



**SCORPION
MINERALS**
LIMITED

ASX ANNOUNCEMENT

29 July 2022

QUARTERLY ACTIVITIES REPORT

QUARTER ENDED 30 JUNE 2022

Scorpion Minerals Limited (ASX:SCN) (**Scorpion, SCN or the Company**) is pleased to present its Quarterly Activities Report for the period ending 30 June 2022.

Highlights

- **Strongly supported placement raises ~\$3.18m from existing shareholders and new sophisticated investors**
- **Appointment of Airguide as strategic advisor to support near-term exploration strategy and to introduce potential strategic partnerships to advance WA lithium assets**
- **Appointment of Obsidian Metals Group as technical advisor**
- **Appointment of highly experienced lithium executive and extractive metallurgist Mr Michael Kitney as Non-Executive Director**
- **Transition of Ms Bronwyn Barnes to Executive Chairman to drive WA exploration strategy and project generation opportunities**
- **SCN's footprint in the Murchison now stands at 1,544km²**
- **September quarter exploration focus includes geological mapping, soil geochemistry, airborne and/or ground EM survey; program of works approved for drilling of priority targets**

Exploration & Development Portfolio Summary

Pharos Project, WA (SCN: 100%)

The Pharos Project is 100% owned by Scorpion and covers an area of 1,544km² located 60km northwest of Cue in the Murchison Mineral Field, Western Australia.

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Executive Chairman

Mr Michael Kitney
Non-Executive Director

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

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LIMITED**

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Late in the quarter the Company had several Programmes of Work (PoW's) approved by the Department of Mines, Industry Regulation and Safety (DMIRS) at Pallas, Poona, Mt Mulcahy and Milliwarrie. Together with recently completed and/or existing heritage clearance surveys at the first three areas and at Cap Lamp, drilling of priority targets can commence after logistical arrangements such as drill rig availability and coordination of monitoring by the Native Title Party are finalised.

Base Metal Targets

The Pharos Project contains the Pallas, Mughal and Perses PGE-Ni-Cu-Co targets plus the Mt Mulcahy Cu-Zn-Ag-Au VMS deposit. Following the PoW approvals outlined above planning and logistics has been advanced to complete initial drill testing of Pallas and Perses during the coming quarter.

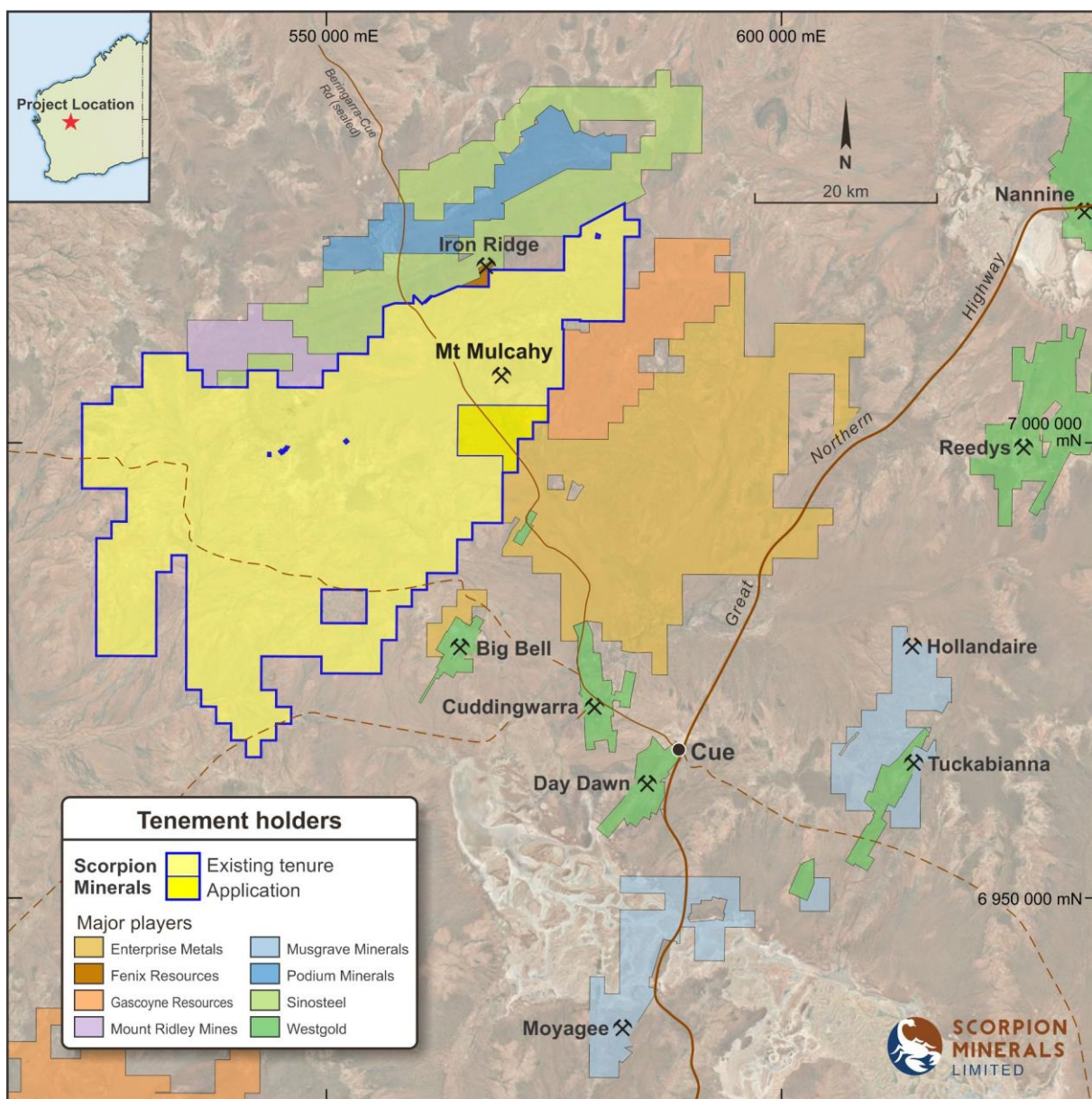


Figure 1: Major Tenement Holders in Murchison Region

Lithium Targets

Pharos Lithium Corridor Extended to 50km

Following a detailed technical review completed earlier this year, Scorpion has successfully extended the strike zone of significant rare metal and Lithium, Caesium, Tantalum ("LCT") pegmatite potential within the Company's Pharos Project to 50km.

The interpreted LCT Pegmatite Emplacement Zone ('PEZ') has now been extended east of the recently acquired Poona Prospect (see ASX release dated 7 February 2022) into the Jacksons Reward Prospect area within the greater Pharos project area. Initial RC drill testing at Poona East will be completed during the September quarter.

Gold Targets

Further evaluation/planning for follow-up RC and/or diamond drilling was undertaken for the existing gold targets at Oliver's Patch and Ulysses.

Corporate Summary

Successful Capital Raising Secures \$3M to Advance Exploration

On 13 April 2022, Scorpion advised that it had raised \$3,178,575 (before costs) via a placement of 62,325,000 shares, using its capacity under ASX Listing Rules 7.1 and 7.1A. The funds raised will be used to support planned drilling and geophysics programmes across the Company's 1,544 km² Pharos Project and for additional working capital.

Appointment of Technical Advisor

During the quarter, the Company 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 over \$7 billion.

Further details on the appointment of OMG can be found in the ASX announcement dated 13 April 2022.

Appointment of Strategic Advisor

On 7 June 2022, Scorpion announced the engagement of Airguide Advisory Pte. Ltd. ("Airguide"), the consulting arm of Airguide International Pte. Ltd., as its strategic advisor.

The appointment of Airguide has been made to support the Company's near-term exploration strategy and to assist with introducing potential strategic partnerships to advance Scorpion's lithium assets in Western Australia. Airguide's principals have over 25 years' experience in financial markets and the commodities sector. The Airguide Group provides strategic advice and facilitation services for commodity-related companies in addition to direct corporate debt funding.

Airguide has a proven reach globally, and in Asia-Pacific specifically, that opens doors to conversations for clients with groups interested in investment funding, off-take partnerships, and opportunities in commodities broadly. Several of Airguide's advisory partnerships have resulted in the funding and expansion of projects in the lithium sector.

Further details on the terms of Airguide's appointment can be found in the ASX announcement dated 7 June 2022.

Board Changes

During the quarter, Ms Bronwyn Barnes transitioned to the role of Executive Chairman with effect from 13 April 2022, leading Scorpion's corporate activities with a focus on negotiation of project acquisitions.

Mr Michael Kitney was appointed as a Non-Executive Director of the Company on 7 June 2022. Mr Kitney is an internationally experienced extractive metallurgist with more than 40 years' experience in resource evaluation and project development roles in Australia and internationally. He holds a Master of Science (Mineral Economics) degree from the WA School of Mines and is a member of the Australian Institute of Company Directors.

Mr Kitney is currently an Executive Director providing technical direction to Mn Energy Limited on process development for battery grade manganese sulphate production and has contributed to project development and construction throughout Africa, SE Asia, the CIS and Australia. He also holds non-executive director positions with Breaker Resources NL (ASX:BRB) and Monument Mining Limited (TSX:MMY).

From 2010 to early 2017 he held the role of COO for Kasbah Resources Limited, responsible for all aspects of resource development, metallurgical development, project feasibility and stakeholder engagement for the Achmmach Tin Project in Morocco. Recently he was Chief Metallurgist for lithium developer Prospect Resources Limited (ASX:PSC).

Non-Executive Director Craig Hall resigned from the Board on 7 June 2022.

Listing Rule 5.3.5 disclosures

The amount of payments to related parties and their associates disclosed in section 6.1 of Appendix 5B accompanying this report was approximately \$165,000. This consisted of payments to Directors for directors' fees, company secretarial fees and consulting fees. During the quarter, additional payments were made in respect of accumulated directors' fees and consulting fees, which Directors had agreed to defer pending the completion of a successful capital raising.

The Board of Directors of SCN has authorised this announcement to be given to the ASX.

-ENDS-

Contacts

For more information, please contact:

Ms Bronwyn Barnes

Executive Chairman

info@scorpionminerals.com.au

About Scorpion Minerals Limited

Scorpion Metals Limited (ASX:SCN) are an Australian mineral exploration and resource development company with a focus on creating wealth for shareholders through the discovery of world-class deposits, over a diversified range of minerals. Our current efforts are centred on our Pharos Project, located in the Murchison Province of Western Australia.

The Pharos Project

The Pharos Project consists of 1,544 square kilometres of granted tenure, located northwest of the small mining town of Cue (approximately 50 km) in the Murchison Mineral Field. The project is easily accessible from the Great Northern Highway by the sealed Jack Hills Mine access road and then by unsealed tracks. Scorpion holds a 100% interest in the project.

The project is prospective for gold, iron ore, PGE-Ni-Cu, lithium and VMS hosted Cu-Zn-Ag Au mineralisation, and contains the Mt Mulcahy deposit. The 'South Limb Pod' zone of mineralisation at Mt Mulcahy contains a JORC 2012 Measured, Indicated and Inferred Resource of 647,000 tonnes @ 2.4% copper, 1.8% zinc, 0.1% cobalt and 20g/t Ag.

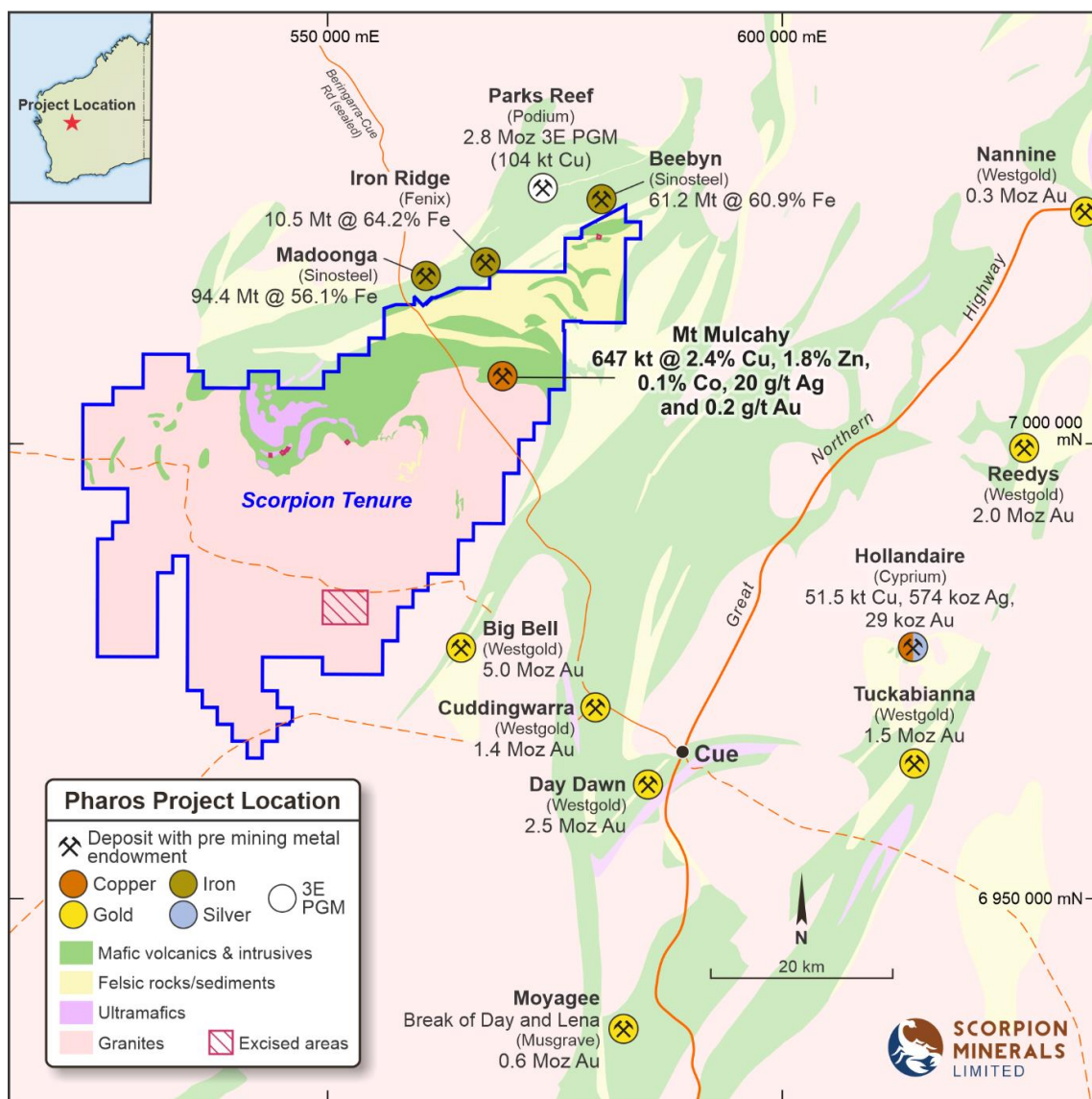


Figure 2: Location of Scorpion Minerals Pharos Project and Regional Resources

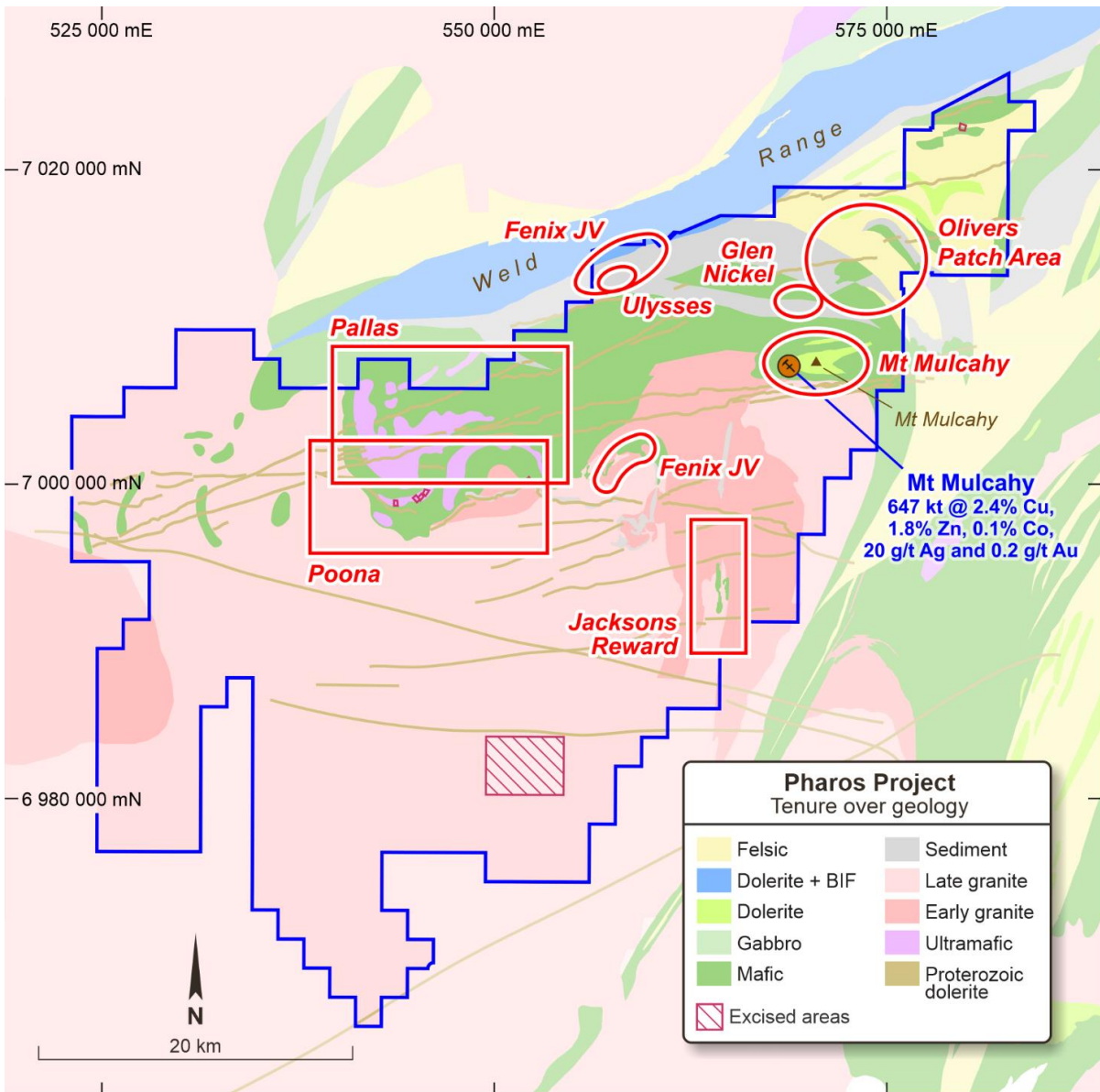


Figure 3: Location of Pharos Commodity Targets Mt Mulcahy Cu-Zn-Ag-Au Resource

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	
TOTAL	647,000	2.4	1.8	0.1	20	0.2	15,200	11,800	610	415,000	4,000

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.

Competent Persons Statement 2

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 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.

Appendix 1: Tenement Schedule (ASX Listing Rule 5.3.3)

➤ *The mining tenements held at the end of each quarter and their location*

➤ **TENEMENT SCHEDULE**

TENEMENT No.	LOCATION	STATUS	INTEREST %	HOLDER
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
E20/931	WA	Granted	100	Scorpion Minerals Ltd
E20/948	WA	Granted	100	Scorpion Minerals Ltd
E20/953	WA	Granted	100	Scorpion Minerals Ltd
E20/962	WA	Granted	100	Scorpion Minerals Ltd
E20/885	WA	Granted	0 ¹	eMetals Ltd (90%) ²
E20/896	WA	Granted	0 ¹	eMetals Ltd
E20/963	WA	Granted	0 ¹	RWG Minerals Ltd ³
E20/964	WA	Granted	0 ¹	RWG Minerals Ltd ³
E20/1020	WA	Granted	0 ⁴	Scorpion Minerals Ltd

¹ As per Binding HoA announcement to ASX on 6 December 2021

² 10% B. R. Legendre. Subject to surrender of 40% post quarter-end.

³ 100% subsidiary of eMetals Ltd

⁴ Application made 7 December 2021

➤ *The mining tenements acquired during the quarter and their location*

Nil

➤ *The mining tenements disposed of during the quarter and their location*

Nil

➤ *The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter*

Nil

➤ *The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter*

Nil

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Scorpion Minerals Limited

ABN

40 115 535 030

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	15
1.2 Payments for		
(a) exploration & evaluation	(437)	(1,038)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1)	(1)
(e) administration and corporate costs	(288)	(800)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(61)	(73)
1.9 Net cash from / (used in) operating activities	(786)	(1,896)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	(12)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(12)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	3,179	3,986
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	225
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(271)	(282)
3.5 Proceeds from borrowings	-	30
3.6 Repayment of borrowings	(30)	(80)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	2,878	3,879

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10	131
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(786)	(1,896)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,878	3,879
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,102	2,102

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,102	10
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,102	10

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	165
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments to Directors for directors' fees, company secretarial fees and consulting fees. Note that additional payments were made during the quarter in respect of accumulated directors' fees and consulting fees, which Directors had agreed to defer pending the completion of a successful capital raising.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2,500	1,175
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,500	1,175
7.5 Unused financing facilities available at quarter end		1,325
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The Company has an unsecured loan agreement with a syndicate of lenders. The facility limit is \$2,500,000, interest rate is 8% p.a.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(786)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(786)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,102
8.5 Unused finance facilities available at quarter end (item 7.5)	1,325
8.6 Total available funding (item 8.4 + item 8.5)	3,427
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.