



SCORPION MINERALS LIMITED

(ACN 115 535 030)

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY MEMORANDUM

Thursday, 22 February 2024

3:00PM (AWST)

To be held in person at

**Level 2, 50 Kings Park Road
West Perth WA 6005**

This Notice of Extraordinary General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6241 1877.

NOTICE OF MEETING

Notice is given that the Extraordinary General Meeting of Shareholders of Scorpion Minerlas Limited (ACN 115 535 030) (**Company**) will be held at Level 2, 50 Kings Park Road, West Perth, WA 6005 on Thursday 22 February 2024 commencing at 3:00PM (AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 4:00 PM (AWST) on Tuesday, 20 February 2024.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolutions 1(a) and 1(b) – Ratification of Prior issue of Placement Shares – Listing Rules 7.1 and 7.1A

To consider and, if thought fit, to pass with or without amendment, the following resolutions as **ordinary resolutions**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of up to:

(a) *30,000,000 Placement Shares issued under the Company’s Listing Rule 7.1 capacity; and*

(b) *30,000,000 Placement Shares issued under the Company’s Listing Rule 7.1A capacity,*

on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolutions by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved (namely, the Placement Participants (and/or their respective nominees)); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as proxy or attorney who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chair to vote on the Resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from the voting, and is not an associate of a person excluded from voting, on the Resolutions; and
 - (ii) the holder votes on the Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Approval to issue Placement Options

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 free-attaching Placement Options, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Placement Participants (and/or their respective nominees)); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from the voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval to issue Options to Joint Lead Manager (CPS Capital Group Pty Ltd)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Joint Lead Manager Options to CPS Capital Group Pty Ltd (and/or its nominees), on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, CPS Capital Group Pty Ltd (and/or its nominees)); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from the voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Approval to issue Options to Joint Lead Manager (Merchant Capital Partners Pty Ltd)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Joint Lead Manager Options to Merchant Capital Partners Pty Ltd (and/or its nominees), on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, Merchant Capital Partners Pty Ltd (and/or its nominees)); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from the voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 19 January 2024

BY ORDER OF THE BOARD



Mr Josh Merriman
Joint Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 2, 50 Kings Park Road, West Perth WA 6005 on Thursday 22 February 2024 commencing at 3:00PM (AWST) (**Meeting**).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to participate in the Meeting, and are encouraged to lodge a directed Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that:

- (d) If proxy holders vote, they must cast all directed proxies as they are directed to; and
- (e) Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and
- (d) either of the following applies:
 - (i) if a record of attendance is made for the meeting - the proxy is not recorded as attending;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Proxy Holders and Voting Instructions

If the Chair is appointed as your proxy and the Chair is not directed how to vote, you are authorising the Chair to cast your undirected vote on all proposed resolutions.

If a member of the Company's Key Management Personnel, or a Closely Related Party of such member is appointed as your proxy, they will not be able to vote your proxy on Resolutions 5(a) and 5(b).

If you intend to appoint a member of the Company's Key Management Personnel, or a Closely Related Party of such member, or the Chair, as your proxy, you are encouraged to direct them how to vote on Resolutions 5(a) and 5(b), by marking "For", "Against" or "Abstain" for each of those resolutions.

2.3 Corporate Representative

A corporation may appoint an individual as a representative to exercise its powers as a Shareholder or as a Shareholder's proxy. The representative must bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it have been previously given to the Company's share registry.

2.4 Submit your Proxy Vote

2.4.1 Online

Vote online at www.advancedshare.com.au/investor-login and simply follow the prompts.

2.4.2 By Paper

If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form.

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways:

BY MAIL	Advanced Share Registry Limited 110 Stirling Hwy, Nedlands WA 6009; or PO Box 1156, Nedlands WA 6909
BY EMAIL	admin@advancedshare.com.au

3. Resolutions 1(a) and 1(b) – Ratification of Prior issue of Placement Shares – Listing Rules 7.1 and 7.1A

3.1 General

Resolutions 1(a) and 1(b) seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a total of up to 60,000,000 Shares issued under the Placement (details of the Placement provided in Section 3.2 below).

3.2 Background to the Placement

On 9 November 2023, the Company announced that it had secured firm commitments from sophisticated and professional investors, including existing Shareholders, to subscribe for a total of up to 60,000,000 Shares at an issue price of \$0.05 per Share (**Placement Shares**), to raise up to a total of \$3,000,000 (before costs) (**Placement**).

The Placement Shares are to be issued with one (1) free-attaching option (exercisable at \$0.075 and expiring two (2) years from the date of issue) (**Placement Options**) for every two (2) Placement Shares subscribed for and issued, subject to shareholder approval (a total of up to 30,000,000 Placement Options (the subject of Resolution 2)).

On 20 November 2023, the Company issued a total of 60,000,000 Placement Shares under the Placement, as follows:

- (a) 30,000,000 Placement Shares issued under the Company's Listing Rule 7.1 capacity (the subject of Resolution 1(a)); and

- (b) 30,000,000 Placement Shares issued under the Company's Listing Rule 7.1A capacity (the subject of Resolution 2(a)).

The funds raised from the Placement will be used to advance the Company's lithium exploration strategy in WA, to assess new strategic opportunities in the lithium sector, and towards general working capital.

The Company appointed CPS Capital Group Pty Ltd and Merchant Capital Partners Pty Ltd as joint lead managers to the Placement (together, **Joint Lead Managers**). Further details in respect of the Placement are available in the Company's announcement to ASX on 9 November 2023.

3.3 ASX Listing Rules 7.1 and 7.1A

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

3.4 ASX Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

3.5 Technical information required by Listing Rule 14.1A

If Resolutions 1(a) and 1(b) are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 1(a) and 1(b) are not passed, the Placement Share will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

3.6 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1(a) and 1(b):

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of the Joint Lead Managers, as well as existing Shareholders and investors introduced by the Company (**Placement Participants**). The Placement Participants were identified through a bookbuild process, which involved the Joint Lead Managers and the Company seeking expressions of interest to participate in the placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the Placement Participants are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company at the time of issue
- (c) a total of 60,000,000 Placement Shares were issued on the following basis:
 - (i) 30,000,000 Placement Shares issued under the Company's Listing Rule 7.1 capacity (the subject of Resolution 1(a)); and
 - (ii) 30,000,000 Placement Shares issued under the Company's Listing Rule 7.1A capacity (the subject of Resolution 1(b));
- (d) the Placement Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement Shares were issued on 20 November 2023;
- (f) the issue price was \$0.05 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the purpose of the issue of the Placement Shares was to raise \$3,000,000 (before costs). Funds raised from the issue of the Placement Shares are to be used for the purposes as specified in Section 3.2 above;
- (h) the Placement Shares were not issued under an agreement; and
- (i) a voting exclusion statement is included in Resolutions 1(a) and 1(b) of this Notice.

The Board believes that Resolutions 1(a) and 1(b) are in the best interest of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of these Resolutions. The Chair intends to vote undirected proxies in favour of Resolutions 1(a) and 1(b).

4. Resolution 2 – Approval to issue Placement Options

4.1 General

As announced by the Company on 9 November 2023 and set out in Section 3.2 above, subject to Shareholder approval, the Company has agreed to issue one (1) Placement Option for every two (2) Placement Shares subscribed for and issued under the Placement.

Accordingly, Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 30,000,000 Placement Options to the Placement Participants (and/or their respective nominees).

4.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 3.3 above.

The proposed issue of the Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

4.3 Technical information required by ASX Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Placement Options to the Placement Participants. In addition, the issue of the Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Placement Options to the Placement Participants, and therefore, the Company will not be able to complete the Placement.

4.4 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Placement Options will be issued to the Placement Participants. The Placement Participants were identified through a bookbuild process, which involved the Joint Lead Managers and the Company seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the Placement Participants are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or as associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company at the time of issue the maximum number of Placement Options to be issued is 30,000,000;
- (c) a summary of the Placement Options to be issued is set out in Schedule 2;
- (d) the Placement Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of all the Placement Options will occur on the same date;
- (e) the Placement Options are being issued for nil consideration, as these are free-attaching Options;
- (f) the purpose of the issue of the Placement Options is as free-attaching Options to Placement Participants for Placement Shares subscribed for and issued under the Placement. Funds raised from the issue of the Placement Shares under the Placement will be used for the purposes specified in Section 3.2 above;

- (g) the Placement Options are not being issued under an agreement;
- (h) the placement Options are not being issued under, or to fund a reverse takeover; and
- (i) a voting exclusion statement is included in the Notice.

The Board believes that Resolution 2 is in the best interest of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of this Resolution. The Chair intends to vote unirected proxies in favour of Resolution 2.

5. Resolution 3 – Approval to issue Options to Joint Lead Manager (CPS Capital Group Pty Ltd)

5.1 General

As announced by the Company on 9 November 2023, the Company and CPS Capital Group Pty Ltd (**CPS Capital**) entered into an agreement, pursuant to which CPS Capital would act as joint lead manager of the Company in respect of the Placement (**CPS Mandate**).

Resolution 3 seeks Shareholder approval for the issue of up to 3,000,000 Options (exercisable at \$0.075 and expiring 2 years from the date of issue) (**CPS Options**) to CPS Capital (and/or its nominees), pursuant to the CPS Mandate (a summary provided at Section 5.2 below).

5.2 CPS Mandate

A summary of the material terms of the CPS Mandate are:

- (a) (**Services**): The Company appoints CPS Capital to act as joint lead manager, broker and corporate adviser for the Company in respect of the Placement.
- (b) (**Fees**): The Company has agreed to pay CPS Capital the following:
 - (i) (Management Fee): a management fee of 2% (plus GST) of the total amount raised, for managing the Placement;
 - (ii) (Placement Fee): a placement fee of 4% (plus GST) of the total amount raised for shares placed via the Placement; and
 - (iii) (CPS Options): subject to shareholder approval, issue CPS Capital (and/or its nominees) 3,000,000 Options (exercisable at \$0.075 and expiring 2 years from the date of issue).

The CPS Mandate is otherwise on terms and conditions considered standard for agreements of this nature.

5.3 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is provided at Section 3.3 above.

5.4 Technical Information required by ASX Listing Rule 14.1A

If Resolution 3 is passed the Company will be able to proceed with the issue of the CPS Options which allow the Company to satisfy its obligations pursuant to the CPS Mandate. In addition, the issue of the CPS Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the CPS Options, and the Company will have to consider an alternative means of consideration to the CPS Capital, for example by way of cash consideration.

5.5 Technical Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the CPS Options will be issued to the CPS Capital Group Pty Ltd (and/or its nominees);
- (b) a total of 3,000,000 CPS Options will be issued;
- (c) the CPS Options will be issued on the terms set out in Schedule 2;
- (d) the CPS Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the CPS Options will be issued for nil consideration, as the CPS Options are being issued as part consideration for services provided;
- (f) the purpose of the issue of the CPS Options is as consideration to the CPS Capital (and/or its nominees) pursuant to the CPS Mandate;
- (g) the CPS Options will be issued pursuant to the CPS Mandate. A summary of the material terms of the CPS Mandate is included at section 5.2 above;
- (h) the CPS Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 3 of the Notice.

The Board believes this Resolution is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution 3. The Chair of the meeting intends to vote undirected proxies in favour of this Resolution 3.

6. Resolution 4 – Approval to issue Options to Joint Lead Manager (Merchant Capital Partners Pty Ltd)

6.1 General

As announced by the Company on 9 November 2023, the Company and Merchant Capital Partners Pty Ltd (**Merchant Capital**) entered into an agreement, pursuant to which Merchant Capital would act as joint lead manager of the Company in respect of the Placement (**Merchant Mandate**).

Resolution 4 seeks Shareholder approval for the issue of up to 3,000,000 Options (exercisable at \$0.075 and expiring 2 years from the date of issue) (**Merchant Options**) to Merchant Capital (and/or its nominees), pursuant to the Merchant Mandate (a summary provided at Section 6.2 below).

6.2 Merchant Mandate

A summary of the material terms of the Merchant Mandate are:

- (a) (**Services**): The Company appoints Merchant Capital to act as joint lead manager, broker and corporate adviser for the Company in respect of the Placement.
- (b) (**Fees**): The Company has agreed to pay the Merchant Capital the following:
 - (i) (Placement Fee): a placement fee of 6% (plus GST), of the total amount raised under the Placement and
 - (ii) (Merchant Options): subject to shareholder approval, issue Merchant Capital (and/or its nominees) 3,000,000 Options (exercisable at \$0.075 and expiring 2 years from the date of issue).

The Merchant Mandate is otherwise on terms and conditions considered standard for agreements of this nature.

6.3 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is provided at Section 3.3 above.

6.4 Technical Information required by ASX Listing Rule 14.1A

If Resolution 4 is passed the Company will be able to proceed with the issue of the Merchant Options which allow the Company to satisfy its obligations pursuant to the Merchant Mandate. In addition, the issue of the Merchant Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Merchant Options, and the Company will have to consider an alternative means of consideration to the Merchant Capital, for example by way of cash consideration.

6.5 Technical Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Merchant Options will be issued to the Merchant Capital Partners Pty Ltd (and/or its nominees);
- (b) a total of 3,000,000 Merchant Options will be issued;
- (c) the Merchant Options will be issued on the terms set out in Schedule 2;
- (d) the Merchant Options will be issued no later than three (3) months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the Merchant Options will be issued for nil consideration, as the Merchant Options are being issued as part consideration for services provided;

- (f) the purpose of the issue of the Merchant Options is as consideration to the Merchant Capital (and/or its nominees) pursuant to the Merchant Mandate;
- (g) the Merchant Options will be issued pursuant to the Merchant Mandate. A summary of the material terms of the Merchant Mandate is included at section 6.2 above;
- (h) the Merchant Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 4 of the Notice.

The Board believes this Resolution is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution 4. The Chair of the meeting intends to vote undirected proxies in favour of this Resolution 4.

SCHEDULE 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chair means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Scorpion Minerals Limited (ACN 115 535 030).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

CPS Capital means CPS Capital Group Pty Ltd.

CPS Mandate has the meaning given in Section 5.1.

CPS Options has the meaning given in Section 5.1, and otherwise on the terms set out in Schedule 2.

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Joint Lead Manager Options means collectively, the CPS Options and Merchant Options.

Joint Lead Managers has the meaning given in Section 3.2.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Merchant Capital means Merchant Capital Partners Pty Ltd.

Merchant Mandate has the meaning given in Section 6.1.

Merchant Options has the meaning given in Section 6.1.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share.

Placement has the meaning given in Section 3.2.

Placement Options has the meaning given in Section 3.2.

Placement Participants has the meaning given in Section 3.6(a).

Placement Shares has the meaning given in Section 3.2.

Proxy Form means the proxy form attached to the Notice.

Resolution means resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

SCHEDULE 2 – Terms and Conditions of Placement Options and Joint Lead Manager Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option is \$0.075 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two (2) years from their issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Quotation of Options**

The Company will seek quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to satisfaction of the minimum quotation conditions of the ASX Listing Rules. In the event that quotation of the Options cannot be obtained, the Options will remain unquoted.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

EXTRAORDINARY GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Scorpion Minerals Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), **at Level 2, 50 Kings Park Road West Perth WA 6005 on Thursday, 22 February 2024 at 3.00 pm (AWST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

#	Resolutions	For	Against	Abstain*
1(a)	Ratification of Prior issue of Placement Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1(b)	Ratification of Prior issue of Placement Shares – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval to issue Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval to issue Options to Joint Lead Manager (CPS Capital Group Pty Ltd)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval to issue Options to Joint Lead Manager (Merchant Capital Partners Pty Ltd)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 3.00 pm (AWST) on 20 February 2024, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033