**Table 7: Assay Table for Historical Drillholes 83WRRC3, 83WRRC4 (E20/953)**

83WRRC3	From	To	Length	Au ppm	Pt ppm	Pd ppm	Cu ppm	Ni ppm	Cr ppm	TiO ppm
	0.0	2.0	2.0	<0.01	*	*	35	*	*	*
	2.0	4.0	2.0	<0.01	*	*	36	*	*	*
	4.0	6.0	2.0	<0.01	*	*	35	*	*	*
	6.0	8.0	2.0	<0.01	*	*	24	*	*	*
	8.0	10.0	2.0	<0.01	*	*	19	*	*	*
	10.0	12.0	2.0	<0.01	*	*	15	*	*	*
	12.0	14.0	2.0	<0.01	*	*	21	*	*	*
	14.0	16.0	2.0	<0.01	*	*	70	*	*	*
	16.0	18.0	2.0	<0.01	*	*	125	*	*	*
	18.0	20.0	2.0	<0.01	*	*	100	*	*	*
	20.0	22.0	2.0	<0.01	*	*	74	*	*	*
	22.0	24.0	2.0	<0.01	*	*	58	*	*	*
	24.0	26.0	2.0	<0.01	*	*	100	*	*	*
	26.0	28.0	2.0	<0.01	*	*	98	*	*	*
	28.0	30.0	2.0	0.04	*	*	115	*	*	*
	30.0	32.0	2.0	0.01	<0.01	<0.01	500	*	*	*
	32.0	34.0	2.0	0.10	<0.01	<0.01	1500	*	*	*
	34.0	36.0	2.0	0.01	<0.01	<0.01	1050	*	*	*
	36.0	38.0	2.0	0.03	<0.01	<0.01	1050	*	*	*
	38.0	40.0	2.0	0.01	<0.01	<0.01	520	*	*	*
	40.0	42.0	2.0	<0.01	<0.01	<0.01	360	*	*	*
	42.0	44.0	2.0	0.02	<0.01	<0.01	520	*	*	*
	44.0	46.0	2.0	0.01	<0.01	<0.01	770	*	*	*
	46.0	48.0	2.0	0.03	<0.01	<0.01	190	1700	3600	8800
	48.0	50.0	2.0	<0.01	<0.01	<0.01	84	1750	3800	6000
	50.0	52.0	2.0	0.03	<0.01	<0.01	64	1800	3500	10500
	52.0	54.0	2.0	0.02	<0.01	<0.01	34	1900	4000	6200
	54.0	56.0	2.0	<0.01	<0.01	<0.01	20	1900	4200	5400
	56.0	58.0	2.0	<0.01	<0.01	<0.01	26	1850	4200	5200
	58.0	60.0	2.0	0.02	<0.01	<0.01	18	1850	3900	5600
	60.0	62.0	2.0	0.02	<0.01	<0.01	23	1800	3800	8000
	62.0	64.0	2.0	0.01	<0.01	<0.01	19	1900	3900	6200
	64.0	66.0	2.0	<0.01	<0.01	<0.01	20	1850	4100	5400
	66.0	68.0	2.0	<0.01	<0.01	<0.01	34	1650	3700	4600
	68.0	70.0	2.0	0.02	<0.01	<0.01	18	1900	3900	5600
	70.0	72.0	2.0	0.01	<0.01	<0.01	19	1700	3600	5600
	72.0	74.0	2.0	<0.01	<0.01	<0.01	13	1700	3700	5600
	74.0	76.0	2.0	<0.01	<0.01	<0.01	16	1800	3700	5800
	76.0	78.0	2.0	<0.01	0.15	0.15	11	1600	4000	5400
	78.0	80.0	2.0	<0.01	<0.01	<0.01	14	1850	4200	6200
	80.0	82.0	2.0	<0.01	<0.01	<0.01	14	1800	4200	5800
	82.0	84.0	2.0	<0.01	0.023	0.025	13	1750	3800	5000
	84.0	86.0	2.0	<0.01	0.10	0.105	11	1750	5400	7600
	86.0	88.0	2.0	<0.01	0.40	0.38	11	1650	3500	7200
	88.0	90.0	2.0	<0.01	*	*	10	1500	3600	7000

83WRR3	From	To	Length	Au ppm	Pt ppm	Pd ppm	Cu ppm	Ni ppm	Cr ppm	TiO ppm
83WRR4	From	To	Length	Au ppm	Pt ppm	Pd ppm	Cu ppm	Ni ppm	Cr ppm	TiO ppm
	0.0	2.0	2.0	<0.01	*	*	43	*	*	*
	2.0	4.0	2.0	<0.01	*	*	48	*	*	*
	4.0	6.0	2.0	<0.01	*	*	31	*	*	*
	6.0	8.0	2.0	<0.01	*	*	29	*	*	*
	8.0	10.0	2.0	<0.01	*	*	34	*	*	*
	10.0	12.0	2.0	<0.01	*	*	23	*	*	*
	12.0	14.0	2.0	<0.01	*	*	11	*	*	*
	14.0	16.0	2.0	<0.01	*	*	36	*	*	*
	16.0	18.0	2.0	<0.01	*	*	38	*	*	*
	18.0	20.0	2.0	<0.01	*	*	36	*	*	*
	20.0	22.0	2.0	<0.01	*	*	27	*	*	*
	22.0	24.0	2.0	<0.01	*	*	26	*	*	*
	24.0	26.0	2.0	<0.01	*	*	25	*	*	*
	26.0	28.0	2.0	<0.01	*	*	48	*	*	*
	28.0	30.0	2.0	<0.01	*	*	33	*	*	*
	30.0	32.0	2.0	<0.01	*	*	23	*	*	*
	32.0	34.0	2.0	<0.01	*	*	12	*	*	*
	34.0	36.0	2.0	<0.01	*	*	9	*	*	*
	36.0	38.0	2.0	<0.01	*	*	8	*	*	*
	38.0	40.0	2.0	<0.01	*	*	24	*	*	*
	40.0	42.0	2.0	<0.01	*	*	160	*	*	*
	42.0	44.0	2.0	<0.01	*	*	72	*	*	*
	44.0	46.0	2.0	<0.01	*	*	62	*	*	*
	46.0	48.0	2.0	<0.01	*	*	50	*	*	*
	48.0	50.0	2.0	<0.01	*	*	29	*	*	*
	50.0	52.0	2.0	<0.01	*	*	58	*	*	*
	52.0	54.0	2.0	<0.01	*	*	42	*	*	*
	54.0	56.0	2.0	<0.01	*	*	44	*	*	*
	56.0	58.0	2.0	<0.01	*	*	40	*	*	*
	58.0	60.0	2.0	<0.01	*	*	68	1750	1820	*
	60.0	62.0	2.0	<0.01	*	*	82	1350	2490	*
	62.0	64.0	2.0	<0.01	*	*	76	1200	2340	*
	64.0	66.0	2.0	0.01	*	*	70	1500	2210	*
	66.0	68.0	2.0	<0.01	*	*	52	1000	2200	*
	68.0	70.0	2.0	<0.01	*	*	52	1350	1450	*
	70.0	72.0	2.0	<0.01	*	*	52	1100	1930	*
	72.0	74.0	2.0	<0.01	*	*	58	1100	1820	*
	74.0	76.0	2.0	1000**	*	*	62	76**	1610	*
	76.0	78.0	2.0	<0.01	*	*	52	1000	1700	*
	78.0	80.0	2.0	<0.01	*	*	54	960	1820	*
	80.0	82.0	2.0	*	*	*	*	*	*	*
	82.0	84.0	2.0	<0.01	*	*	35	1850	*	*
	84.0	86.0	2.0	<0.01	*	*	48	2000	*	*

\* Not assayed

\*\* Likely transcription error in original log

#### Competent Persons Statement 1

The information in this report that relates to the Exploration Results and Mineral Resources at the Mt Mulcahy and Pharos Projects is based on information reviewed by Mr Craig Hall, whom is a member of the Australian Institute of Geoscientists. Mr Hall is a director and consultant to Scorpion Minerals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the information in the form and context in which it appears.

#### Forward Looking Statements

Scorpion Minerals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Scorpion Minerals Limited, its Directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimate.

## FINANCIAL RESULTS FOR THE PERIOD

The operating loss after income tax of the Group for the year ended 30 June 2021 was \$2,236,709 (2020: loss of \$818,449).

## SHAREHOLDER RETURNS

	2021	2020
Basic and diluted loss per share (cents)	(0.98)	(0.43)

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

### COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential future impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 5 July 2021, the Company announced 2,250,000 fully paid ordinary shares were issued following the exercise of 2,250,000 unlisted options (expiry date 18 October 2021, exercise price \$0.10 per share).

On 29 July 2021, the Company announced the completion of placement to accelerate exploration. Total financial commitments were received for \$1,284,750; placement of \$902,250 to new and existing sophisticated investors; drill for equity agreement secured for an additional \$112,500 and debt to equity conversion of \$270,000 to follow. The new funds were to accelerate exploration at Pharos with additional work planned for the Mt Mulcahy Copper-zinc deposit.

On 26 August 2021, Bronwyn Barnes was appointed as Non-Executive Chair to lead the next phase of growth for SCN.

On 21 September 2021, the Company announced the issue of employee incentive options.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors are not aware of any likely developments in the operations of the Group and the expected results of those operations that may have a material effect in subsequent years that are not already disclosed. Comments on certain operations of the Group are included in this annual report under the operating and financial review on activities on page 3.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to environmental regulation in respect to its mineral tenements relating to exploration activities on those tenements. No breaches of any environmental restrictions were recorded during the financial year. The Group has not yet fully reviewed the reporting requirements under the Energy Efficient Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007, but believes it has adequate systems in place to ensure compliance with these Acts having regard to the scale and nature of current operations.

## CORPORATE GOVERNANCE

The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) as published by the ASX Corporate Governance Council.

The 2021 Corporate Governance Statement is dated as at 30 June 2021 and reflects the corporate governance practices in place throughout the 2021 financial year. A copy of the Company's 2021 Corporate Governance Statement can be accessed at the Company's website.

## REMUNERATION REPORT (AUDITED)

Directors and Key Management Personnel disclosed in this report (see page 2 for details about each Director). During the financial year there were no Key Management Personnel other than the Directors.

<b>Name</b>	<b>Position</b>
Bronwyn Barnes	Non-Executive Director
Craig Hall	Non-Executive Director
Kate Stoney	Non-Executive Director and Company Secretary appointed 16 February 2021
Carol New	Non-Executive Director and Company Secretary resigned 16 February 2021

The information provided in this Remuneration Report has been audited as required under Section 308 (3C) of the Corporations Act 2001.

### **Assessing performance and claw-back of remuneration**

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the CEO and the executive team. The Board's policy for determining the nature and amount of remuneration for Board members and senior Executives of the Group (if any) is as follows:

#### **Remuneration Policies for Non-Executive Directors**

The Board will adopt remuneration policies for Non-Executive Directors (including fees, travel and other benefits). In adopting such policies, the Board will take into account the following guidelines:

- Non-Executive Directors should be remunerated by way of fees – in the form of cash, non-cash benefits or superannuation contributions;
- Non-Executive Directors should not participate in schemes designed for remuneration of executives;
- Non-Executive Directors should not receive bonus payments;
- Non-Executive Directors should not be provided with retirement benefits other than statutory superannuation.

The maximum aggregate annual remuneration is approved by shareholders.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently \$200,000 which was approved at a General Meeting held on 22 January 2008. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in employee option plans.

#### **Remuneration Policies for Executive Directors and Executive Management**

The Board will adopt remuneration policies for Executive Directors and Executive Management, including:

- Fixed annual remuneration (including superannuation) and short term and long-term incentive awards (including performance targets);
- Any termination payments (which are to be agreed in advance and include provisions in case of early termination); and
- Offers of equity under Board approved employee equity plans. Any issue of Company shares or options (if any) made to Executive Directors are to be placed before shareholders for approval.

The Board's objectives are that the remuneration policies:

- Motivate Executive Directors and Executive Management to pursue the long-term growth and success of the Company;
- Demonstrate a clear relationship between performance and remuneration; and
- Involve an appropriate balance between fixed and incentive remuneration, to reflect the short and long-term performance objectives appropriate to the Company's circumstances and goals.

#### **Performance based remuneration**

There was no performance-based remuneration paid to Directors during the financial year. Based upon the present stage of development of the Company, performance-based remuneration is not considered appropriate.

#### **Group performance, shareholder wealth and Directors' and executives' remuneration**

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors and Executives' performance. Currently, this is facilitated through the issue of options to Executives to encourage the alignment of personal and shareholder interests. No market-based performance remuneration has been paid in the current year.

### Voting and comments made at the Group's 2020 Annual General Meeting

At the Group's 2020 Annual General Meeting, the Company's Remuneration Report was passed by way of a poll. The Board remains confident that the Group's remuneration policy and the level and structure of its executive remuneration are suitable for the Company and its shareholders and hence it has not amended its overall remuneration policy.

### Details of remuneration

The amount of remuneration of the Directors (as defined in AASB 124 Related Party Disclosures) is set out below. During the financial year there were no Key Management Personnel other than the Directors.

	Short-Term Salary & Fees \$	Post-Employment Superannuation \$	Share-based Payments Options \$	Total \$
<b>Directors</b>				
Bronwyn Barnes				
2021	30,000	-	31,850	61,850
2020	30,000	-	-	30,000
Craig Hall				
2021	30,000	-	31,850	61,850
2020	30,000	-	-	30,000
Kate Stoney <sup>1</sup>				
2021	29,250	-	-	29,250
2020	10,500	-	-	10,500
Carol New <sup>2</sup>				
2021	30,000	-	31,850	61,850
2020	48,000	-	-	48,000
<b>Total Key Management Personnel compensation</b>				
<b>2021</b>	<b>119,250</b>	<b>-</b>	<b>95,550</b>	<b>214,800</b>
<b>2020</b>	<b>118,500</b>	<b>-</b>	<b>-</b>	<b>118,500</b>

<sup>1</sup> Kate Stoney was appointed a Company Secretary on 16 February 2021. <sup>2</sup> Carol New resigned as a Company Secretary on 16 February 2021.

As at 30 June 2021 the following amounts owed to the directors remain unpaid:

•	Craig Hall	\$20,000
•	Carol New	\$14,200
•	Bronwyn Barnes	\$20,000
•	Kate Stoney	\$23,250

There are no cash bonuses or non-monetary benefits relating to any of the Directors and Key Management Personnel during the year.

### Shareholdings of Key Management Personnel

	Balance 1 July 20	Granted as remuneration	On exercise of options	Net change Other	Balance 30 June 21
Bronwyn Barnes	8,561,405	-	9,306,845	-	17,868,250
	8,561,405	-	9,306,845	-	17,868,250

## Option holdings of Key Management Personnel

	Balance 1 July 20	Granted as remuneration	Other	On exercising of options	Balance 30 June 21
Bronwyn Barnes	19,473,690	1,750,000	(430,000)	(9,306,845)	11,486,845
Craig Hall	-	1,750,000	-	-	1,750,000
Kate Stoney	-	-	-	-	-
	19,473,690	3,500,000	(430,000)	(9,306,845)	13,236,845

### Service agreements

As at the date of this report there are no executives or Key Management Personnel, other than the Directors, engaged by the Company. Formal appointment letters are in place with Non-Executive Directors, each of which is entitled to a fee of \$30,000 per annum effective from 1 January 2017 (\$36,000 per annum previous year). There are no termination payments payable.

The Board has determined that should a Non-Executive Director incur or be asked to incur excessive time in assisting the Company on specific matters, the Non-Executive Director is entitled to charge the Company for this additional time. The Board has also agreed that payments to Non-Executive Directors for the provision of such services shall be on reasonable commercial terms.

### Share-based compensation

#### Options granted to Directors' and Officers of the Company

The Company approved the issue of incentive options to Directors. On 23 December 2020 Scorpion Minerals Limited issued Ms Barnes 1,750,000 and Mr Hall 1,750,000 unlisted incentive options with a strike price of 12 cents expiring on 22 December 2023 (3 years).

### Additional information

The table below sets out information about the Group's earnings and movements in shareholder wealth of the periods since listing:

	30 June 21	30 June 20	30 June 19	30 June 18	30 June 17
			\$	\$	\$
Revenue	-	-	-	-	-
Net (loss)/profit before tax	(2,236,709)	(818,849)	(2,644,232)	(294,916)	(452,190)
Share price at year-end	0.061	0.045	0.004	0.024	0.030

There were no remuneration consultants engaged by the Group during the financial year.  
This is the end of the audited remuneration report.

## DIRECTORS' MEETINGS

Given the size and nature of the Company, the Non-Executive Directors meet frequently at a management level. These meetings are not recorded as board meetings. During the year the Group held four Board meetings. Board decisions were also undertaken via circular resolutions signed by all Directors entitled to vote.

Director	Eligible to Attend	Attended
B Barnes	4	4
C Hall	4	4
C New	2	2
K Stoney	2	2

## SHARES UNDER OPTION

The table below represents the movement of options from 1<sup>st</sup> of July 2020 and to the date of this report:

	<b>Number of options</b>
Balance at the beginning of the year	<u>46,000,000</u>
Movements of share options during the year	
Options exercised 16 September \$0.05	(2,500,000)
Options exercised 15 October 2020 \$0.05	(7,142,500)
Options exercised 20 October 2020 \$0.05	(13,357,500)
Options issued on 23 December 2020 with an exercise price of \$0.12 and expiring on 22 December 2023	5,250,000
Options issued on 25 February 2021 with an exercise price of \$0.12 and expiring on 25 February 2024	15,000,000
Options exercised 20 May 2021 \$0.10	(500,000)
Options exercised 5 July 2021 \$0.10	(2,250,000)
Options issued under ESOP 16 September 2021	<u>4,125,000</u>
Total number of options outstanding as at the date of this report	<u><b>44,625,000</b></u>

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

## INSURANCE OF DIRECTORS AND OFFICERS

The Company entered into a Directors and Officer's liability insurance policy for a 12-month period commencing 7 February 2021 for a total premium of \$19,500 (30 June 2020: \$15,000.00).

The Company has entered into Deeds of Access, Insurance and Indemnity with each of the Directors and Officers of the Company. Under the Deeds of Access, Insurance and Indemnity, the Company will indemnify those Officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as Directors and Officers of the Company or any related entities.

## NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors would consider the position that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditors, would not compromise the auditors' independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services would be reviewed to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 11- Code of Ethics for Professional Accountants.

No non-audit services were provided by Rothsay Auditing during the current financial year.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 31.

Signed in accordance with a resolution of the Directors, and on behalf of the Board by,



Craig Hall  
Director

Perth, Western Australia  
30 September 2021



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 [www.rothsay.com.au](http://www.rothsay.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001**

As lead auditor of the audit of Scorpion Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Scorpion Minerals Limited and the entities it controlled during the year.

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Dalla', written in a cursive style.

**Daniel Dalla**  
**Partner**  
**30 September 2021**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
<b>REVENUE</b>			
Other income		-	-
Director fees		(91,250)	(75,000)
Exploration expenses		(1,138,462)	(373,833)
Occupancy expenses		(36,000)	(36,000)
Share Based Payment	21	(416,516)	-
Other expenses	2	(464,937)	(281,511)
Operating loss		(2,147,165)	(766,344)
Finance income		-	-
Finance costs		(89,544)	(52,105)
Finance costs - net		(89,544)	(52,105)
Loss before income tax		(2,236,709)	(818,449)
Income tax benefit/(expense)	3	-	-
<b>Loss after income tax for the year</b>		(2,236,709)	(818,449)
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive loss for the year</b>		(2,236,709)	(818,449)
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF SCORPION MINERALS LIMITED</b>	10	(2,236,709)	(818,449)
<b>Loss per share for loss attributable to ordinary equity holders of the Group:</b>			
Basic loss per share (cents per share)	12	(0.98)	(0.43)
Diluted loss per share (cents per share)	12	N/A	N/A

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION AS AT 30 JUNE 2021**

	Notes	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	133,873	167,205
Trade and other receivables	5	133,756	188,176
<b>TOTAL CURRENT ASSETS</b>		<u>267,629</u>	<u>355,381</u>
<b>NON-CURRENT ASSETS</b>			
Capitalised exploration expenditure	6	2,060,027	2,060,027
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,060,027</u>	<u>2,060,027</u>
<b>TOTAL ASSETS</b>		<u>2,327,656</u>	<u>2,415,408</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	(1,394,095)	(2,282,933)
Borrowings	8	(1,281,133)	(1,299,854)
<b>TOTAL CURRENT LIABILITIES</b>		<u>(2,675,228)</u>	<u>(3,582,787)</u>
<b>TOTAL LIABILITIES</b>		<u>(2,675,228)</u>	<u>(3,582,787)</u>
<b>NET ASSETS / (LIABILITY)</b>		<u>(347,572)</u>	<u>(1,167,379)</u>
<b>EQUITY</b>			
Contributed equity	9	22,874,964	20,234,964
Accumulated losses	10	(23,801,988)	(21,866,636)
Reserves	11	579,452	464,293
<b>TOTAL EQUITY</b>		<u>(347,572)</u>	<u>(1,167,379)</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Contributed Equity	Accumulated Losses	Share- based Payments Reserve	Total Equity
<b>CONSOLIDATED</b>					
<b>Balance 30 June 2020</b>		<b>20,234,964</b>	<b>(21,866,636)</b>	<b>464,293</b>	<b>(1,167,379)</b>
Loss for the-year	10	-	(2,236,709)	-	(2,236,709)
<b>Total comprehensive loss for the year</b>		-	<b>(2,236,709)</b>	-	<b>(2,236,709)</b>
<b>Transactions with owners in their capacity as owners</b>					
Shares issued during the year	9	2,640,000	-	-	2,640,000
Options issued during the year		-	-	416,516	416,516
Transfer on exercise/lapse of options		-	301,357	(301,357)	-
<b>Balance 30 June 2021</b>		<b>22,874,964</b>	<b>(23,801,988)</b>	<b>579,452</b>	<b>(347,572)</b>

	Note	Contributed Equity	Accumulated Losses	Share- based Payments Reserve	Total Equity
<b>CONSOLIDATED</b>					
<b>Balance 30 June 2019</b>		<b>19,822,564</b>	<b>(21,048,187)</b>	<b>464,293</b>	<b>(761,330)</b>
Loss for the-year	10	--	(818,449)	-	(818,449)
<b>Total comprehensive loss for the year</b>		-	<b>(818,449)</b>	-	<b>(818,449)</b>
<b>Transactions with owners in their capacity as owners</b>					
Shares issued during the year	9	412,400	-	-	412,400
Options issued during the year		-	-	-	-
<b>Balance 30 June 2020</b>		<b>20,234,964</b>	<b>(21,866,636)</b>	<b>464,293</b>	<b>(1,167,379)</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(225,355)	(28,715)
Payments for exploration		(1,139,712)	(373,832)
Interest paid		(20,347)	34,113
<b>Net cash outflow from operating activities</b>	22	<b>(1,385,414)</b>	<b>(368,434)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Net cash inflow from investing activities</b>		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of shares	9	1,440,000	412,400
Proceeds (repayment) from borrowings		(87,918)	118,489
<b>Net cash inflow from financing activities</b>		<b>1,352,082</b>	<b>530,889</b>
Net increase/(decrease) in cash and cash equivalents		(33,332)	162,455
Cash and cash equivalents at the beginning of the year		167,205	4,750
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	4	<b>133,873</b>	<b>167,205</b>

The above Consolidated Statement of Cash Flows should be read  
in conjunction with the Notes to the Consolidated Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial information included in this report have been set out below.

#### a) **Basis of preparation of historical financial information**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Boards, Australian Accounting Interpretations and the *Corporations Act 2001*. These financial statements have been prepared on a historical cost basis. Scorpion Minerals Limited is a for-profit entity for the purpose of preparing financial statements.

The financial report complies with Australian Accounting Standards which include International Financial Reporting Standards as adopted in Australia. Compliance with these standards ensure that the consolidated financial statements and notes as presented comply with International Financial Reporting Standards (IFRS).

#### Going Concern

The Group incurred a loss before tax of \$2,236,709 (2020: loss of \$818,419) and incurred cash outflows from operating activities of \$2,585,414 (2020: \$368,434) for the year ended 30 June 2021. At that date the Group had a working capital deficiency of \$2,407,599 (2020: \$3,227,406) and net liabilities of \$347,572 (2020: \$1,167,379). This included current liabilities of \$1,394,095 (trade and other payables), and \$1,281,133 (borrowings).

From the \$1,394,095 in trade and other payables outstanding at year end \$619,680 are owed to related parties, \$406,445 relates to Companies in Liquidation, and \$367,970 are owed to external creditors. With \$395,575 being overdue or outside agreed payment terms.

From the \$1,281,133 in borrowings outstanding at year end, \$946,147 are owed to related parties and \$334,986 is owed to Investmet Limited & Whitestone Mining Pty Ltd, who are currently in liquidation.

At 28 September 2021, the Group had a cash balance of \$470,730.

These conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due, and realise its assets and extinguish its liabilities in the normal course of business at amounts stated in the financial report.

The Directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report. The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Company has executed a loan facility agreement with associated entities. The loan facility with associated entities is to be repaid in cash within 7 days of the successful completion of a capital raising. Prior to a capital raising, any lender may convert all or some of the outstanding balance of the loan in ordinary shares at the price at which the capital raising is to be completed. Conversion of the loan to ordinary shares is subject to compliance with the applicable laws and regulations including the requirement to seek shareholder approval for a related party transaction. The loan bears interest of 8% p.a. The undrawn loan balance available to the Company as at 30 June 2021 from related entities amounts to \$904,000.
- In addition, the current lenders (excluding Investmet Limited who are currently in Liquidation) have confirmed unconditionally that they will not call on or demand any repayment of the advances made to the Company up to 31 December 2021 until such time as the Group's financial position improves.
- The Company expects to raise additional funds through the Equity market.
- The Directors have also prepared a cash flow forecast that further indicates the Company's ability to continue to operate as a going concern. This assumes the ability to continue to defer payment of creditors and for the directors to continue to defer payment of fees or accept part of their fees in shares.

In the Directors' opinion, at the date of signing the financial report there are reasonable grounds to believe that the matters set out above will be achieved and have therefore prepared the financial statements on a going concern basis.

Should the Directors not achieve the matters set out above, there is material uncertainty whether the Group will be able to continue as a going concern. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, which might be necessary should the Group not be able to continue as a going concern.

**b) Revenue Recognition**

Interest

Revenue is recognised as interest accrues using the effective interest method. This method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipt over the expected life of the financial asset.

**c) Income Tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

**d) Impairment of Assets**

At each reporting date, the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in Profit or Loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

**e) Cash and Cash Equivalents**

"Cash and cash equivalents" includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**f) Fair value estimation**

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

The fair value of trade receivables and payables is their normal value less estimated credit adjustments due to their short-term nature.

**g) Borrowing costs**

Borrowing costs are capitalised that are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **h) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 days payment terms. They are recognised initially at fair value and subsequently at amortised cost.

#### **i) Employee Benefits**

##### Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of statement of financial position date are recognised in respect of employees' services rendered up to reporting date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefits Provisions.

##### Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected future projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### Retirement Benefit Obligations

The Group does not have a defined contribution superannuation fund. All employees of the Group are entitled to receive a superannuation guarantee contribution required by the government which is currently 10%.

#### **j) Exploration and evaluation expenditure**

Exploration and evaluation expenditure encompass expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Group is accumulated for each area of interest and recorded as an asset if:

- 1) the right to tenure of the area of interest are current; and
- 2) at least one of the following conditions is also met:
  - a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  - b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing. Exploration and evaluation incurred by the Group are expensed in the year they are incurred.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred. During the financial year, no amounts have been capitalised, as the relevant tenement was in the process of being renewed, and all expenditure was recorded in Profit and Loss.

The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged to profit or loss. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**k) Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**l) Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**m) Leases**

All leases other than short term leases and low value leases will be recognised on the balance sheet. The standard will see all leases, held by a lessee, record obligations as a liability and a corresponding right of use asset, both current and non-current, for the term of the lease.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Group.

**n) Provisions**

Provisions for legal claims are recognised when the Group has a legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**o) Share based payments**

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder becomes unconditionally entitled to the options. Fair value is determined using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Scorpion Minerals Limited ("market conditions").

The cumulative expense recognised between grant date and vesting date is adjusted to reflect the director's best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the Group until vesting date, or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because a market condition was not met. Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to Profit or Loss. However, if new options are substituted for the cancelled options and designated as a

replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

**p) Earnings per Share**

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing the operating loss after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

**q) Segment Reporting**

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Group as the Managing Director and other members of the Board of Directors.

**r) Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Interest calculated using the effective interest rate method is accrued over the period it becomes due and increases the carrying amount of the liability.

**s) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Scorpion Minerals Limited. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**t) Changes in Accounting Policies**

In the year ended 30 June 2021, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Group.

**u) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021.

The Group has reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies

**v) Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include abandonment of area of interest, the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Coronavirus (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. Currently there is no significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**NOTE 2: EXPENSES**

	2021	2020
	\$	\$
<b>Other expenses</b>		
Accounting and secretarial fees	122,355	104,239
Audit fees	31,060	34,086
Consultants and advisors	65,507	49,955
Corporate costs	96,904	37,084
Fines & penalties	-	694
Legal fees	123,523	37,219
Insurance	22,967	16,780
Other expenses	2,621	1,454
	464,937	281,511

### NOTE 3: INCOME TAX

	2021	2020
<b>(a) Reconciliation of income tax expense to prima facie tax payable</b>		
Loss before income tax	(2,236,709)	(818,449)
Prima facie income tax at 26% (2020: 27.5%)	(581,544)	(225,073)
Non-deductible expenses	19	(191)
Movement in unrecognised temporary differences	40,443	(5,043)
Effect of tax loss not recognised as deferred assets	541,082	230,307
Income tax (expense)/benefit	-	-
<b>(b) Unrecognised deferred tax assets arising on timing differences and losses</b>		
Unrecognised deferred tax asset – tax losses	3,783,652	3,827,153
Unrecognised deferred tax asset – timing	21,645	65,670
	3,805,297	3,892,823

### NOTE 4: CASH AT BANK

	2021	2020
Cash at bank and on hand	133,873	167,205
	133,873	167,205

Information about the Group's exposure to interest rate risk is provided in Note 13.

### NOTE 5: TRADE AND OTHER RECEIVABLES

	2021	2020
<b>Current</b>		
GST receivable	117,364	174,205
Other receivables	16,392	13,971
	133,756	188,176

As at 30 June 2021, trade receivables that were past due to impaired was nil (2020: nil). Information about the Group's exposure to credit risk is provided in Note 13.

### NOTE 6: CAPITALISED EXPLORATION EXPENDITURE

	2021	2020
<b>Capitalised tenement acquisition costs</b>		
Opening net book amount	2,060,027	2,060,027
<b>Closing net book amount</b>	<b>2,060,027</b>	<b>2,060,027</b>

The ultimate recoverability of the Group's areas of interest is dependent on the successful discovery and commercialisation of the project. The Group follows the guidance of AASB 6 Exploration for and Evaluation of Mineral Resources to determine when capitalised exploration and evaluation expenditure is impaired.

Refer to Note 1(j) for further details.

## NOTE 7: TRADE AND OTHER PAYABLES

	2021	2020
Trade payables	1,213,462	1,882,182
Director and former director related entities creditors	97,383	123,013
Accrued expenses	20,000	10,500
Accrued director fees and remuneration	63,250	255,500
Payroll liabilities – accrued superannuation	-	11,400
Other payable	-	338
	<u>1,394,095</u>	<u>2,282,933</u>

Details about the Group's exposure to risks arising from current and non-current liabilities are set out in Note 13.

## NOTE 8: BORROWINGS

On 14 March 2014, the Group entered into a loan agreement with the lenders (entities associated with Mr Michael Fotios) to the amount of \$1,000,000 or such other greater sum as the parties may agree in writing. The loan is provided by a syndicate of lender the details of which are provided in Note 19 The purpose of the loan facility is to provide working capital to the Group to fund its immediate operational requirements is at an interest rate of 8% per annum. The loan facility limit does not refresh if debt is converted to equity. This agreement was superseded by the variations and agreement described below.

	2021	2020
Reconciliation of carrying amount of loans from related parties		
Opening amount	1,294,608	1,090,247
Reclassified as other borrowings	-	118,489
Drawdowns during the year	-	-
Interest accrued	68,851	85,872
Repayments in shares during the year	(87,918)	-
Closing drawdown balance	<u>1,275,541</u>	<u>1,294,608</u>
Loans from non-related parties	<u>5,592</u>	<u>5,246</u>

From the \$1,275,541 draw down balance, \$946,147 are owed to related parties and \$329,394 relates to Investment Limited who are currently in Liquidation. This latter balance has been called upon on behalf of the Liquidators and is not bound by the most recent Loan Variation announced on 29 September 2020.

On 27 October 2017, the Company announced it had entered into an agreement with Investmet Limited and Delta Resource Management Pty Ltd to provide funding of up to \$1,000,000 to the Company.

As per the ASX Announcement dated 27 September 2018, a Letter of Variation was executed to increase the loan facility limit from \$1,000,000 to \$2,000,000.

On 16 October 2018, a revised agreement incorporating all previous variations was signed.

As per the ASX Announcement dated 13 March 2020, a Letter of Variation was executed to increase the loan facility limit from \$2,000,000 to \$2,500,000. As at 30 June 2021 the company had \$904,000 available redraw on the loan facility (see June Quarterly Activities and Cashflow announced on ASX 2 August 2021).

On 29 September 2020 the Company announced to the ASX a further letter of variation had been executed extending the repayment date to 31 December 2021.

There are no covenants in connection to the Loan Facility.

Details about the Group's exposure to risks arising from current and non-current borrowings are set out in Note 13.

## NOTE 9: CONTRIBUTED EQUITY

	2021	
	Number	\$
Issued Capital		
Fully paid ordinary shares (a)	204,517,859	18,034,964
Shares to be issued (b)(i)	11,000,000	2,200,000
Shares issued	41,500,000	2,640,000
<b>Total Contributed Equity</b>	<b>257,017,859</b>	<b>22,874,964</b>

	2020	
	Number	\$
Issued Capital		
Fully paid ordinary shares (a)	177,024,525	17,622,564
Shares to be issued (b)(i)	11,000,000	2,200,000
Shares issued	27,493,334	412,400
<b>Total Contributed Equity</b>	<b>215,517,859</b>	<b>20,234,964</b>

- (i) The above shares to be issued represents the deferred consideration payable under the Mt Mulcahy Tenement Sale Agreement

### (a) *Movements in fully paid ordinary shares*

Details	Number	\$
Balance 30 June 2020	204,517,859	18,034,964
Issued during the year	41,500,000	2,640,000
<b>Balance 30 June 2021</b>	<b>246,017,859</b>	<b>20,674,964</b>

### (b) *Movements in shares to be issued*

Details	Number	\$
Balance 30 June 2020	11,000,000	2,200,000
Issued Placement shares	-	-
<b>Balance 30 June 2021</b>	<b>11,000,000</b>	<b>2,200,000</b>

## NOTE 10: ACCUMULATED LOSSES

	2021	2020
Accumulated losses at beginning of year	(21,866,636)	(21,048,187)
Net loss for the year	(2,236,709)	(818,449)
Transfer on expiry of options	301,357	-
<b>Accumulated losses at end of year</b>	<b>(23,801,988)</b>	<b>(21,866,636)</b>

## NOTE 11: SHARE BASED PAYMENT RESERVE

	2021	2020
Balance at the beginning of the year	464,293	464,293
Transfer on expiry of options	(301,357)	-
Issue of unlisted options	416,516	-
<b>Balance at end of year</b>	<b>579,452</b>	<b>464,293</b>

### Nature and purpose of reserves

The share-based payments reserve is used to recognise the fair value of shares issued to employees, to Directors and for the acquisition of assets.

### NOTE 12: LOSS PER SHARE

	2021	2020
Loss attributable to the members of the Company used in calculating basic and diluted loss per share	(2,236,709)	(818,449)
Basic loss per share (cents)	(0.98)	(0.43)
Diluted loss per share (cents)	N/A	N/A
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share)	227,776,685	192,092,653

The loss for the year means that the potential ordinary shares on issue are anti-dilutive.

### NOTE 13: FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This Note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

#### **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents.

#### **Trade and other receivables**

As the Group operates in the mining explorer sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. Presently, the Group undertakes exploration and evaluation activities exclusively in Australia. At the reporting date there were no significant concentrations of credit risk.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2021	2020
	\$	\$
Cash and cash equivalents	133,873	167,205
Other receivables	133,756	188,176
	267,629	355,381

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2021	2020
	\$	\$
<i>Financial assets – counterparties without external credit rating</i>		
Financial assets with no default in past	133,756	188,176
<i>Cash at bank and short-term bank deposits</i>		
AA-S&P rating	133,873	167,205
	<b>267,629</b>	<b>355,381</b>

### **Capital Risk Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity and to sell surplus assets to fund exploration and evaluation activities. The Group monitors the level of funding from related parties and the reliance of such funding on the basis of the gearing ratio.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

### **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

### **30 June 2021**

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	1,394,095	1,394,095	1,394,095	-	-	-	-
Borrowings	1,281,133	1,281,133	-	1,281,133	-	-	-
	<b>2,675,228</b>	<b>2,675,228</b>	<b>1,394,095</b>	<b>1,281,133</b>	<b>-</b>	<b>-</b>	<b>-</b>

30 June 2020

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	2,282,933	2,282,933	2,282,933	-	-	-	-
Borrowings	1,299,854	1,299,5854	-	1,299,854	-	-	-
	<u>3,582,787</u>	<u>3,582,787</u>	<u>2,282,933</u>	<u>1,299,854</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Sensitivity analysis

If the interest rates had weakened/strengthened by 10% (based on forward treasury rates) at 30 June 2021, there would be no material impact on the statement of profit or loss and other comprehensive income. There would be no effect on the equity reserves other than those directly related to statement of profit or loss and other comprehensive income movements.

### Interest rate risk

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity. Interest rate risk is not considered to be material.

2021	Fixed Interest	Floating Interest	Non-Interest Bearing	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	-	133,873	-	133,873
Trade and other receivables	-	-	133,756	133,756
Weighted Average Interest Rate	-	-	-	-
<b>Net Financial Assets</b>	<b>-</b>	<b>133,873</b>	<b>133,756</b>	<b>267,629</b>
<b>Financial Liabilities</b>				
Trade and other payables and borrowings	1,281,133	-	1,394,095	2,675,228
	<b>1,281,133</b>	<b>-</b>	<b>1,394,095</b>	<b>2,675,228</b>

2020	Fixed Interest	Floating Interest	Non-Interest Bearing	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	-	167,205	-	167,205
Trade and other receivables	-	-	188,176	188,176
Weighted Average Interest Rate	-	-	-	-
<b>Net Financial Assets</b>	<b>-</b>	<b>167,205</b>	<b>188,176</b>	<b>355,381</b>
<b>Financial Liabilities</b>				
Trade and other payables and borrowings	1,299,854	-	2,282,933	3,582,787
	<b>1,299,854</b>	<b>-</b>	<b>2,282,933</b>	<b>3,582,787</b>

### **Fair values**

The Group does not have any financial instruments that are subject to recurring fair value measurements. Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables are assumed to approximate their fair value.

### **NOTE 14: SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any operating segments with discrete financial information. The Group does not have any customers, and all the Group's assets and liabilities are located within Australia.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

### **NOTE 15: COMMITMENTS**

#### **Exploration commitments**

The Group has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group.

Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted.

Commitment contracted for at balance date but not recognised as liabilities are as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Within one year	232,440	234,000
	<b>232,440</b>	<b>234,000</b>

### **NOTE 16: EVENTS OCCURRING AFTER THE REPORTING PERIOD**

#### **COVID-19**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential future impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 5 July 2021, the Company announced 2,250,000 fully paid ordinary shares were issued following the exercise of 2,250,000 unlisted options (expiry date 18 October 2021, exercise price \$0.10 per share).

On 29 July 2021, the Company announced the completion of placement to accelerate exploration. Total financial commitments were received for \$1,284,750; placement of \$902,250 to new and existing sophisticated investors; drill for equity agreement secured for an additional \$112,500 and debt to equity conversion of \$270,000 to follow. The new funds were to accelerate exploration at Pharos with additional work planned for the Mt Mulcahy Copper-zinc deposit.

On 26 August 2021, Bronwyn Barnes was appointed as Non-Executive Chair to lead the next phase of growth for SCN.

On 21 September 2021, the Company announced the issue of employee incentive options.

## NOTE 17: AUDITOR'S REMUNERATION

	2021	2020
	\$	\$
Amount paid or payable to Rothsay Auditing (2020 -BDO Audit (WA) Pty Ltd) for assurance services	30,000	34,086
	<b>30,000</b>	<b>34,086</b>

## NOTE 18: DIVIDENDS

There were no dividends declared or paid during the current and prior years.

## NOTE 19: RELATED PARTY TRANSACTIONS

	2021	2020
	\$	\$
<b>(a) Summarised Compensation of Key Management Personnel</b>		
Short-term employee benefits	214,800	108,000
Post-employment benefits	-	-
	<b>214,800</b>	<b>108,000</b>

### (b) Other Transactions with Key Management Personnel

The entities referred to below were related parties while Mr Michael Fotios was a director of the Company and also a director of each of the entities. Mr Fotios ceased to be a director of the Company on 31 October 2018 and of each entity on 30 April 2019.

#### Related party creditors

The Group has entered into an administrative services management agreement with Delta Resource Management Pty Ltd (Delta). \$1,200,000 was settled through the issue of shares to Delta Resource Management Pty Ltd for the year ending 30 June 2021 (2020: Nil); As at 30 June 2020, there is a balance of \$520,046 excl. of GST outstanding (2019: \$1,037,524).

	2021	2020
	\$	\$
Delta Resource Management Pty Ltd	520,046	1,141,276
Investment Limited (in liquidation)	93,018	93,018
	<b>613,064</b>	<b>1,234,294</b>

The above transactions are based on normal commercial terms and conditions and at arm's length.

#### Loans from related parties

The purpose of the loans with related parties is to provide working capital to the Group to fund its immediate operational requirements. The proceeds from the loans have been used to meet short-term expenditure needs. The following balance is outstanding at the end of the reporting period. Further information relating to loan from Michael Fotios Family Trust is set out in Note 8.

	2021	2020
	\$	\$
<u>Interest-bearing loans</u>		
Azurite Corporation	351,570	347,348
Delta Resource Management Pty Ltd	175,436	163,288
Michael Fotios Family Trust	419,141	474,784
Investmet Limited (in liquidation)	329,394	309,188
	<b>1,275,541</b>	<b>1,294,608</b>

The above loans (other than the portion relating to Investmet Limited, who are currently in Liquidation) are not expected to be repaid until such a time that the Company has received the necessary funds for repayment and such a repayment would not impair the ability for the Company to continue as a going concern.

**NOTE 20: INVESTMENT IN CONTROLLED ENTITIES**

<i>Name of Entity</i>	<i>Equity Holding</i>		<i>Cost of Parent Entity's Investment</i>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Parent Entity</b>	<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
Scorpion Minerals Limited				
<b>Controlled Entity</b>				
Placer Resources Pty Ltd	100	100	700,000	700,000
LESS Impairment Costs			(700,000)	(700,000)
Scorpion Metals Limited	100	100	168,000	168,000
LESS Impairment Costs			(168,000)	(168,000)
			-	-

Scorpion Metals Limited, Scorpion Minerals Limited and Placer Resources Pty Ltd are domiciled in and incorporated in Australia.

## NOTE 21: SHARE BASED PAYMENTS

During the financial year ended 30 June 2021 the company issued options to Directors and Debt Holders Share based payments are recognised in the profit and loss statement. The following share-based payments were made; 30 June 2021 \$416,516 (2020 Nil).

The fair value of the options has been calculated using the Black-Scholes option pricing model. The model inputs are shown in the table below:

Option Pricing Model	Director Options <sup>1</sup>	Debt Holder Options <sup>2</sup>
Date of Grant	23/12/2020	26/2/2021
Date of Expiry	22/12/2023	25/2/2024
Exercise Price	12 cents	12 cents
Underlying share price (at issue date)	5.8 cents	6.5 cents
Risk free interest rate	1.75%	0.09%
Volatility	75.00%	75.00%
Years of expiry	3 Years	3 Years
Number of options granted	5,250,000	15,000,000
Fair value of Options	\$95,551	\$320,965
<b>Total fair value of Options</b>		<b>\$416,516</b>

1. There are no performance conditions attached to director options and employee options
2. Debt Holder options are in consideration for loan repayment extension to 31 December 2022 (see Notice of Meeting Resolution 8 announced on ASX 30 October 2020).

## NOTE 22: STATEMENT OF CASH FLOWS

	2021	2020
	\$	\$
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows		
Operating loss after tax	(2,236,709)	(818,449)
Interest	89,544	52,105
Share based payment expenses	416,516	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	54,082	(54,811)
Increase/(decrease) in borrowings	69,197	82,166
Increase/(decrease) in trade and other payables	221,956	370,555
Net cash (used in) operating activities	<b>(1,385,414)</b>	<b>(368,434)</b>

There were no non-cash financing and investing activities (2020: nil)

**NOTE 23: SCORPION MINERALS LIMITED PARENT COMPANY INFORMATION**

	2021	2020
	\$	\$
<b>ASSETS</b>		
Current assets	267,034	354,593
Non-current assets	2,785,887	2,060,027
<b>TOTAL ASSETS</b>	<b>3,052,921</b>	<b>2,414,620</b>
<b>LIABILITIES</b>		
Current liabilities	1,392,485	2,173,145
Borrowings	211,674	297,756
<b>TOTAL LIABILITIES</b>	<b>1,604,159</b>	<b>2,470,901</b>
<b>EQUITY</b>		
Contributed equity	22,874,964	20,234,964
Reserves	576,452	464,293
Accumulated losses	(22,002,654)	(20,755,537)
<b>TOTAL EQUITY</b>	<b>1,448,762</b>	<b>(56,280)</b>
<b>FINANCIAL PERFORMANCE</b>		
(Loss) for the year	<b>(2,166,512)</b>	<b>(763,636)</b>

**GUARANTEES ENTERED INTO BY THE PARENT ENTITY**

As at 30 June 2021 and 2020, the Company has not provided any financial guarantees in relation to the debts of its subsidiaries.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying consolidated notes, are in accordance with the Corporations Act 2001 and:
  - (a) Comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) Give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Group.
2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. The Directors have been given the declarations by the Managing Director required by section 295A.
4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Craig Hall  
Director

Perth, Western Australia  
30 September 2021



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsay.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SCORPION MINERALS LIMITED**

**Report on the Audit of the Financial Report**

***Opinion***

We have audited the financial report of Scorpion Minerals Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (Including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Emphasis of Matter - Material Uncertainty Related to Going Concern***

Without modifying our audit opinion, we draw attention to Note 1 (a) of the annual financial report, which indicates that the going concern basis is appropriate on the basis of the Group's ability to raise additional capital in the future. These conditions along with other matters that are set forth in Note 1 (a), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group maybe unable to realise its assets and discharge its liabilities in the normal course of business.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SCORPION MINERALS LIMITED (continued)**

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b><i>Key Audit Matter - Capitalised Exploration Expenditure</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>The Group has recorded as an asset significant capitalised exploration expenditure and it is the most significant asset on the Group's Statement of Financial Position.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing capitalised exploration expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"><li>• We assessed the reasonableness of capitalising exploration expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</li><li>• We considered whether there were any indicators of impairment; and</li><li>• We documented and assessed the processes and controls in place to record expenditure.</li></ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>

***Other Matter***

The financial report of the Group for the year ended 30 June 2020, was audited by another auditor who expressed an unmodified opinion on that report on 30 September 2020.

***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SCORPION MINERALS LIMITED (continued)

***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx).

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SCORPION MINERALS LIMITED (continued)

*Report on the Remuneration Report*

*Opinion on the Remuneration Report*

We have audited the remuneration report included in the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of Scorpion Minerals Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Auditing

Dated 30 September 2021

Daniel Dalla  
Partner

## ADDITIONAL INFORMATION

### Additional Information for Listed Public Companies

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 29 September 2021.

#### Distribution of quoted security holders

Range	Holders	Units	Percentage
1 - 1,000	35	6,529	0.00%
1,001 - 5,000	83	264,417	0.10%
5,001 - 10,000	94	795,347	0.31%
10,001 - 100,000	293	12,799,909	4.94%
Over 100,000	215	245,164,990	94.65%
<b>TOTAL</b>	<b>720</b>	<b>259,031,192</b>	<b>100.00%</b>

#### Voting rights

All ordinary shares carry one vote per share without restriction.

#### Unquoted securities

Nil.

#### On-market buy-back

There is no current on-market buy-back.

#### Securities Exchange listing

Quotation has been granted for the Company's Ordinary Shares on ASX Limited (Code: SCN).

#### Substantial shareholders

Shareholder Name	Units	Percentage
Delta Resource Management Pty Ltd	17,581,033	6.79%
Investmet Ltd	17,009,402	6.57%
Investmet Limited	14,083,333	5.44%
Delta Resource Management Pty Ltd	13,667,850	5.28%
Moonbeam Holdings Pty Ltd <The Bronwyn Barnes Family A/C>	7,106,845	2.74%

#### Less Than Marketable Parcel

Parcel	Holders	Units	Percentage
Total unmarketable parcel 1-8,333 shares	158	535,797	0.21%
Total unmarketable parcel 8,334-over	562	258,495,395	99.79%
<b>TOTAL</b>	<b>720</b>	<b>259,031,192</b>	<b>100.00%</b>

#### Twenty largest shareholders – Ordinary Shares

	Shareholder Name	Units	Percentage
1	DELTA RESOURCE MANAGEMENT PTY LTD	17,581,033	6.79%
2	INVESTMET LTD C/- McGRATH NICOL	17,009,402	6.57%
3	INVESTMET LTD	14,083,333	5.44%
4	DELTA RESOURCE MANAGEMENT PTY LTD	13,667,850	5.28%
5	MOONBEAM HOLDINGS PTY LTD <THE BRONWYN BARNES FAM A/C>	7,106,845	2.74%
6	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	6,596,465	2.55%
7	PERTH SELECT SEAFOODS PTY LTD	5,700,000	2.2%
8	HELIOS CORPORATION PTY LTD <MICHAEL FOTIOS FAMILY>	5,441,244	2.1%
9	MR ERIC PETER MURPHY + MRS KIM LEA MURPHY <MURPHY	5,300,000	2.05%

	FAMILY S/F A/C>		
10	SHARIC SUPERANNUATION PTY LTD <FARRIS SUPER FUND A/C>	4,900,000	1.89%
11	LACLOS PTY LTD <LACLOS LIFESTYLE A/C>	4,666,667	1.8%
12	MR ANTHONY HAROLD FOTIOS <FOTIOS FAMILY A/C>	4,281,937	1.65%
13	DELTA RESOURCE MANAGEMENT PTY LTD	4,264,866	1.65%
14	MR PHILIP COLIN HAMMOND + MS BETTY JEANETTE MOORE <MGB SUPERANNUATION FUND A/C>	3,900,000	1.51%
15	MR STUART CAMERON BARNES + MRS BRONWYN BARNES <S & B BARNES FAMILY A/C>	3,894,738	1.5%
16	MR JOHN JANSEN + MRS DALE JANSEN <JJ RETIREMENT A/C>	3,729,100	1.44%
17	MS BETTY JEANETTE MOORE & MR PHILIP COLIN HAMMOND <BJM SUPER A/C>	3,700,000	1.43%
18	BLACK RAVEN MINING PTY LTD	3,592,692	1.39%
19	MS BETTY JEANETTE MOORE + MR PHILIP COLIN HAMMOND <BJM SUPER A/C>	3,400,000	1.31%
20	ORANGE CORPORATION PTY LTD <SAINT GEORGE A/C>	3,333,334	1.29%
	TOTAL	136,149,506	52.58%

### Corporate Governance Statement

The Company's Corporate Governance Statement for the 2021 financial year can be accessed on the Company's website.

## TENEMENT

TENEMENT No.	LOCATION	STATUS	INTEREST %	HOLDER
E20/931	WA	Granted	100	Scorpion Minerals Ltd
P51/3016	WA	Granted	100	Scorpion Minerals Ltd
P51/3017	WA	Granted	100	Scorpion Minerals Ltd
P20/2252	WA	Granted	100	Scorpion Minerals Ltd
P20/2253	WA	Granted	100	Scorpion Minerals Ltd
E20/948	WA	Granted	100	Scorpion Minerals Ltd
E20/953	WA	Granted	0 <sup>1</sup>	Element 25
E20/962	WA	Granted	100	Scorpion Minerals Ltd

<sup>1</sup>As per the 'Pharos Project (Yallon and Sunday Well) Call Option Agreement Summary' SCN has now commenced the transfer of E20/953 with payment of \$75,000 to earn 100% due to Element 25.

## Appendix 4G

# Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Scorpion Minerals Limited
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ABN/ARBN

40 115 535 030
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Financial year ended:

30 June 2021
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Our corporate governance statement<sup>2</sup> for the period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: [www.scorpionminerals.com.au](http://www.scorpionminerals.com.au)

The Corporate Governance Statement is accurate and up to date as at 30 June 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>4</sup>

Date: 30 September 2021

Name of authorised officer  
authorising lodgement:

  
Kate Stoney

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>3</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>4</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

**ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES**

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at:  [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>5</sup> Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “insert location” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>6</sup> If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation	Where a box below is ticked, <sup>5</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: www.scorpionminerals.com.au [insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at: ..... [insert location]</p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>.....  <i>[insert location]</i></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....  <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>.....  <i>[insert location]</i></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....  <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
2.3	A listed entity should disclose:  (a) the names of the directors considered by the board to be independent directors;  (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and  (c) the length of service of each director.	<input checked="" type="checkbox"/>  and we have disclosed the names of the directors considered by the board to be independent directors at:  ..... [insert location]  and, where applicable, the information referred to in paragraph (b) at:  ..... [insert location]  and the length of service of each director at:  ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: www.scorpionminerals.com.au..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: www.scorpionminerals.com.au..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: www.scorpionminerals.com.au..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: www.scorpionminerals.com.au..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation	Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="http://www.scorpionminerals.com.au">www.scorpionminerals.com.au</a> [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="http://www.scorpionminerals.com.au">www.scorpionminerals.com.au</a> [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <a href="http://www.scorpionminerals.com.au">www.scorpionminerals.com.au</a> ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed whether a review of the entity’s risk management framework was undertaken during the reporting period at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>www.scorpionminerals.com.au.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>6</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:            .....  <i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	<p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed information about the processes in place at:            .....  <i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
9.2	<p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
9.3	<p>A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable</p>

<p><b>Corporate Governance Council recommendation</b></p>	<p>Where a box below is ticked,<sup>5</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:</p>	<p>Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:<sup>6</sup></p>	
<p><b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b></p>			
<p>-</p>	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>-</p>	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>