



SCORPION MINERALS LIMITED

ASX ANNOUNCEMENT

13th April 2022

Scorpion raises \$3M to advance lithium and base metals exploration in WA

- **Heavily oversubscribed placement raises ~\$3.18m - strong support from existing shareholders and new sophisticated investors**
- **Funds will be used to support planned drilling and geophysics programmes across SCN's lithium portfolio and for additional working capital**
- **Recent technical review has highlighted strong lithium potential with 50km zone of pegmatite intrusion within the Pharos Project in WA**
- **Several drill ready lithium and base metals targets identified – drilling planned to commence June quarter**
- **Obsidian Metals Group Pty Ltd (“OMG”) has been retained as technical advisor to Scorpion**
- **Renowned WA-based lithium expert Michael Fotios is lead consultant for OMG and will guide Scorpion's lithium exploration strategy**

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Chairman

Mr Craig Hall
Non-Executive Director

Ms Kate Stoney
*Non-Executive Director,
Company Secretary*

Scorpion Minerals Limited (ASX: SCN) (“**the Company**” or “**Scorpion**”) is pleased to advise that it has placed 62,325,000 shares to raise \$3,178,575 utilising 7.1 and 7.1A capacity. The placement was completed at \$0.051c, a discount of 23% to the last traded price on 8th April 2022.

Funds raised will be used to support planned drilling and geophysics programmes across the Company's 1,544 km² Pharos Project located 60km northwest of Cue in the Murchison Mineral Field, Western Australia (Figure 6) and for additional working capital.

The Pharos Project hosts several high-quality Lithium, PGE-Ni-Cu, Gold and Copper prospects, with several drill ready targets prioritised for initial testing.

Scorpion has recently (ASX announcement 2 March 2022) identified a 50km zone of pegmatite intrusion within Pharos which will be a priority focus for the upcoming exploration campaign. The zone contains mostly greenstone hosted pegmatite intrusions adjacent to a contact with a Rb-Cs enriched altered late granite. This area has seen significant historic exploration and small-scale production activity for Sn, Ta, W, Beryl and Emeralds (Poona and Aga Khan – Figures 1 and 2), all of which are present in most significant rare metal provinces (e.g. Pilbara and Greenbushes, WA).

Company Comment – Chairman Bronwyn Barnes

“We are very pleased to have received such strong support for this placement and I would like to welcome new shareholders to the register and thank our existing shareholders for their support. Scorpion is now well capitalised to accelerate our exploration plans across several promising lithium and base metals targets at Pharos. We are also pleased to have secured the services and expertise of OMB to guide our exploration strategy over the coming months.”

SCORPION MINERALS LIMITED

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Obsidian Metals Group Appointed as Technical Advisor

Scorpion is pleased to advise that it has reached an agreement with independent technical consulting group Obsidian Metals Group Pty Ltd (“OMG”) to provide technical services to Scorpion with industry lithium expert Michael Fotios acting as lead consultant to OMG. Mr Fotios’ experience in the lithium sector is well recognised, as he was a founder and former Managing Director of both Galaxy Resources Ltd and General Mining Corporation Ltd, which now form part of the newly merged entity Allkem, the fifth largest lithium producer internationally with a market capitalisation of \$8.14 billion.

Under the terms of the Agreement OMG will receive a monthly retainer of \$10,000 plus GST and will also be entitled to receive the following success-based share incentive payments the issue of which are subject to receiving the required regulatory and shareholder approvals:

1. For project generation and introduction of project opportunity “Poona Project” - an issue of 5,000,000 fully paid shares in Scorpion
2. Acquisition of second project introduced by OMG - 10,000,000 options exercisable at 12c within 24 months of vesting
3. Acquisition of third project introduced by OMG - 10,000,000 options exercisable at 12c within 24 months of vesting
4. Resource Definition Milestone 1 - 10,000,000mt Li₂O or equivalent on any one project – 20,000,000 options exercisable at 12c within 24 months of vesting
5. Resource Definition Milestone 2 - 20,000,000mt Li₂O or equivalent on any one project – 20,000,000 options exercisable at 12c within 24 months of vesting
6. Resource Definition Milestone 3 - 50,000,000mt Li₂O or equivalent across all projects – 40,000,000 options exercisable at 12c within 24 months of vesting

Placement Details

The Company will now issue 62,325,000 shares utilising available placement capacity 7.1 and 7.1A pursuant to ASX Listing Rules in a single tranche. Merchant Capital Partners Pty Ltd (“**Merchant**”) was engaged as sole Lead Manager (“Lead Manager”) and Bookrunner (“Bookrunner”) in respect of the placement and will be entitled to a Management and Placement fee of 6.0% of the total amount raised under the Placement. In addition, Merchant will receive 6,000,000 12c strike options with a duration of 24 months from issue.

Board Changes

Ms Bronwyn Barnes has agreed to transition to the role of Executive Chairman of the Company with immediate effect in order to lead Scorpion’s corporate activities, with a focus on negotiation of project acquisitions. Ms Barnes’ remuneration will be \$120,000 per annum plus superannuation and will be subject to normal terms and conditions, including a three-month resignation and termination clause. Ms Barnes will also receive the following success-based share incentive payments the issue of which are subject to receiving the required regulatory and shareholder approvals.

1. Completion of “Poona Project” acquisition - an issue of 2,000,000 fully paid shares in Scorpion
2. Share price greater than \$0.15c for seven consecutive trading days - 2,000,000 options exercisable at 12c within 24 months of vesting
3. Acquisition of second project – 3,000,000 options exercisable at 12c within 24 months of vesting
4. Acquisition of third project – 3,000,000 options exercisable at 12c within 24 months of vesting

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"*
20/10/2021 *"New Shallow High-Grade Gold Zone Confirmed at Cap Lamp"*
06/12/2021 *"Scorpion increase Murchison Footprint"*
07/02/2022 *"Scorpion Acquires Poona Project"*
11/02/2022 *"Poona Tech Review Highlights Multiple PGE-Ni-Cu & Au Targets"*
14/02/2022 *"Multiple Lithium Targets Identified at Pharos Project"*
02/03/2022 *"Pharos Lithium Corridor Extended to 50km"*

This announcement has been authorised by the board of directors of the Company.

- ENDS -

Enquiries

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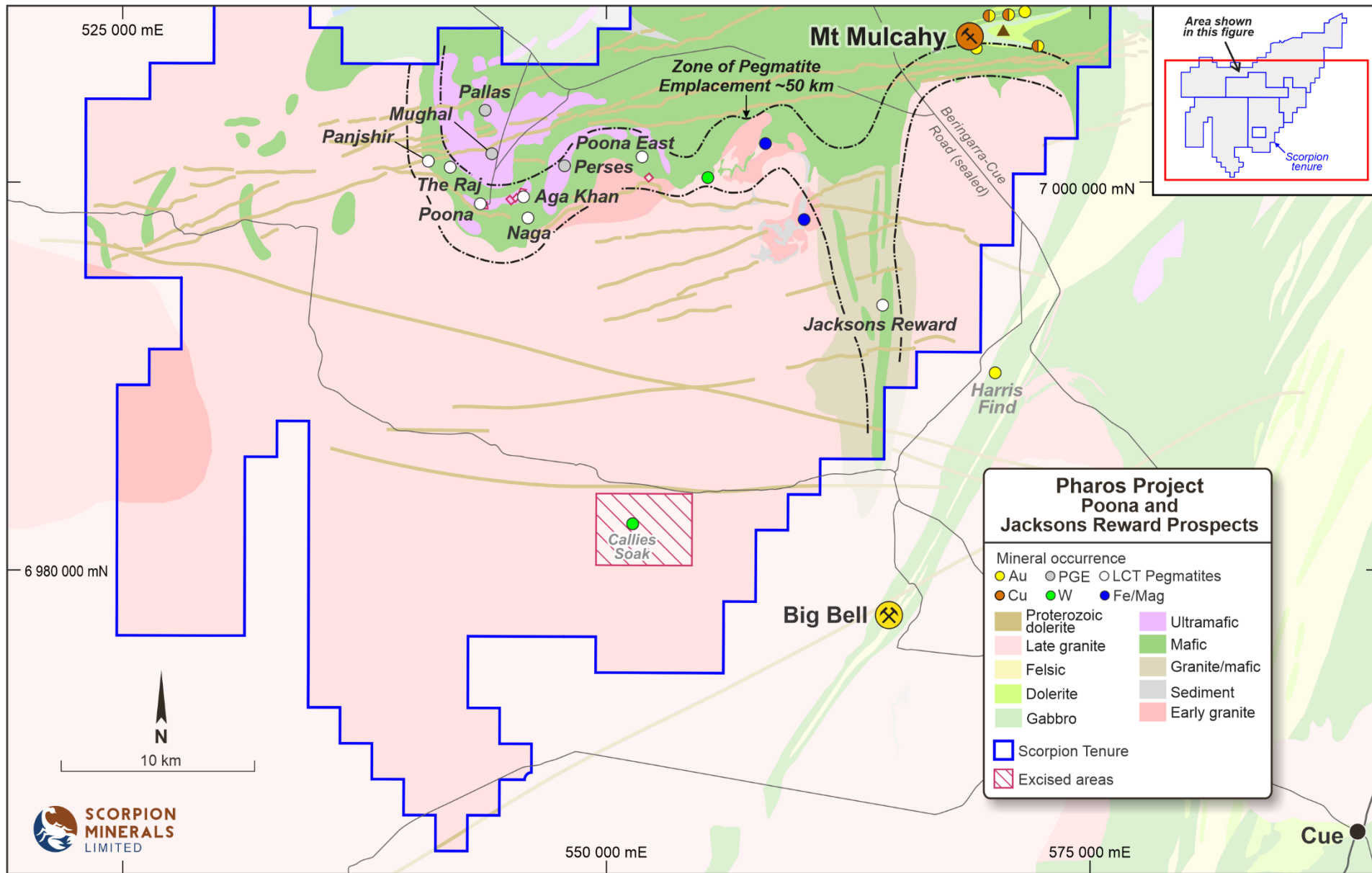


Figure 1 – Poona and Jacksons Reward Prospect Areas and Targets

About Scorpion Minerals Limited

Scorpion Minerals Limited (ASX: SCN) is a WA based mineral exploration company focused on gold base metals and iron ore. Scorpion’s focus is the 100% owned Pharos project that covers 640km² and is located 60 km northwest of Cue in the Murchison Mineral Field, Western Australia. The Pharos project is prospective for gold, iron ore, PGE-Ni-Cu and VMS hosted Cu-Zn-Ag Au mineralisation. The Company has recently expanded its Murchison footprint through the acquisition of the contiguous Poona Project from eMetals, bringing tenure under its control to 1544km².

The strategic location of the Pharos tenements is further enhanced by exploration success in the region (Figure 1) for iron ore (Fenix Resources) copper (Cyprium), PGE-Ni-Cu (Podium and eMetals) and gold (Musgrave Minerals and Westgold). The Pharos project area is prospective for a multitude of commodities targets that require detailed evaluation.

Scorpion has completed resource definition drilling at the Mount Mulcahy copper-zinc volcanic-hosted massive sulphide (VMS) deposit, a 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 20g/t at the ‘South Limb Pod’ (SLP).

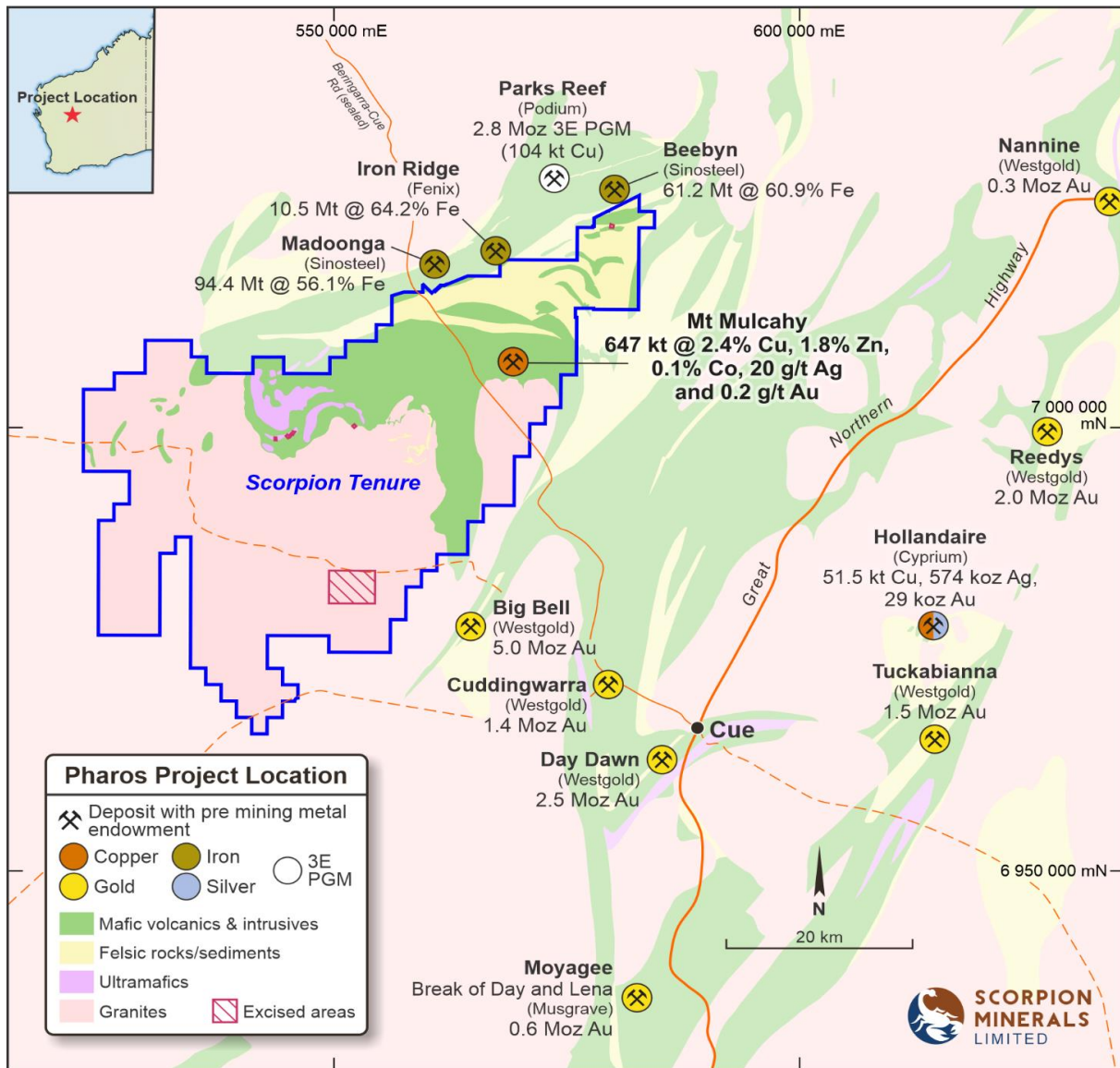


Figure 2 – Location of Scorpion Minerals Pharos Project and Regional Resources

Competent Persons Statement

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.

The information in this report that relates to the Mt Mulcahy Mineral Resource is based on information originally compiled by Mr Rob Spiers, an independent consultant to Scorpion Minerals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Hall. This information was originally issued in the Company's ASX announcement "Maiden Copper-Zinc Resource at Mt Mulcahy", released to the ASX on 25th September 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

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 Ltd, 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.