



Scorpion Minerals Limited (ACN 115 535 030)

Options Prospectus

For an offer of:

- (a) up to 30,000,000 Placement Options to Placement Participants (and/or their respective nominees) on the basis of one (1) free-attaching listed Option (exercisable at \$0.075 and expiring on the date that is two (2) years from the date of issue) for every two (2) Placement Shares subscribed for and issued under the Placement; and
- (b) up to 6,000,000 Joint Lead Manager Options (exercisable at \$0.075 and expiring on the date that is two (2) years from the date of issue) to the Joint Lead Managers (and/or their respective nominees),

(together, the **Offers**).

The Offers close at 5.00pm (WST) on 6 March 2024

Important Notice

This is an important document and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The New Options offered by this Prospectus should be considered speculative.

Corporate Directory

Directors

Ms Bronwyn Barnes
(*Non-Executive Chairman*)

Ms Kate Stoney
(*Executive Director – Finance*)

Mr Michael Kitney
(*Non-Executive Director*)

Joint Company Secretaries

Ms Kate Stoney
Mr Josh Merriman

Registered Office

Level 2, 50 Kings Park Road
West Perth WA 6005

Telephone: +61 8 6241 1877

Email: info@scorpionminerals.com.au

Website: www.scorpionminerals.com.au

ASX Code

SCN

Share Registry*

Advanced Share Registry
110 Stirling Hwy
Nedlands WA 6009

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Auditors*

In.Corp Audit & Assurance Pty Ltd
(previously Rothsay Audit & Assurance Pty Ltd)
Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005

Joint Lead Managers

CPS Capital Group Pty Ltd
Level 41, 108 St Georges Tce
Perth WA 6000

Merchant Capital Partners Pty Ltd
Level 1, 441 Stirling Hwy
Cottesloe WA 6011

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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IMPORTANT INFORMATION

GENERAL

This Prospectus is dated 29 February 2024 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the New Options the subject of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The New Options to be issued pursuant to this Prospectus should be viewed as a speculative investment and investors should refer to Section 2 for details of certain risk factors which are considered to be relevant for the purposes of the Offers. Investors should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at www.scorpionminerals.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. A hard copy of this Prospectus may be obtained by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

OVERSEAS SHAREHOLDERS

The New Options will not be issued pursuant to this Prospectus to Shareholders with a registered address which is outside Australia or New Zealand. The distribution of this Prospectus in jurisdictions outside of Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

RISK FACTORS

Refer to Section 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for the New Options offered under this Prospectus. Investors should consider the risk factors described in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for New Options.

TIMETABLE AND IMPORTANT DATES

EVENT	DATE
Lodgement of Prospectus with ASIC and ASX	29 February 2024
Opening Date of Offers	29 February 2024
Closing Date of Offers (5pm WST)	6 March 2024
Dispatch of holding statements in respect of the Offers	6 March 2024
Expected date for Quotation of the New Options	6 March 2024

* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date. As such the date the New Options are expected to commence trading on ASX may vary.

1. DETAILS OF THE OFFERS

1.1 Background to the Offers

On 9 November 2023, the Company announced a capital raising via a placement to raise up to \$3,000,000 (before costs) (**Placement**) through the issue of up to 60,000,000 Shares at an issue price of \$0.05 per Share (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**), together with one (1) free-attaching listed Option (exercisable at \$0.075 and expiring on the date that is two (2) years from the date of issue) (**Placement Options**) for every two (2) Placement Shares subscribed for and issued.

The Company engaged the services of CPS Capital Group Pty Ltd (**CPS Capital**) and Merchant Capital Partners Pty Ltd (**Merchant**) (together, the **Joint Lead Managers**) to joint lead manage the Placement.

Pursuant to the lead manager mandate between the Company and CPS Capital (**CPS Mandate**), CPS Capital is entitled to a fee of 6% of the total amount raised under the Placement, and the issue of 3,000,000 listed Options (exercisable at \$0.075 and expiring on the date that is two (2) years from the date of issue). Refer to Section 5.5 for further details regarding the material terms of the CPS Mandate.

Pursuant to the lead manager mandate between the Company and Merchant (**Merchant Mandate**), Merchant is entitled to a fee of 6% of the total amount raised under the Placement, and the issue of 3,000,000 listed Options (exercisable at \$0.075 and expiring on the date that is two (2) years from the date of issue). Refer to Section 5.6 for further details regarding the material terms of the Merchant Mandate.

The Company issued a total of 60,000,000 Placement Shares on 20 November 2023, pursuant to its placement capacity under ASX Listing Rules 7.1 and 7.1A. The Company obtained shareholder approval at its general meeting held on 22 February 2024 (**General Meeting**) for the issue of the 30,000,000 Placement Options and the 6,000,000 Joint Lead Manager Options being offered under this Prospectus.

The Company is precluded from issuing a 'cleansing notice' in respect of the New Options as they are not quoted in a class of securities that were quoted securities at all times in the past three (3) months. This Prospectus has also been prepared for the offer of the New Options so the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*, with respect to the on-sale provisions of section 707 of the Corporations Act, is available. If the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue without a disclosure document being required for that on-sale, as the New Options are issued with disclosure and the exercise of the New Options does not involve any further offer.

The New Options will be issued on the terms and conditions set out in Section 4.2.

For further details regarding the Placement, refer to the Company's announcement dated 9 November 2023.

1.2 The Offers

This Prospectus contains the following separate offers:

(a) Placement Options Offer

This Prospectus invites the Placement Participants (and/or their respective nominees) to apply for a total of up to 30,000,000 Placement Options, on the basis of one (1) Placement Option for every two (2) Placement Shares subscribed for and issued under the Placement (**Placement Options Offer**).

All Placement Participants will be sent a copy of this Prospectus, together with an Application Form. Only the Placement Participants can accept the Placement Options Offer. Refer to Section 1.6 for details on how to apply for Placement Options under the Placement Options Offer.

No funds will be raised from the issue of the Placement Options as the Placement Options are free-attaching to the Placement Shares on a 1:2 basis.

(b) Joint Lead Manager Options Offer

This Prospectus invites the Joint Lead Managers (and/or their respective nominees) to apply for a total of up to 6,000,000 Joint Lead Manager Options (**Joint Lead Manager Options Offer**).

The Joint Lead Manager Options will be issued in accordance with the Joint Lead Manager Mandates.

The Joint Lead Managers will be sent a copy of this Prospectus, together with an Application Form. Only the Joint Lead Managers can accept the Joint Lead Manager Options Offer. Refer to Section 1.6 for details on how to apply for Joint Lead Manager Options under the Joint Lead Manager Options Offer.

The Joint Lead Manager Options are being issued in part consideration for fees provided. Nominal funds of \$0.0001 per Joint Lead Manager Option will be raised from the Joint Lead Manager Options issued under the CPS Mandate. No funds will be raised from the issue of the Joint Lead Manager Options under the Merchant Mandate. Refer to Sections 5.5 and 5.6 for further details regarding the material terms of the Joint Lead Manager Mandates.

The Offers are only available to those who are personally invited to accept the Offers. Accordingly, Application Forms will only be provided by the Company to these parties.

The New Options offered under this Prospectus will be issued on the same terms and conditions, as set out in Section 4.2. Subject to the quotation requirements of the ASX Listing Rules, the New Options issued under this Prospectus will form a new class of listed security of the Company.

All Shares issued on exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 4.1 for further details regarding the rights and liabilities attaching to Shares.

1.3 Underwriting

The Placement is not underwritten.

1.4 Minimum Subscription

There is no minimum subscription under the Offers.

1.5 Opening and Closing Dates

The Offers will open for receipt of acceptances on **29 February 2024**.

The Offers will close at **5:00pm WST on 6 March 2024**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

1.6 How to accept the Offers

Only the Placement Participants and Joint Lead Managers will be provided a copy of this Prospectus and an Application Form in respect of the Offers. Applications for New Options must be made by the Placement Participants and Joint Lead Managers (as applicable) at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Placement Participants may only make an application on the basis of one (1) Placement Option for every two (2) Placement Share issued to them under the Placement.

Joint Lead Managers may only make an application in accordance with the terms of the Joint Lead Manager Mandates (as applicable).

With the exception of the Joint Lead Manager Options issued under the CPS Mandate, which are to be issued at a nominal cost of \$0.0001 per Joint Lead Manager Option, the New Options will be issued for nil consideration and therefore the Applicants are not required to pay any funds with the Application Form.

Completed Application Forms must be sent via email to the Company Secretary as follows: info@scorpionminerals.com.au.

Completed Application Forms must reach the above email address set out above by no later than the Closing Date.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company, for the number of New Options on the Application Form.

The Application Form does not need to be signed to be a binding acceptance of the New Options under the Offers. If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

If you are in doubt as to the course of action, you should consult your professional advisor(s).

1.7 Joint Lead Managers

The Company engaged the services of CPS Capital Group Pty Ltd and Merchant Capital Partners Pty Ltd to joint lead manage the Placement. Refer to Sections 5.5 and 5.6 for a summary of the material terms of the Joint Lead Manager Mandates.

1.8 ASX quotation

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made to ASX within seven (7) days after the date of this Prospectus. The New Options will only be admitted to Official Quotation if the quotation requirements under the ASX Listing

Rules are satisfied. If the quotation requirements are not satisfied or ASX otherwise does not grant Official Quotation of the New Options, the New Options will be issued on an unquoted basis.

The fact that ASX may grant official quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered under this Prospectus.

1.9 Issue of New Options

The New Options to be issued pursuant to the Offers will be issued in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

Holding statements for New Options issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

1.10 CHESS and Issuer Sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after issue.

Holding statements will be sent either by CHESS (for new investors who elect to hold their securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their securities on the Issuer sponsored sub-register). The statements will set out the number of New Options issued under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their securities on the Chess sub-register) or Security holder Reference Number (for new investors who elect to hold their securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of Securities changes, and also as required by the Listing Rules or the Corporations Act.

1.11 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.12 Overseas Applicants

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

New Zealand

The Offers are not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offers are being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.13 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities of the Company.

1.14 Privacy Disclosure

Persons who apply for New Options pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for New Options will not be processed. In accordance with privacy laws, information collected in relation to specific Applicants can be obtained by that Applicant through contacting the Company or the Share Registry.

1.15 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding the Offers, please contact the Company Secretary on +61 (8) 6241 1877 from 8.30am to 5.00pm WST, Monday to Friday.

2. RISK FACTORS

2.1 Introduction

The New Options offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their entitlement to New Options, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the Securities will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the New Options .

2.2 Company specific

(a) Future Capital Requirements

The Company may need additional capital to effectively implement its business plans and operations in the future, to meet any unanticipated liabilities or expenses which the Company may incur, and to take advantage of opportunities for acquisitions, joint ventures or other business opportunities.

In the event that the Company is required to raise additional capital, but is unable to do so or obtain sufficient funding, this may result in delay and postponement of activities. There can be no assurance that additional finance will be available to the Company when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders. Failure to gain funding as and when required may result in the Company being unable to finance its operations, which would likely affect the potential growth of the Company.

(b) Environmental Risks

The operations and activities of the Company are subject to Australian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an environmental impact. The Company conducts its activities in compliance with all environmental laws and as at the date of this Prospectus, the Board is not aware of any non-compliance.

(c) Exploration and Development Risks

Mineral exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capita, securing and maintaining title to the Company's exploration tenements, favourable commodity prices, and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Further, exploration on the Company's current exploration tenements may not be successful, which would result in a reduction in the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements. The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities.

(d) **Litigation Risk**

During the ordinary course of business, the Company and its operations face the risk of potential litigation and disputes with third parties. Any such dispute or claim, if proven, may have an adverse impact on the Company's operations, financial performance and financial position. Further, if the Company is required to defend itself from any such dispute or claim, this too may adversely impact the Company's operations and financial position. The Company is currently not engaged in any litigation.

(e) **Operating Risk**

The Company's operations may be affected by numerous factors, including but not limited to, failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, operational and technical difficulties encountered in mining, adverse weather conditions, industrial and environmental accidents, industrial disputes and unanticipated metallurgical problems which may affect extraction costs.

No assurance can be given that the Company will achieve commercial viability through the successful development of its projects.

(f) **Tenement Obligations**

The Company will become subject to payment and other obligations relating to the tenements that comprise the Company's current projects. Particularly, tenement holders are required to meet the minimum expenditure requirements attaching to the tenement. A failure to meet these expenditure commitments may render the tenements subject to forfeiture or result in the tenement holder being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to parties, this could result in dilution or forfeiture of the Company's interests in such projects.

(g) **Native Title Risks**

The existence of native title claims over the areas covered by the Company's current tenements, or a subsequent determination of native title over the area, does not impact the rights or interests of the holder under such tenements, subject to the tenements having been validly granted in accordance with the Native Title Act. However, if a tenement was not validly granted in accordance with the Native Title Act, this may have an adverse impact on the Company's activities and operations.

(h) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters, the company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(i) **Metals and currency price volatility**

The Company's ability to proceed with the development of its projects and benefit from any future mining operation will depend on market factors, some of which may be beyond its control.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(j) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

2.3 General risks

(a) **Economic factors**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) fear of global pandemics; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or its Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Security investments**

Investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the price of the Company's securities, regardless of its performance.

(d) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company

(e) **Tax**

The acquisition and disposal of securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for securities under this Prospectus.

(f) **Reliance on Key Personnel**

The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of services of one or more senior executives may have an adverse effect on the Company's operations. Further, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

(g) **Potential Acquisitions**

As part of the Company's business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies, or resource projects. Any such future transaction would be accompanied by risks that are commonly associated with making acquisitions of companies, products, technologies or resource projects.

2.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus.

Therefore, the New Options (and those Securities that are subsequently converted into Shares) subsequently converted carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The primary purposes of this Prospectus are to:

- (a) issue the New Options under the Offers;
- (b) obtain Quotation of the New Options;
- (c) facilitate secondary trading of the New Options issued under the Offers; and
- (d) facilitate secondary trading of any Shares issued upon exercise of the New Options issued under the Offers.

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Company is precluded from issuing a 'cleansing notice' in respect of the New Options as they are not in a class of securities that were quoted securities at all times in the past three (3) months. This Prospectus has also been prepared for the offer of the New Options so the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*, with respect to the on-sale provisions of section 707 of the Corporations Act, is available. If the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue without a disclosure document being required for that on-sale, as the New Options are issued with disclosure and the exercise of the New Options does not involve any further offer. Consequently, the Company has issued this Prospectus in respect of the Offers to the Placement Participants or Joint Lead Managers. Issuing the New Options under this Prospectus will enable persons who are issued the New Options to on-sell their New Options, and any Shares issued on exercise of the New Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

3.2 Proposed use of funds

Only nominal funds will be raised from the issue of the New Options pursuant to this Prospectus as:

- (a) the Placement Options are offered as free-attaching to the Placement Shares on a 1:1 basis; and
- (b) the Joint Lead Manager Options are offered as part consideration to the Joint Lead Managers (or their respective nominees) under the Joint Lead Manager Mandates, with nominal consideration of \$0.0001 per Joint Lead Manager Option payable in respect of the Joint Lead Manager Options issued under the CPS Mandate.

The Company intends to apply the funds raised under the Placement towards advancing the Company's lithium exploration strategy in WA, to assess new strategic opportunities in the lithium sector, and towards general working capital.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

Refer to Section 5.11 for details of the estimated expenses of the Offers.

3.3 Effect of the Offers

The principal effect of the Offers (assuming all New Options offered under this Prospectus are issued) will be that a total of 36,000,000 New Options will be issued (comprising of 30,000,000 Placement Options and 6,000,000 Joint Lead Manager Options).

The effect of the Offers on the capital structure of the Company is set out in Section 3.6.

3.4 Effect on control of the Company

The Offers will not have a material impact on the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

The maximum number of New Options proposed to be issued under the Offers is a total of 36,000,000 (being 30,000,000 Placement Options and 6,000,000 Joint Lead Manager Options). If all these New Options are exercised, the Shares issued on exercise will represent approximately 8.79% of the Shares on issue following completion of the Offers (assuming that no other Shares are issued or Options exercised).

3.5 Financial effect of the Offers

Nominal funds of \$300 will be raised from the Offers, being the amount of \$0.0001 per Joint Lead Manager Option payable in respect of the Joint Lead Manager Options to be issued under the CPS Mandate. After paying the expenses of the Offer of approximately \$23,000 (exclusive of GST), there will be no net proceeds from the Offers. The expenses of the Offers will be met from the nominal funds raised as noted above and the Company's existing cash reserves. The effect of the Offers on the Company's financial position will be a net decrease in cash held of approximately \$22,700 (exclusive of GST).

3.6 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offers (assuming all New Options are issued, no other Securities are issued, and no other existing Securities are exercised or converted into Shares are exercised) is set out below.

Security	Number
Shares¹	
Shares on issue as at the date of this Prospectus	409,456,192
Total Shares on issue on completion of the Offer	409,456,192
Options	
Options on issue as at the date of this Prospectus ²	180,000,000
Placement Options ³	30,000,000
Joint Lead Manager Options ³	6,000,000
Total Options on issue on completion of the Offer	216,000,000

Notes:

1 The rights and liabilities attaching to the Shares are summarised in Section 4.1.

- 2 Comprising:
- (a) 8,000,000 Options (exercisable at \$0.12 and expiring 22 December 2026);
 - (b) 1,000,000 Options (exercisable at \$0.15 and expiring 22 December 2024);
 - (c) 1,000,000 Options (exercisable at \$0.20 and expiring 22 December 2024);
 - (d) 1,000,000 Options (exercisable at \$0.12 and expiring 25 November 2024);
 - (e) 6,000,000 Options (exercisable at \$0.12 and expiring 22 December 2024);
 - (f) 100,000,000 Options (exercisable at \$0.12 and expiring 22 December 2026);
 - (g) 7,000,000 Options (exercisable at \$0.12 and expiring 12 October 2025);
 - (h) 7,000,000 Options (exercisable at \$0.12 and expiring 12 October 2026);
 - (i) 7,000,000 Options (exercisable at \$0.12 and expiring 12 October 2027);
 - (j) 375,000 Options (exercisable at \$0.00 and expiring 15 September 2025);
 - (k) 1,000,000 Options (exercisable at \$0.00 and expiring 12 October 2025);
 - (l) 1,000,000 Options (exercisable at \$0.00 and expiring 12 October 2026);
 - (m) 1,000,000 Options (exercisable at \$0.00 and expiring 12 October 2027);
 - (n) 6,000,000 Options (exercisable at \$0.00 and expiring 25 November 2024);
 - (o) 500,000 Options (exercisable at \$0.00 and expiring 21 April 2025);
 - (p) 625,000 Options (exercisable at \$0.00 and expiring 21 April 2026);
 - (q) 3,500,000 Options (exercisable at \$0.00 and expiring 1 December 2025);
 - (r) 3,500,000 Options (exercisable at \$0.00 and expiring 1 December 2026);
 - (s) 3,500,000 Options (exercisable at \$0.00 and expiring 1 December 2027);
 - (t) 7,000,000 Options (exercisable at \$0.12 and expiring 1 December 2025);
 - (u) 7,000,000 Options (exercisable at \$0.12 and expiring 1 December 2026); and
 - (v) 7,000,000 Options (exercisable at \$0.12 and expiring 1 December 2027).
- 3 The full terms and condition of the New Options are set out in Section 4.2.

3.7 Details of substantial holders

Based on public information as at the date of this Prospectus and a review of the Company's share register, the persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Delta Resource Management Pty Ltd (In Liquidation)	31,777,879	7.76%

The Offers will have no effect on the quantity of Shares held by these substantial shareholders as only New Options are being issued. The Company will notify ASX of any changes in interests of the substantial holders in accordance with its continuous disclosure obligations.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Terms and Conditions of Shares

The following is a summary of the more significant rights and liabilities attaching to Shares offered under this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative or if a determination has been made, by direct vote;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote (even though he or she may represent more than one member); and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall (or where a Direct Vote has been lodged), in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

(c) Dividend rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company.

The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied. Pending any application of the reserves, the Directors may invest or use the reserves in the business of the Company or in other investments as they think fit. Any amount set aside as a reserve is not required to be held separately from the Company's other assets and may be used by the Company or invested as the Directors think fit.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time and payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Restricted Securities**

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities.

Without limiting the generality of the above:

- (i) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules of the ASX;
- (ii) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;
- (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and
- (v) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.

(e) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(f) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) **Transfer of Shares**

Subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules, the Shares are freely transferable.

(h) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Rights and Liabilities Attaching to New Options

The terms and conditions of the New Options are as follows:

(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.

5. ADDITIONAL INFORMATION

5.1 Company Update

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at www.scorpionminerals.com.au.

5.2 Nature of this Prospectus

The New Options to be issued pursuant to this Prospectus are options over continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offers and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offers on the Company; and
- (b) the rights and liabilities attaching to the New Options offered pursuant to this Prospectus and the underlying securities.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

5.3 Continuous Reporting and Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offers. To do so, please refer to the Company's ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offers.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2023;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2023 on 29 September 2023.

Date	Title
26/02/2024	Notification of Cessation of Securities
22/02/2024	Results of Meeting
31/01/2024	Quarterly Activities/Appendix 5B Cash Flow Report
19/01/2024	Access Letter – Notice of Extraordinary General Meeting
19/01/2024	Notice of Extraordinary General Meeting/Proxy Form
27/12/2023	Change of Director's Interest Notice – BB
27/12/2023	Notification of cessation of securities – SCN

22/12/2023	RC Drilling Completed at Poona Lithium Targets
15/12/2023	Cleansing Notice
15/12/2023	Change of Director's Interest Notice – KS
15/12/2023	Application for quotation of securities – SCN
12/12/2023	RC Drilling Commences at Poona Lithium Targets
1/12/2023	Change of Director's Interest Notice – KS
1/12/2023	Notification regarding unquoted securities – SCN
1/12/2023	Notification regarding unquoted securities – SCN
30/11/2023	Results of Meeting
20/11/2023	Cleansing Notice
20/11/2023	Application for quotation of securities – SCN
9/11/2023	Reinstatement to Quotation
9/11/2023	Investor Presentation
9/11/2023	Proposed issue of securities – SCN
9/11/2023	Heavily Supported 3M Raise to Accelerate WA Lithium Strategy
8/11/2023	Request for Extension of Voluntary Suspension
7/11/2023	Request for Extension of Voluntary Suspension
3/11/2023	Scorpion Metals Limited
1/11/2023	Trading Halt
31/10/2023	Quarterly Activities/Appendix 5B Cash Flow Report
27/10/2023	Access Letter – Notice of Annual General Meeting
27/10/2023	Notice of Annual General Meeting/Proxy Form
13/10/2023	Cleansing Notice and Issue of Options
13/10/2023	Notification regarding unquoted securities – SCN
13/10/2023	Application for quotation of securities – SCN
11/10/2023	Lithium Exploration Target at Youanmi
4/10/2023	Date of AGM and Closing Date for Director Nominations
29/09/2023	Annual Report to shareholders

5.4 Market Price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

	Price	Date
Highest	\$0.053	20 November 2023
Lowest	\$0.015	7 February 2024
Last	\$0.018	28 February 2024

5.5 CPS Mandate

The Company engaged the services of CPS Capital Group Pty Ltd to joint lead manage the Placement. Pursuant to the CPS Mandate, the following has been agreed between the Company and the CPS Capital:

- (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 otherwise contains terms and conditions considered standard for an agreement of this nature.

5.6 Merchant Mandate

The Company engaged the services of Merchant Capital Partners Pty Ltd to joint lead manage the Placement. Pursuant to the Merchant Mandate, the following has been agreed between the Company and the Merchant Capital:

- (a) **(Services):** The Company appoints Merchant 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 Merchant the following:
 - (i) **(Placement Fee):** a placement fee of 6% (plus GST) of the total amount raised for shares placed via the Placement; and
 - (ii) **(Merchant Options):** subject to shareholder approval, issue Merchant (and/or its nominees) 3,000,000 Options (exercisable at \$0.075 and expiring 2 years from the date of issue).

The Merchant Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.

5.7 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

5.8 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Offers.

Remuneration

The remuneration paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below.

Director	FY 2022	FY 2023	FY 2024
Ms Bronwyn Barnes ¹	\$222,773	\$444,747	\$88,800
Ms Kate Stoney ²	\$177,352	\$61,000	\$115,834
Mr Michael Kitney ³	\$2,800	\$93,906	\$42,000

Notes:

- 1 Ms Barnes was appointed as a Director on 31 October 2018. Ms Barnes' remuneration for FY22 includes \$105,200 in equity-based payments. Ms Barnes' remuneration for FY23 includes \$326,880 in equity-based payments. For FY24, Ms Barnes is entitled to receive a salary of \$88,800 per annum (including superannuation).
- 2 Ms Stoney was appointed as a Director on 16 February 2021. Ms Stoney's remuneration for FY22 includes \$128,352 in equity-based payments. Ms Stoney's remuneration for FY23 includes no equity-based payments. For FY24, Ms Stoney is entitled to receive a salary of \$66,300 per annum (including superannuation). Ms Stoney has also received equity-based payments to the value of \$49,534 in FY24 to date.
- 3 Mr Kitney was appointed as a Director on 7 June 2022. Mr Kitney's remuneration for FY22 includes no equity-based payments. Mr Kitney's remuneration for FY23 includes \$51,906 in equity-based payments. For FY24, Mr Kitney is entitled to receive directors' fees of \$42,000 per annum.

Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 30 June 2023, which was announced to ASX on 29 September 2023.

Securities

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Options
Ms Bronwyn Barnes ¹	19,868,250	10,000,000
Ms Kate Stoney ²	6,500,000	135,000,000
Mr Michael Kitney ³	nil	2,000,000

Notes:

1 Comprising:

- (a) 6,866,667 Shares held indirectly via Laclos Pty Ltd <Laclos Lifestyle A/C>, an entity associated with Ms Barnes;
- (b) 7,106,845 Shares held indirectly via Moonbeam Holdings Pty Ltd <The Bronwyn Barnes Family A/C>, an entity associated with Ms Barnes; and
- (c) 5,894,738 Shares, 2,000,000 Options (exercisable at \$0.00 and expiring 24 November 2024), and 8,000,000 Options (exercisable at \$0.12 and expiring 22 December 2026), all held indirectly via Mrs Bronwyn Barnes <The S&B Barnes Family A/C>, an entity associated with Ms Barnes.

2 Comprising:

- (a) 1,000,000 Shares, 500,000 Options (exercisable at \$0.00 and expiring 1 December 2025), 500,000 Options (exercisable at \$0.00 and expiring 1 December 2026), and 500,000 Options (exercisable at \$0.00 and expiring 1 December 2027), all held indirectly via Moonstone Farm Investments Pty Ltd <Moonstone Farm Family A/C>, an entity associated with Ms Stoney;
- (b) 5,500,000 Shares, 100,000,000 Options (exercisable at \$0.12 and expiring 22 December 2026), 7,000,000 Options (exercisable at \$0.12 and expiring 1 December 2025), 7,000,000 Options (exercisable at \$0.12 and expiring 1 December 2026), 7,000,000 Options (exercisable at \$0.12 and expiring 1 December 2027), 3,000,000 Options (exercisable at \$0.00 and expiring 1 December 2025), 3,000,000 Options (exercisable at \$0.00 and expiring 1 December 2026), 3,000,000 Options (exercisable at \$0.00 and expiring 1 December 2027), 500,000 Options (exercisable at \$0.00 and expiring 21 April 2025), and 500,000 Options (exercisable at \$0.00 and expiring 21 April 2026), all held by Obsidian Metals Group Pty Ltd, an entity of which Ms Stoney is sole director and shareholder (non-beneficial).
- (c) 1,000,000 Options (exercisable at \$0.12 and expiring 24 November 2024) and 2,000,000 Options (exercisable at \$0.00 and expiring 24 November 2024) held directly.

3 Comprising:

- (a) 1,000,000 Options (exercisable at \$0.15 and expiring 22 December 2024) and 1,000,000 Options (exercisable at \$0.20 and expiring 22 December 2024), held indirectly via Mr Michael John Kitney & Mrs Dale Jayne Kitney (jointly) <Emdale Family A/C>.

5.9 Related Party Transactions

There are no related party transactions entered into in respect of the Offers that have not otherwise been disclosed in this Prospectus.

5.10 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offers.

Pursuant to section 716 of the Corporations Act, Nova Legal has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Nova Legal has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Nova Legal has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Nova Legal approximately \$6,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nova Legal has received fees of approximately \$56,219.70 (including GST and disbursements) in respect of general legal services provided to the Company.

Pursuant to section 716 of the Corporations Act, CPS Capital Group Pty Ltd has given, and has not withdrawn its consent to being named as Joint Lead Manager to the Placement in this Prospectus. CPS Capital Group Pty Ltd has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Refer to Section 5.5 for details of the fees payable to CPS Capital Group Pty Ltd as consideration for services provided in respect of the Placement. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS Capital Group Pty Ltd has received fees of \$108,000 (excluding GST) in respect of services provided to the Company, inclusive of fees payable under the CPS Mandate in respect of the Placement.

Pursuant to section 716 of the Corporations Act, Merchant Capital Partners Pty Ltd has given, and has not withdrawn its consent to being named as Joint Lead Manager to the Placement in this Prospectus. Merchant Capital Partners Pty Ltd has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Refer to Section 5.6 for details of the fees payable to Merchant Capital Partners Pty Ltd as consideration for services provided in respect of the Placement. During the 24 months preceding lodgement of this Prospectus with the ASIC, Merchant Capital Partners Pty Ltd has received fees of \$409,720 (excluding GST) in respect of services provided to the Company, inclusive of fees payable under the Merchant Mandate in respect of the Placement and the Company's April 2022 capital raising.

Advanced Share Registry (**Share Registry**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Application Forms received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions. References to the Share Registry appear for information purposes only. The Share Registry has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. The Share Registry has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. The Share Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

5.11 Estimated Expenses of the Offers

In the event the Offers are fully subscribed, the estimated expenses of the Offers (excluding GST) are as follows:

Item	Amount (\$)
Legal fees	\$6,000
ASIC fees	\$3,206
ASX fees	\$11,294
Miscellaneous	\$2,500
Total	\$23,000

Note: The Company engaged the services of CPS Capital Group Pty Ltd and Merchant Capital Partners Pty Ltd to joint lead manage the Placement. Refer to Sections 5.5 and 5.6 for details of the fees payable to CPS Capital Group Pty Ltd and Merchant Capital Partners Pty Ltd pursuant to the Joint Lead Manager Mandates.

5.12 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

6. DIRECTOR'S CONSENT

This Prospectus is dated 29 February 2024 and is issued by Scorpion Minerals Limited.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Scorpion Minerals Limited has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Scorpion Minerals Limited:



Ms Bronwyn Barnes
Non-Executive Chairman
Scorpion Minerals Limited

7. DEFINITIONS

Applicant means a person who applies for the New Options pursuant to the Offers.

Application Form means an application form attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) operating as the Australian Securities Exchange.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

CHESS means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the closing date of the Offer being 5.00pm WST on 6 March 2024 unless extended).

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

Constitution means the Company's Constitution as at the date of this Prospectus.

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

CPS Capital means CPS Capital Group Pty Ltd.

CPS Capital Mandate has the meaning given in Section 1.1.

Cth means the Commonwealth of Australia.

Directors means directors of the Company.

Dollars or **\$** means dollars in Australian currency.

General Meeting means the Company's general meeting held on 22 February 2024.

GST means goods and service tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Joint Lead Managers means CPS Capital and Merchant, collectively.

Joint Lead Manager Mandates means the CPS Mandate and Merchant Mandate, collectively.

Joint Lead Manager Options has the meaning given in Section 1.2.

Joint Lead Manager Options Offer has the meaning given in Section 1.2.

Listing Rules means the Listing Rules of the ASX.

Merchant means Merchant Capital Partners Pty Ltd.

Merchant Mandate has the meaning given in Section 1.1.

New Options means collectively, the Placement Options and Joint Lead Manager Options.

Offers mean the Placement Options Offer and Joint Lead Manager Options Offer, collectively.

Official List means the official list of ASX.

Opening Date means 29 February 2024.

Option means an option to acquire a Share.

Placement has the meaning given to it in Section 1.1.

Placement Options means the Options offered pursuant to the Placement Options Offer, on the terms and conditions set out in Section 4.2.

Placement Options Offer has the meaning given to it in Section 1.2.

Placement Participants has the meaning given to it in Section 1.1.

Placement Shares has the meaning given to it in Section 1.1.

Prospectus means this prospectus dated 29 February 2024.

Quotation and **Official Quotation** means official quotation on ASX.

Securities means Shares and/or Options.

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

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Advanced Share Registry.

WST means Australian Western Standard Time, being Perth, Western Australia.