Interim Financial Report

For the half-year ended 31 December 2022

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Contents

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by Scorpion Minerals during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your Directors are pleased to present their report on the consolidated entity consisting of Scorpion Minerals Limited ("**Scorpion**" or "**Company**") and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year, to the date of this report, are:

Bronwyn Barnes	Executive Chairman
Kate Stoney	Non-Executive Director
Mike Kitney	Non-Executive Director

COMPANY SECRETARY

Kate Stoney

REVIEW OF OPERATIONS

During the half-year the Company's exploration activities focused on its existing Pharos Project in the Murchison region of Western Australia and the newly acquired Youanmi Project (refer Figure 1).

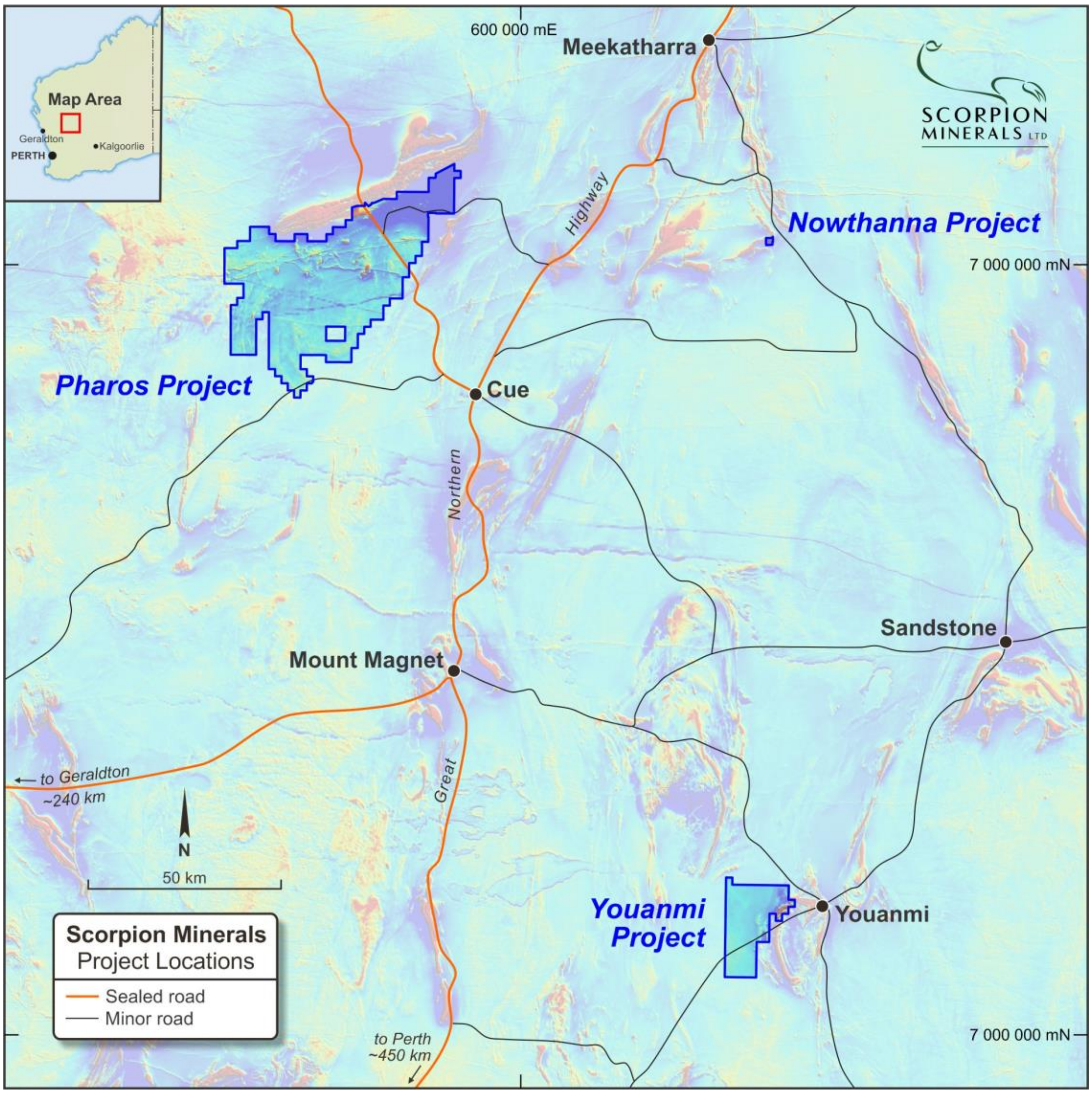

Figure 1: Location of the Company's Pharos, Youanmi and Nowthanna Projects

Pharos Project, WA (SCN: 100%)

The Pharos Project is 100% owned by Scorpion and covers an area of 1,544km^2 located 60km northwest of Cue in the Murchison Mineral Field, Western Australia. The project is prospective for lithium, PGE-Ni-Cu, gold, iron ore and VMS hosted Cu-Zn-Ag Au mineralisation (refer Figure 2).

Exploration activities at Pharos during the half-year focused on the largely untested 50km strike zone of LCT pegmatites identified via technical review earlier in 2022. The Company also continued evaluation of the base metals and gold targets within the project area.

Lithium targets

During the half-year, initial field reconnaissance confirmed extensive LCT pegmatite swarms at the Poona East and Poona West prospects. Activities completed included geological mapping and rock chip sampling, with the aims of determining the lateral extent of the corridor, identifying the potential for additional LCT pegmatites, and obtaining structural information for planning of initial stratigraphic reverse circulation ("RC") drill testing of target areas. Historic RC drill testing at Poona East and Poona West has been limited.

Mapping so far has confirmed multiple LCT pegmatites in both areas that are oriented sub parallel to the granite contact and are shallow dipping to the north (Poona East) and northeast (Poona West). Individual pegmatites are up to 1000m long and surface exposures suggest widths from 10m to 15m wide. Shallow dipping pegmatite orientation is a characteristic of significant LCT pegmatite systems.

Inspection of historic rock chip sample areas with high lithium results has confirmed the presence of zonation within the LCT pegmatites across their width and along strike, with further RC drilling required to properly assess these targets. Initial RC drill testing of initial targets at Poona is planned to commence in 2023, with additional heritage clearing underway to allow access to the expanded pegmatite target area.

Base metal and gold 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 approvals of programs of work, planning and logistics have been advanced to complete initial drill testing of Pallas and Perses during 2023. Further evaluation/planning for follow-up RC and/or diamond drilling was also undertaken for the existing gold targets at Oliver's Patch and Ulysses.

The technical information relating to the Pharos Project contained in this report is derived from the below 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"*
20/10/2022	*"Multiple Lithium Pegmatite Dykes at Poona"*

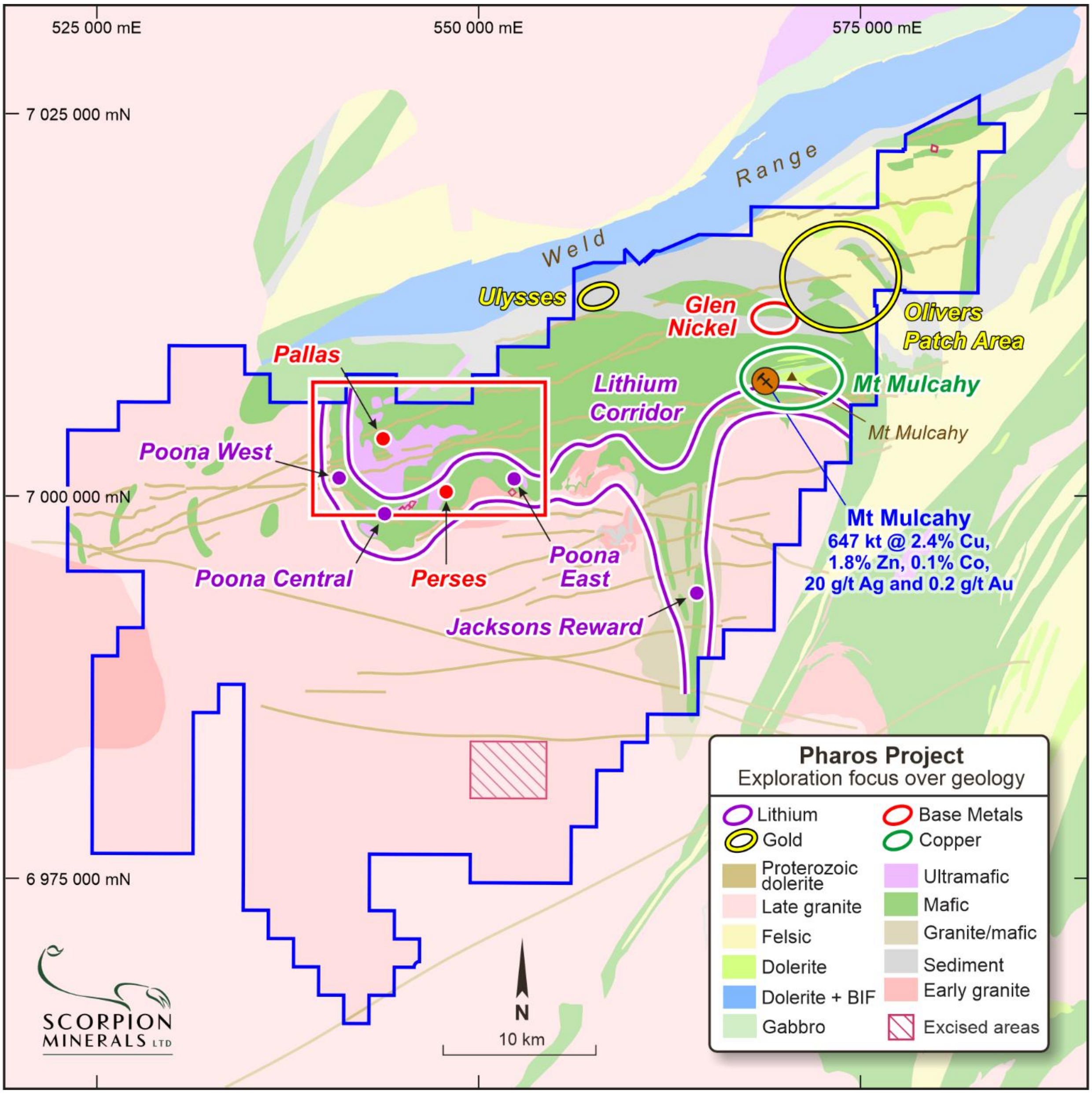

Figure 2: Location of Pharos Project commodity targets

Youanmi Project, WA (SCN: option to acquire 100%)

In December 2022, Scorpion announced that it had entered into a binding Option Agreement ("**Agreement**") to acquire a 100% interest in the Youanmi Lithium Project. The project comprises tenements E57/978, E57/1049 and E57/1056 ("**Youanmi Tenements**"), covering an area of 279 km^2 in the East Murchison Mineral Field approximately 450 km north of Perth (refer Figure 1).

The Youanmi acquisition presents an opportunity to actively participate in a region of growing significance for lithium mineralisation in Western Australia and follows a detailed technical review of the project by the Company's technical advisor.

The Agreement entitles Scorpion to acquire a 100% interest in the Youanmi Tenements in exchange for a cash payment of $3.5 million and the granting of a $1 per tonne royalty over ore mined and processed or removed from the Youanmi Tenements. Exercise of the option is subject to standard conditions precedent including due diligence.

Project summary

Youanmi sits at the northern end of a 20km long corridor of Lithium, Caesium, Tantalum ("LCT") pegmatite intrusions that have delivered significant results for other explorers at the southern end of the trend (refer Figure 3).

Historical exploration activity at the project includes geological mapping, rock chip sampling, airborne magnetic surveys and RC drilling.

Geological mapping has identified a 3km long zone of intermittent outcropping LCT pegmatites located about 1km east of a contact between a late-stage granite and the Youanmi Layered Mafic Complex. The late-stage granite exhibits coarse grained textures and enrichment in elements such as fluorine suggesting that it is the source of the LCT pegmatites to the east. This relationship appears to hold regionally as LCT pegmatite swarms have been discovered by Aldoro Resources on the west side of the late granite within the Windimurra complex.

Rock chip sampling was completed in two phases within the zone described above, identifying significant lithium mineralisation at Youanmi. A total of 24 rock chip samples were taken with 18 samples returning values ranging from 0.58% to 4.22% $Li^{2}O$. Preliminary evaluation of airborne photography indicates there are zones of outcrop north of this zone that warrant follow-up mapping and sampling.

Historic RC drill testing at Youanmi consisted of 54 holes (19MYRC005 to 19MYRC058) drilled in wide spaced fences along the 3km long zone with the majority drilled in the southern half of the trend. Significant intercepts (downhole intercepts approximate true thickness, Table 2 in ASX announcement 19 December 2022) included:

- 8m @ 1.39% Li2O from 8m
- 6m @ 1.61% Li2O from 22m
- 7m @ 1.42% Li2O from 20m
- 7m @ 1.38% Li2O from 0m
- 6m @ 1.64% Li2O from 11m
- 6m @ 1.35% Li2O from 62m

Mapping and RC drilling has so far confirmed multiple LCT zones that are oriented sub-parallel to the granite contact and are shallow dipping to the east or oriented east-west of unknown dip requiring further detailed investigation. It is important to note that exploration to the south by others has identified significant LCT mineralisation in east-west oriented pegmatites. Shallow dipping pegmatite orientation is a characteristic of significant LCT pegmatite systems.

Exploration at Youanmi and in the region has confirmed the presence of lepidolite, petalite and possible spodumene suggesting the presence of zonation within the LCT pegmatites either across their width and/or along strike. Future exploration will focus on determining the zonation trend in order to identify high priority targets.

The Youanmi Tenements are additionally prospective for PGE-Ni-Cu, Base Metal (Zn-Cu-Ag-Au) and Vanadium mineralisation hosted by either the Youanmi Layered Mafic Complex or the adjacent greenstone sequence (Figure 2). Metal Australia's Manindi project (PGE-Ni Cu and Base Metals) and Venus Metal's Vidure prospect (PGE-Ni-Cu) lie to the south of Youanmi.

The northern part of Youanmi contains the western extension of the sequence that hosts Venus Metal's Youanmi Vanadium deposit. Further evaluation of the potential for Vanadium, PGE-Ni-Cu and Base Metal mineralisation will be undertaken simultaneously with lithium exploration.

Subsequent to the period end, the Company undertook an initial RC drilling programme at Youanmi, with nine holes completed for 1,476m. The drilling targeted shallow east-dipping LCT pegmatites that have been mapped along 3km of strike and remain open both along and across strike in parallel zones.

The technical information relating to the Youanmi Project contained in this report is derived from the below ASX releases:

19/12/2022	*"SCN Expands Lithium Footprint – Major Project Acquisition"*
06/02/2023	*"Youanmi Lithium Project Drilling Commences"*

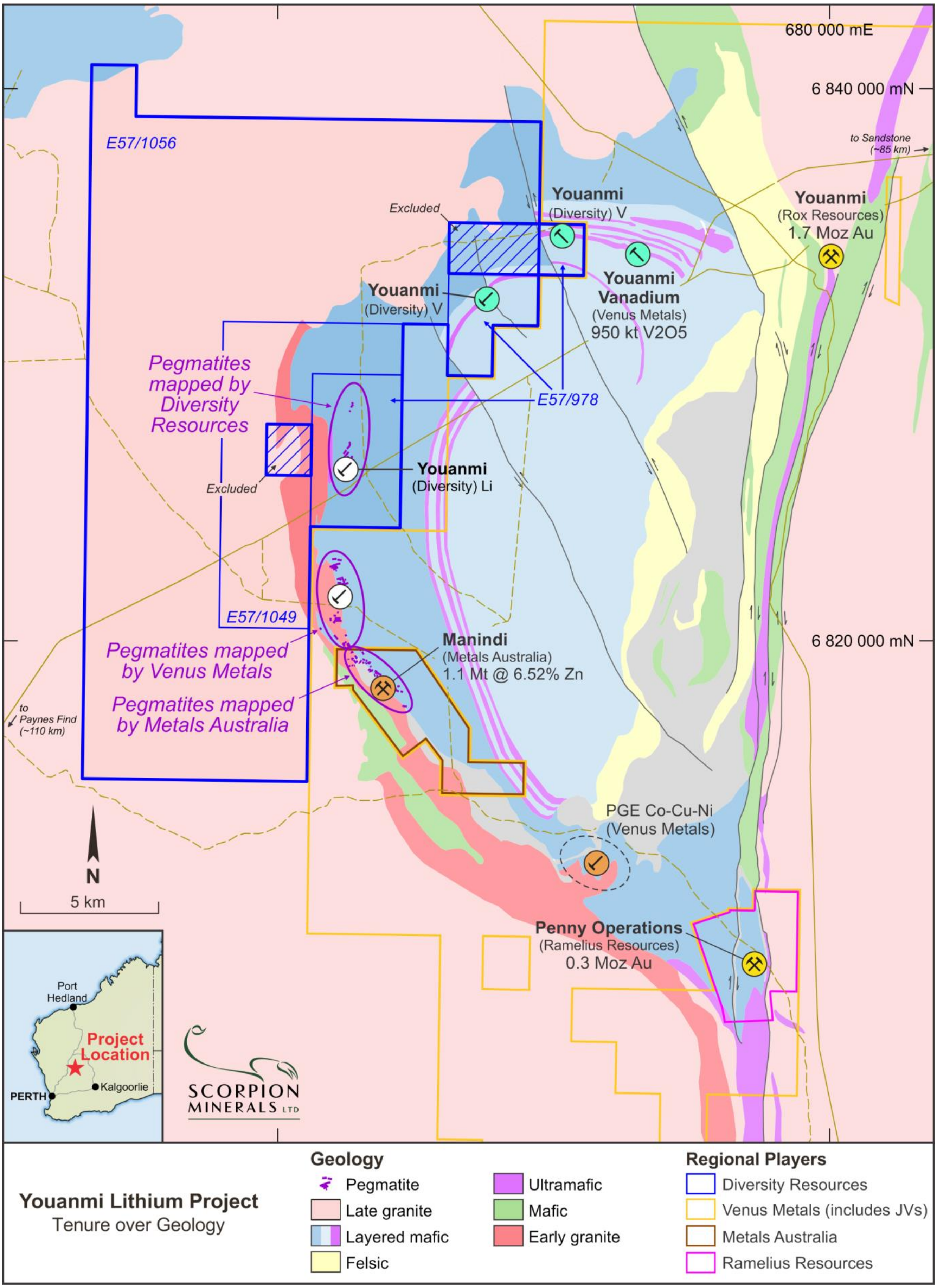

Figure 3: Plan showing Youanmi Tenements over simplified geology and adjacent explorers

RESULTS OF OPERATIONS

The Group incurred an after-tax operating loss for the half-year ended 31 December 2022 of $2,071,204 (31 December 2021: $1,411,293).

CORPORATE

The Company held its Annual General Meeting on 29 November 2022, with all resolutions put to shareholders being passed.

During the half-year, the Company received a cash dividend of $210,000 from its shareholding in Fenix Resources Ltd (ASX: FEX). The Company's shareholding of 4,000,000 fully paid ordinary shares in FEX was issued in February 2022 as part consideration for the acceleration of the Farm-in and Joint Venture Agreement between the two parties.

On 11 November 2022, the Company released from escrow 4,000,000 fully paid ordinary shares held by eMetals Ltd (ASX:EMT), following the receipt of completed deeds of assignment from eMetals in connection with the Company's acquisition of tenements E20/885, E20/896, E20/963 and E20/964 ("Poona Project"). The shares had been issued to eMetals on 14 February 2022 as part consideration for the acquisition in accordance with the Binding Heads of Agreement between the companies dated 2 December 2021. Other consideration for the acquisition of the Poona Project included a cash payment of $12,500, the granting of a 0.5% net smelter return royalty in respect of minerals mined from the Poona Project, and the assumption of existing performance payment obligations to a previous tenement holder.

On 22 December 2022, the Company issued 5,000,000 fully paid ordinary shares to a private exploration company as part consideration for the option to acquire the Youanmi Lithium Project.

SUBSEQUENT EVENTS

On 3 March 2023, the Company sold its existing holdings of 4,000,000 fully paid ordinary shares in Fenix Resources Ltd, realising proceeds of $960,000 before costs.

There are no other matters or circumstances that have arisen since 31 December 2022 that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

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 7.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001, and signed for and on behalf of the Board by:

Bronwyn Barnes
Non-Executive Chairman

Perth, Western Australia
15 March 2023

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

As lead auditor of the review of Scorpion Minerals Limited for the half-year ended 31 December 2022, 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

15 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		Half-Year	
	Note	**2022**	**2021**
CONTINUING OPERATIONS			
Dividend income		210,000	-
Interest income		4,414	-
Directors' fees		(96,295)	(51,667)
Exploration expenses		(535,979)	(432,667)
Fair value loss on financial assets		(300,000)	-
Finance costs		(44,489)	(39,951)
Occupancy costs		(18,000)	(18,000)
Other expenses	3	(510,243)	(241,506)
Share based payments	4	(780,612)	(627,502)
LOSS BEFORE INCOME TAX		(2,071,204)	(1,411,293)
Income tax (expense)/benefit		-	-
LOSS AFTER INCOME TAX FOR THE HALF-YEAR		(2,071,204)	(1,411,293)
Other comprehensive income for the half-year, net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR ATTRIBUTABLE TO THE OWNERS OF SCORPION MINERALS LIMITED		(2,071,204)	(1,411,293)
Loss per share attributable to the ordinary equity holders of the Parent			
Basic and diluted (cents per share)		(0.60)	(0.55)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	December 2022	June 2022
CURRENT ASSETS			
Cash and cash equivalents		491,055	2,102,432
Trade and other receivables		209,590	167,879
Financial assets at fair value through profit or loss		960,000	1,260,000
TOTAL CURRENT ASSETS		**1,660,645**	**3,530,311**
NON-CURRENT ASSETS			
Capitalised exploration expenditure	5	3,322,920	2,060,027
TOTAL NON-CURRENT ASSETS		**3,322,920**	**2,060,027**
TOTAL ASSETS		**4,983,565**	**5,590,338**
CURRENT LIABILITIES			
Trade and other payables	6	(550,115)	(707,515)
Borrowings	7	(879,901)	(1,196,682)
TOTAL LIABILITIES		**(1,430,016)**	**(1,904,197)**
NET ASSETS (LIABILITIES)		**3,553,549**	**3,686,141**
EQUITY			
Contributed equity	8	28,400,089	27,302,319
Accumulated losses		(26,656,802)	(24,585,598)
Reserves	9	1,810,262	969,420
TOTAL EQUITY/(DEFICIENCY)		**3,553,549**	**3,686,141**

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Issued Capital	Accumulated Losses	Reserve	Total Equity
CONSOLIDATED					
Balance 1 July 2022		**27,302,319**	**(24,585,598)**	**969,420**	**3,686,141**
Loss for the half-year		-	(2,071,204)	-	(2,071,204)
Total comprehensive loss for the half-year		-	(2,071,204)	-	(2,071,204)
Shares issued during the period	8	1,158,000	-	-	1,158,000
Capital raising costs	8	(193,980)	-	193,980	-
Options issued during the period	9	-	-	780,612	780,612
Transfer on exercised/lapsed of options	9	133,750	-	(133,750)	-
Balance 31 December 2022		**28,400,089**	**(26,656,802)**	**1,810,262**	**3,553,549**

	Issued Capital	Accumulated Losses	Reserve	Total Equity
CONSOLIDATED				
Balance 1 July 2021	22,874,964	(23,801,988)	579,452	(347,572)
Loss for the half-year	-	(1,411,293)	-	(1,411,293)
Total comprehensive loss for the half-year	-	(1,411,293)	-	(1,411,293)
Shares issued during the period	1,144,750	-	-	1,144,750
Capital raising costs	(11,256)	-	-	(11,256)
Options issued during the period	-	-	627,502	627,502
Transfer on exercised/lapsed of options	96,250	162,936	(259,186)	-
Balance 31 December 2021	**24,104,708**	**(25,050,345)**	**947,768**	**2,131**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Half-year	
		2022	2021
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividend income		210,000	-
Other income		6,174	-
Payments to suppliers and employees		(582,929)	(406,647)
Payments for exploration		(778,459)	(665,570)
Interest paid		(121,951)	-
Net cash outflow from operating activities		**(1,267,165)**	**(1,072,217)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(104,892)	-
Net cash inflow/(outflow) from investing activities		**(104,892)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	1,144,750
Payments for capital raisings		-	(11,256)
Repayment of borrowings	7	(239,320)	(50,000)
Net cash inflow/(outflow) from financing activities		**(239,320)**	**1,083,494**
Net increase in cash and cash equivalents		(1,611,377)	11,277
Cash and cash equivalents at the beginning of the half-year		2,102,432	133,873
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		**491,055**	**145,150**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by Scorpion Minerals Ltd during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2022 annual financial report for the financial year ended 30 June 2022. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

The Group incurred a net loss of $2,071,204 (31 December 2021: $1,411,293) and incurred net cash outflows from operating activities of $1,267,165 for the half-year ended 31 December 2022 (31 December 2021: $1,072,217 outflow). As at 31 December 2022, the Group had a working capital surplus of $230,629 (30 June 2022: $1,626,114) and net assets of $3,553,549 (30 June 2022: $3,686,141), trade and other payables of $550,115 (30 June 2022: $707,515) and borrowings of $879,901 (30 June 2022: $1,196,682). As at reporting date the Group had a cash balance of $491,055.

The ability of the Group to pay its debts as and when they become due is dependent upon:

- the Group's continued ability to call upon the undrawn portion of the loan facility entered into with former director of the Company Mr Michael Fotios and his associated entities; and
- in addition to any financing provided under the terms of the loan agreement referred to above, further capital raisings being undertaken;
- negotiating continued deferred terms of repayment with overdue third-party creditors.

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 the 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:

- as at 31 December 2022 the undrawn loan balance available to the Company with Mr. Fotios and his associated entities was $1,325,000;
- the Board is confident that the liabilities of the Company are able to be settled in an orderly fashion, and at the date of this financial report, there are no statutory demands against the Company in respect of any outstanding liabilities; and
- the Company has the full capacity (Listing Rule 7.1 and 7.1A) to raise funds via a share placement.

Should the Group not be able to achieve successful outcomes with the above matters, there is significant uncertainty whether the Group may be able to continue as a going concern, and therefore it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Significant accounting judgments and key estimates
The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2022.

Changes in accounting policy
The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

Adoption of new and revised accounting standards
In the half-year ended 31 December 2022, the Group 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 2022. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NOTE 2: 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.

	Half-Year	
	31 December 2022	**31 December 2021**
NOTE 3: OTHER EXPENSES		
Accounting expense	(62,263)	(39,369)
Audit expense	(10,000)	(10,000)
Consulting expense	(314,752)	(76,036)
Corporate expense	(68,664)	(68,683)
Insurance expense	(13,866)	(12,549)
Legal expense	(36,018)	(32,639)
Other administrative expense	(4,680)	(2,230)
	(510,243)	**(241,506)**

NOTE 4: SHARE BASED PAYMENT EXPENSE

Share based payments are recognised in the profit and loss statement. In the reporting period, share-based payments to the value of $840,842 were made (31 December 2021: $627,502).

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:

Date of issue	Date of expiry	Exercise price ($)	Underlying share price at issue ($)	Risk-free interest rate	Volatility	Number of options granted	Value taken up in period ($)
15 Sep 2021 [1]	15 Sep 2024	0.00	0.070	0.06%	75%	1,375,000	17,276
15 Sep 2021 [2]	15 Sep 2025	0.00	0.070	0.06%	75%	1,375,000	23,518
22 Apr 2022 [1]	22 Apr 2025	0.00	0.075	1.00%	75%	750,000	26,847
22 Apr 2022 [2]	22 Apr 2026	0.00	0.075	1.00%	75%	750,000	20,040
22 Dec 2022 [3]	22 Dec 2026	0.12	0.075	3.18%	100%	10,000,000	473,435
22 Dec 2022 [3]	22 Dec 2026	0.12	0.075	3.18%	100%	10,000,000	2,916
22 Dec 2022 [3]	22 Dec 2026	0.12	0.075	3.18%	100%	20,000,000	5,475
22 Dec 2022 [3]	22 Dec 2026	0.12	0.075	3.18%	100%	20,000,000	5,418
22 Dec 2022 [3]	22 Dec 2026	0.12	0.075	3.18%	100%	40,000,000	10,004
22 Dec 2022 [4]	22 Dec 2026	0.12	0.075	3.18%	100%	2,000,000	871
22 Dec 2022 [4]	22 Dec 2026	0.12	0.075	3.18%	100%	3,000,000	142,031
22 Dec 2022 [4]	22 Dec 2026	0.12	0.075	3.18%	100%	3,000,000	875
22 Dec 2022 [5]	22 Dec 2024	0.15	0.075	3.13%	100%	1,000,000	28,392
22 Dec 2022 [5]	22 Dec 2024	0.20	0.075	3.13%	100%	1,000,000	23,514
							780,612

Notes

1. Options in this class were subject to the vesting condition that the recipient remain employed or engaged by the Company until 15 September 2022. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.
2. Options in this class are subject to the vesting condition that the recipient remain employed or engaged by the Company until 15 September 2023. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.
3. Options in these classes were issued to Obsidian Metals Group Pty Ltd ("**Obsidian**") as Technical Advisor to the Company, comprising the below tranches:
   a. Tranche 1: 10,000,000 options, vesting upon the Company acquiring a new project introduced by Obsidian. The options in this tranche vested immediately following the acquisition of the Youanmi Project, and as such the full value of the options has been expensed in the reporting period.
   b. Tranche 2: 10,000,000 options, vesting upon the Company acquiring a second new project introduced by Obsidian. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.
   c. Tranche 3: 20,000,000 options, vesting upon either:
      i. the Company announcing a Mineral Resource (as defined in the JORC Code) of at least 10 million tonnes at 1% Li_2O mineral or metal or equivalent on any one project that has been introduced to the Company by Obsidian; or
      ii. the five-day volume-weighted average price (VWAP) of the Company's Shares exceeding $0.15 per Share, provided that that Obsidian remains engaged by the Company at the date on which this occurs.

   For valuation purposes, the Company has assumed it is more likely that the VWAP-based market condition will be met than the non-market performance condition. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.

d. Tranche 4: 20,000,000 options:
   i. the Company announcing a Mineral Resource (as defined in the JORC Code) of at least 20 million tonnes at 1% Li_2O mineral or metal or equivalent on any one project that has been introduced to the Company by Obsidian; or
   ii. the five-day volume-weighted average price (VWAP) of the Company's Shares exceeding $0.25 per Share, provided that that Obsidian remains engaged by the Company at the date on which this occurs.

   For valuation purposes, the Company has assumed it is more likely that the VWAP-based market condition will be met than the non-market performance condition. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.
e. Tranche 5: 40,000,000 options:
   i. the Company announcing a Mineral Resource (as defined in the JORC Code) of at least 50 million tonnes at 1% Li_2O mineral or metal or equivalent on any one project that has been introduced to the Company by Obsidian; or
   ii. the five-day volume-weighted average price (VWAP) of the Company's Shares exceeding $0.35 per Share, provided that that Obsidian remains engaged by the Company at the date on which this occurs.

   For valuation purposes, the Company has assumed it is more likely that the VWAP-based market condition will be met than the non-market performance condition. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.

4. Options in these classes were issued to Ms Bronwyn Barnes as Executive Chairman of the Company, comprising the below tranches:
   a. Tranche 1: 3,000,000 options, vesting upon the five-day volume-weighted average price (VWAP) of the Company's Shares exceeding $0.15 per Share. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.
   b. Tranche 2: 2,000,000 options, vesting upon the Company acquiring a new project. The options in this tranche vested immediately following the acquisition of the Youanmi Project, and as such the full value of the options has been expensed in the reporting period.
   c. Tranche 3: 2,000,000 options, vesting upon the Company acquiring a second new project. The value of the options expensed has been reduced in accordance with the portion of the vesting period falling within the reporting period.

NOTE 5: CAPITALISED EXPLORATION EXPENDITURE

	31 December 2022 $	30 June 2022 $
Capitalised exploration and evaluation		
Opening net book amount	2,060,027	2,060,027
Acquisition of Poona Project	798,000	-
Acquisition of Youanmi Project	464,893	-
Closing net book amount	**3,322,920**	**2,060,027**

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas.

eMetals Ltd, the previous holder of the Poona Project, retains a 0.5% net smelter return royalty over minerals mined from tenements E20/885, E20/896, E20/963 and E20/964.

Exercise of the option to acquire the Youanmi Project is subject to a cash payment of $3,500,000 and the granting of a royalty of $1 per tonne of ore mined and processed or removed from tenements E57/978, E57/1049 and E57/1056.

NOTE 6: TRADE AND OTHER PAYABLES – UNSECURED

	31 December 2022 $	30 June 2022 $
Trade payables	341,115	687,515
Accrued expenses	209,000	20,000
	550,115	**707,515**

NOTE 7: BORROWINGS – UNSECURED

	31 December 2022 $	30 June 2022 $
Reconciliation of carrying amount of borrowings		
Opening amount – related party loans	-	1,275,541
Opening amount – non-related party loans	1,196,682	5,766
Adjustments from prior periods	5,766	-
Repayments	(361,270)	(50,000)
Repayments in shares during the year	-	(110,000)
Drawdowns during the year	-	-
Interest accrued	44,489	75,375
Closing balance	**879,901**	**1,196,682**

The Company has executed a loan facility agreement with Mr Michael Fotios and associated entities. Mr Fotios is a former director of the Company. The agreement was signed on 26 October 2017 and has been varied on a number of occasions, with the loan facility currently in place until 1 April 2024. The undrawn loan balance available to the Company at 31 December 2022 is $1,324,663.

NOTE 8: ISSUED CAPITAL

	2022	
Issued Capital	**Number**	**$**
Opening Balance 1 July 2022	342,831,192	27,302,319
Exercise of options	1,875,000	133,750
Issue of ordinary shares	12,000,000	1,158,000
Capital raising costs	-	(193,980)
Balance end of period	**356,706,192**	**28,400,089**

NOTE 9: SHARE BASED PAYMENT RESERVE

	31 December 2022	30 June 2022
Share Based Payment Reserve	**$**	**$**
Balance at beginning of period	969,420	579,452
Transfer on expiry of options	(133,750)	(159,935)
Issue of unlisted options	780,612	549,903
Provision for vesting of options issued in prior periods	87,681	-
Balance end of period	**1,703,963**	**969,420**

NOTE 10: CONTINGENCIES

At 31 December 2022, there were $201,324 in trade payables and borrowings of $879,901 included in current liabilities which were outside their agreed terms of repayment.

The Directors have and will continue to enter into repayment plans with overdue third-party creditors. The Directors believe this will not have an effect on the Group's ability to continue as a going concern, as detailed further in Note 1.

The Directors are of the opinion that there are no material contingent liabilities or contingent assets of the Group at reporting date (30 June 2022: nil).

NOTE 11: COMMITMENTS

There have been no changes in commitments from 30 June 2022.

NOTE 12: DIVIDENDS

There were no dividends paid during the half-year ended 31 December 2022 (30 June 2022: nil).

NOTE 13: SUBSEQUENT EVENTS

On 3 March 2023, the Company sold its existing holdings of 4,000,000 fully paid ordinary shares in Fenix Resources Ltd (ASX:FEX), realising proceeds of $960,000 before costs.

There are no other matters or circumstances that have arisen since 31 December 2022.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including

   (a). complying with the *Corporations Regulations 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional requirements of the Group; and

   (b). giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

2. There are reasonable grounds to believe that Scorpion Minerals Limited will be able to pay its debts as and when they become due and payable.

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

Bronwyn Barnes
Non–Executive Chairman

Perth, Western Australia
15 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

SCORPION MINERALS LIMITED

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Scorpion Minerals Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report which describes events and conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-Year Financial Report* section of our 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 annual 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 review report.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

SCORPION MINERALS LIMITED (continued)

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay Audit & Assurance Pty ltd

Daniel Dalla
Director

Dated 15 March 2023