

Oversubscribed \$3M Raise to Accelerate WA Lithium

- **Binding commitments received from existing and new shareholders to raise \$3m**
- **CPS Capital and Merchant Capital Partners acted as joint lead managers**
- **Funds used to expedite exploration at the Company's Youanmi and Pharos Lithium Projects in WA**
- **Assess new strategic and project opportunities within the lithium sector**
- **High-grade lithium mineralisation up to 3.19% Li₂O has previously been intersected down dip of stacked pegmatites at Youanmi Project**
- **Recently reported Exploration Target (see ASX announcement dated 11th October 2023) at Youanmi highlights continuity and predictability of mineralised trend**
- **Next phase of exploration will include additional drilling, geological mapping, soil geochemistry, metallurgical test work and mineral analysis**
- **Discussions with potential strategic partners are continuing**

Scorpion Minerals Limited (ASX:SCN) (**Scorpion, SCN or the Company**) is pleased to announce the completion of a \$3.0 Million capital raising (before costs) via the issue of 60,000,000 fully paid ordinary shares at \$0.05 per share (**Issue**). The Issue includes a free attaching option on a 1:2 basis, with an exercise price of \$0.075 per option and an expiry date two years from date of issue (**Placement Options**) which will be listed subject to meeting ASX requirements.

The Issue will be undertaken using the Company's existing placement capacity, with 30,000,000 shares to be issued under the Company's existing Listing Rule 7.1 capacity and 30,000,000 shares to be issued under the Company's existing Listing Rule 7.1A capacity. CPS Capital and Merchant Capital Partners acted as joint Lead Managers to the oversubscribed Issue.

Funds raised will be used to advance the Company's lithium exploration strategy in WA, for working capital purposes and to assess new strategic opportunities in the lithium sector as they arise.

Commenting on the completion of the capital raise, Scorpion's CEO Michael Fotios said:
"Scorpion is delighted to have completed this placement with such an encouraging level of demand which serves as a strong validation of our asset portfolio and technical capabilities. Our Board would like to thank both CPS Capital and Merchant Capital Partners for their support during this process."

Western Australia is currently the hottest address globally for hard rock lithium exploration and development. Following the completion of this capital raising, Scorpion is extremely well positioned to harness this investor interest and unlock considerable value from its portfolio over the coming months. Our targeted drilling programmes completed at Youanmi have so far shown the potential scale and high-grade nature of the project. This drilling has delivered a vast amount of technical data and we are currently in the process of integrating this into our Maiden JORC Resource Estimate for the project. Importantly, mineralisation remains open in all directions at Youanmi, and we are confident that further drilling in the near-term will add to the scale of the project."

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Chairman

Ms Kate Stoney
*Executive Director -
Finance, Joint Company
Secretary*

Mr Michael Kitney
Non-Executive Director

MANAGEMENT

Mr Michael Fotios
Chief Executive Officer

Mr Michael Langford
Chief Investment Officer

Mr Josh Merriman
Joint Company Secretary

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Advanced Youanmi Project Highlights

- Youanmi Project covers an area of 177km² located 450km northeast of Perth in the East Murchison Mineral Field.
- Phase 1 RC drilling comprised 14 holes for 2158m with pegmatite intersected in all holes up to 11m thickness. Confirmed significant high grade lithium mineralisation hosted by shallow east dipping stacked LCT pegmatites along 3km of strike and extending to a minimum of 175m below surface.
- **High-grade lithium mineralisation up to 3.19% Li₂O** has previously been intersected down dip of stacked pegmatites.
- Recent drilling is supported by significant historic shallow RC drilling which targeted high-grade rock chip results (max. 4.22% Li₂O) in LCT pegmatite outcrop including:
 - 14m @ 1.50% Li₂O from 126m
 - 9m @ 1.50% Li₂O from 160m
 - 9m @ 1.37% Li₂O from 112m
 - 9m @ 1.36% Li₂O from 55m
 - 10m @ 1.12 Li₂O from 130m
- Parallel pegmatites intersected east and west of the central zone have increased the width of the corridor to at least 850m.

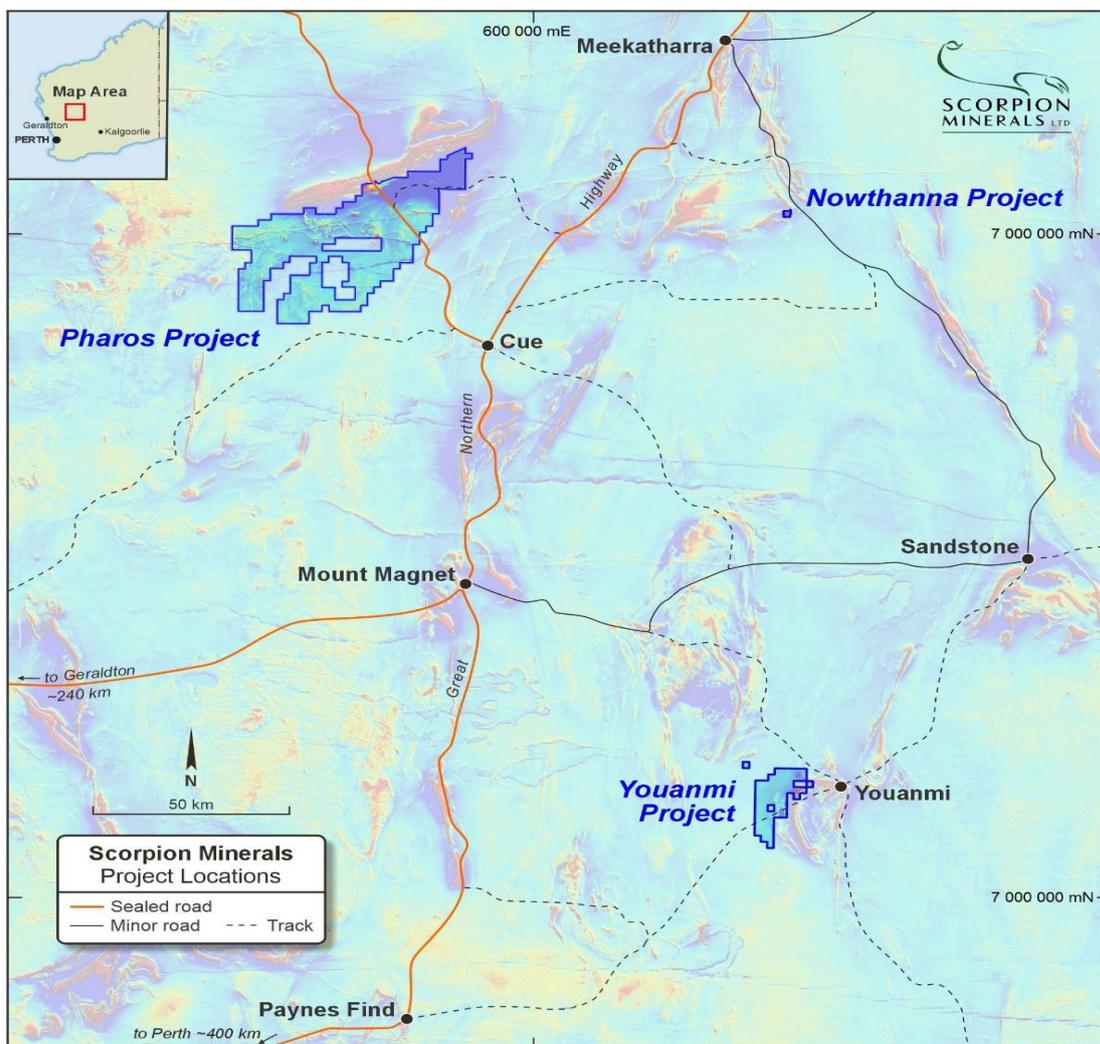


Figure 1: Location of Scorpion Minerals Pharos, Youanmi and Nowthanna Projects

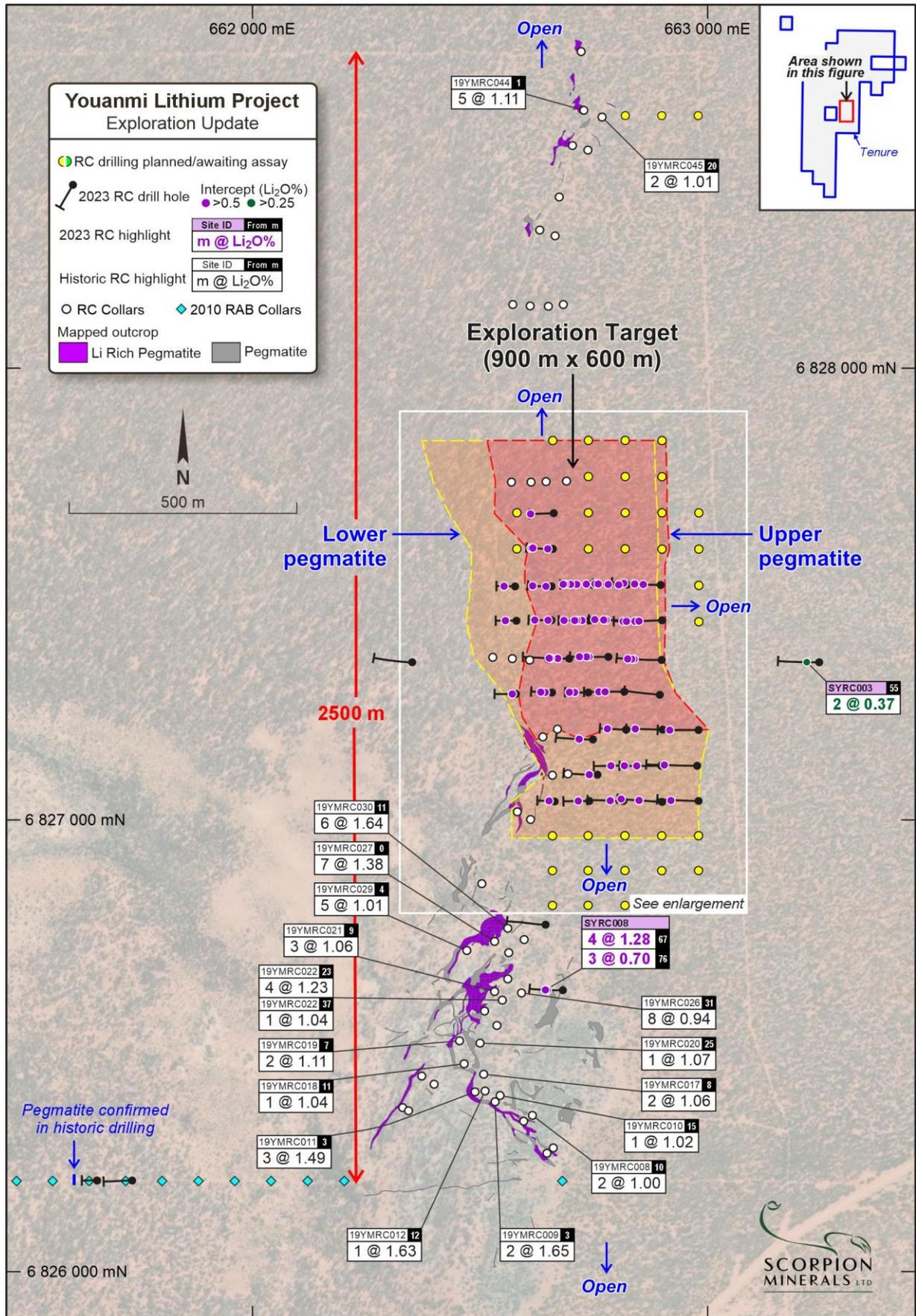


Figure 2: Plan showing mapped pegmatite outcrop and significant RC Drilling intercepts.

Exploration Strategy: Next Steps

Scorpion plans to undertake the following exploration programmes over Q4 2023 and Q1 2024, regular updates on progress will be provided:

- *Infill RC drilling of existing Youanmi exploration target (see ASX announcement dated 11th October 2023) at 40m x 40m spacing*
- *Maiden RC drilling programme at Pharos focussed on Poona East and West prospects*
- *Diamond drill testing of Youanmi exploration target and initial metallurgical test work*
- *Extensional RC drilling of exploration target down dip and along strike*
- *RC drilling of parallel pegmatites to determine extent and composition*
- *Follow up geological mapping and rock chip sampling at Pharos and Youanmi*
- *Auger soil geochemistry aimed at identifying additional pegmatites under shallow soil cover*
- *Initial Diamond drill testing of existing targets at depth*

Placement Details

The Issue will be undertaken using the Company's existing placement capacity, with 30,000,000 shares to be issued under the Company's existing Listing Rule 7.1 capacity and 30,000,000 shares to be issued under the Company's existing Listing Rule 7.1A capacity. Subject to shareholder approval, the Company will also issue 30,000,000 options to participants in the placement on a 1:2 basis ("Free Attaching Options"), with an exercise price of \$0.075 and an expiry date two years from the date of issue. The Company will apply for quotation of the Free Attaching Options.

CPS Capital Pty Ltd ("CPS") and Merchant Capital Partners Pty Ltd ("Merchant") acted as joint lead managers to the Issue. CPS and Merchant are each entitled to a management and placement fee of 6% on their portions of funds raised. Subject to shareholder approval, the Company will also issue CPS and Merchant with 3,000,000 options each at a nominal issue price, in the same class as the Free Attaching Options.

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

-ENDS-

Enquiries

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Competent Persons Statement

The information in this report that relates to the Exploration Target, Exploration Results and Mineral Resources at the Youanmi, Mt Mulcahy and Pharos Projects is based on information compiled or reviewed by Mr Michael Fotios, who is a member of the Australian Institute of Mining and Metallurgy. Mr Fotios is CEO of 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 Fotios consents to the inclusion of the information in the form and context in which it appears.

Forward Looking Statements

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