

QUARTERLY ACTIVITIES REPORT

QUARTER ENDED 31 MARCH 2024

HIGHLIGHTS

- Post quarter end, SCN reported that stratigraphic RC drilling at Poona East had intersected highly fractionated LCT pegmatites up to 0.8% Li₂O, 725ppm Ta₂O₅, 221ppm Nb₂O₅, 1518ppm Cs and 7081ppm Rb₂O
- Three holes intersected highly fractionated Complex LCT pegmatites that appear to dip steeply south
- Total of 7 holes completed for 937m from limited access to test stratigraphy, structural orientation and differentiate Complex pegmatites from Simple pegmatites to aid future drill planning
- Additional pegmatites confirmed by field reconnaissance 20km east of Poona along the prospective granite contact south of Mt Mulcahy
- Drilling tested historic surface sampling that returned high-grade values up to 2.99% Li₂O
- Drilling supports encouraging lithium potential identified by historic, poorly targeted RC drilling completed by previous explorers which returned significant results at Poona East including:
 - 9m @ 0.77% Li₂O from 0m
 - 9m @ 0.29% Li₂O from 18m
 - 3m @ 0.49% Li₂O from 0m
- Planned Heritage Survey will allow better access to test defined targets
- Scorpion has reported an initial Exploration Target for the central target area at Youanmi of 7.6 to 13.6 million tonnes grading at 1.0-1.4% Li₂O* (refer ASX release 10 October 2023)
- Upcoming exploration activity includes follow-up RC and diamond drilling, geological mapping, soil geochemistry and XRD mineral analysis
- Scorpion continues to advance discussions with potential strategic partners in relation to Youanmi project development

Scorpion Minerals Limited (ASX:SCN) (**Scorpion, SCN or the Company**) is pleased to present its Quarterly Activities Report for the period ending 31 March 2024.

Management Commentary

Commenting on the key developments for the March quarter, Scorpion's CEO Michael Fotios commented: "We are pleased with the outcomes from our latest RC drilling campaign at the Pharos Project, which has intersected highly fractionated LCT pegmatites at the Poona East target. Additional pegmatites have also been confirmed by field reconnaissance 20km east of Poona along the prospective granite contact south of Mt Mulcahy, further demonstrating the potential scale of the lithium mineralisation in this region.

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Chairman

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

Mr Michael Kitney
Non-Executive Director

MANAGEMENT

Mr Michael Fotios
Chief Executive Officer

Mr Michael Langford
Chief Investment Officer

Mr Josh Merriman
Joint Company Secretary

SCORPION MINERALS LIMITED

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With a solid work programme outline over the coming months, Scorpion continues to build an exciting lithium footprint in the Murchison region of WA, and we look forward to reporting a steady stream of news flow over the coming months."

Exploration & Development Portfolio Summary

Youanmi Lithium Project, WA

The highly prospective Youanmi Project comprises E57/978, E57/1049, E57/1056 and E57/1377 (the Tenements) and covers an area of 177km² located 450km northeast of Perth in the East Murchison Mineral Field.

In October 2023, the Company released an initial Exploration Target for the central target area at Youanmi of 7.6 to 13.6 million tonnes grading at 1.0-1.4% Li₂O* (refer ASX release 10 October 2023).

Activities have focussed on discussions with potential strategic partners and planning of the next phases of exploration and development aimed at provision of enough data for calculation of the maiden resource estimate.

Youanmi Exploration Strategy: Next Steps

Planned activities at Youanmi over the next quarters are designed to test the validity of the Exploration Target provide the information necessary for the estimation process above and include:

- *Infill RC drilling of existing exploration target at 40m x 40m spacing*
- *Diamond drill testing of exploration target and initial metallurgical test work*
- *Extensional RC drilling of exploration target down dip and along strike*
- *RC drilling of parallel pegmatites to determine extent and composition*
- *Follow up geological mapping and rock chip sampling*
- *High resolution airborne photography if required*
- *Auger soil geochemistry aimed at identifying additional pegmatites under shallow soil cover*
- *Initial diamond drill testing of existing targets at depth*
- *Airborne and/or Ground EM surveys*

Pharos Project, WA (SCN: 100%)

The Pharos Project is 100% owned by Scorpion and covers an area of 1,544km² located 60km northwest of Cue in the Murchison Mineral Field, Western Australia. The project is prospective for lithium, PGE-Ni-Cu, gold, iron ore and VMS hosted Cu-Zn-Ag Au mineralisation.

During the March quarter, Scorpion's technical team finalised assay results from Reverse Circulation (RC) drilling completed at the Poona Prospect, within Pharos, in Q4 2023.

New Lithium Targets Confirmed at Poona

Post-quarter end, the Company reported assay results from the maiden lithium focussed RC drilling programme completed at the Poona East Lithium Prospect. Poona East is located within the broader Pharos Project, which covers an area of 1,295 km² and is located about 60km northwest of Cue in the Murchison Mineral Field, Western Australia.

The RC drill programme comprised 7 holes for 937 metres to test stratigraphy and structural orientation to aid future drill planning. Drilling was targeted at outcropping pegmatites at the Poona East and West targets that were initially interpreted to dip steeply north.

Interpretation of results at Poona East indicate the pegmatites dip steeply south and that two generations of pegmatite are present one being highly fractionated mineralised Complex LCT pegmatites and the other simple unmineralised Quartz-Feldspar pegmatites.

The Complex pegmatites dip steeply south, strike NW-SE. and were intersected in 3 holes (23PRC002, 23PRC004 and 23PRC006). Given the south dip of the pegmatites and the restricted access the holes were not optimal however intersected significant thickness of highly fractionated LCT pegmatite enriched in Lithium, Caesium, Tantalum, Niobium and Rubidium.

The Simple pegmatites dip steeply south, strike NE-SW and E-W were intersected in 3 holes (23PRC003, 23PRC005 and 23PRC006) and are unmineralised.

At Poona West the single hole drilled (23PRC001) failed to reach the south dipping target due to the existing constrained access.

Location of the drill holes was constrained by historic heritage clearance along limited access tracks. Follow up drilling will be optimised to test the Complex LCT pegmatite orientation and will be simplified by planned heritage surveys covering a larger contiguous area.

Initial geological mapping completed by Scorpion has confirmed extensive stacked LCT pegmatites at Poona (Figure 2). Individual pegmatites are up to 1000m long and surface exposures suggest widths from 5m to 15m wide. Future exploration will include drill testing at Poona East and West to identify the number and extent of Complex LCT pegmatites within the limited areas (Approx. 2000m by 1000m) of subcrop. Mapping and soil sampling to identify significant targets in the covered extensions of these areas will be undertaken within the 40km long lithium corridor (Figure 1).

Field reconnaissance south of Mt Mulcahy at the eastern end of the corridor has identified pegmatite and associated quartz-tourmaline veining adjacent to the prospective contact. Rock chip samples have been collected and assays are awaited.

Poona Exploration Strategy: Next Steps

Scorpion plans to undertake the following exploration programmes over the coming months and regular updates on progress will be provided:

- *Follow up RC drilling of existing targets down dip and along strike*
- *RC drilling of parallel pegmatites to determine extent and composition*
- *Follow up geological mapping and rock chip sampling*
- *Auger soil geochemistry aimed at identifying additional pegmatites under shallow soil cover*
- *Initial Diamond drill testing of existing targets at depth*
- *XRD and preliminary metallurgical test work*

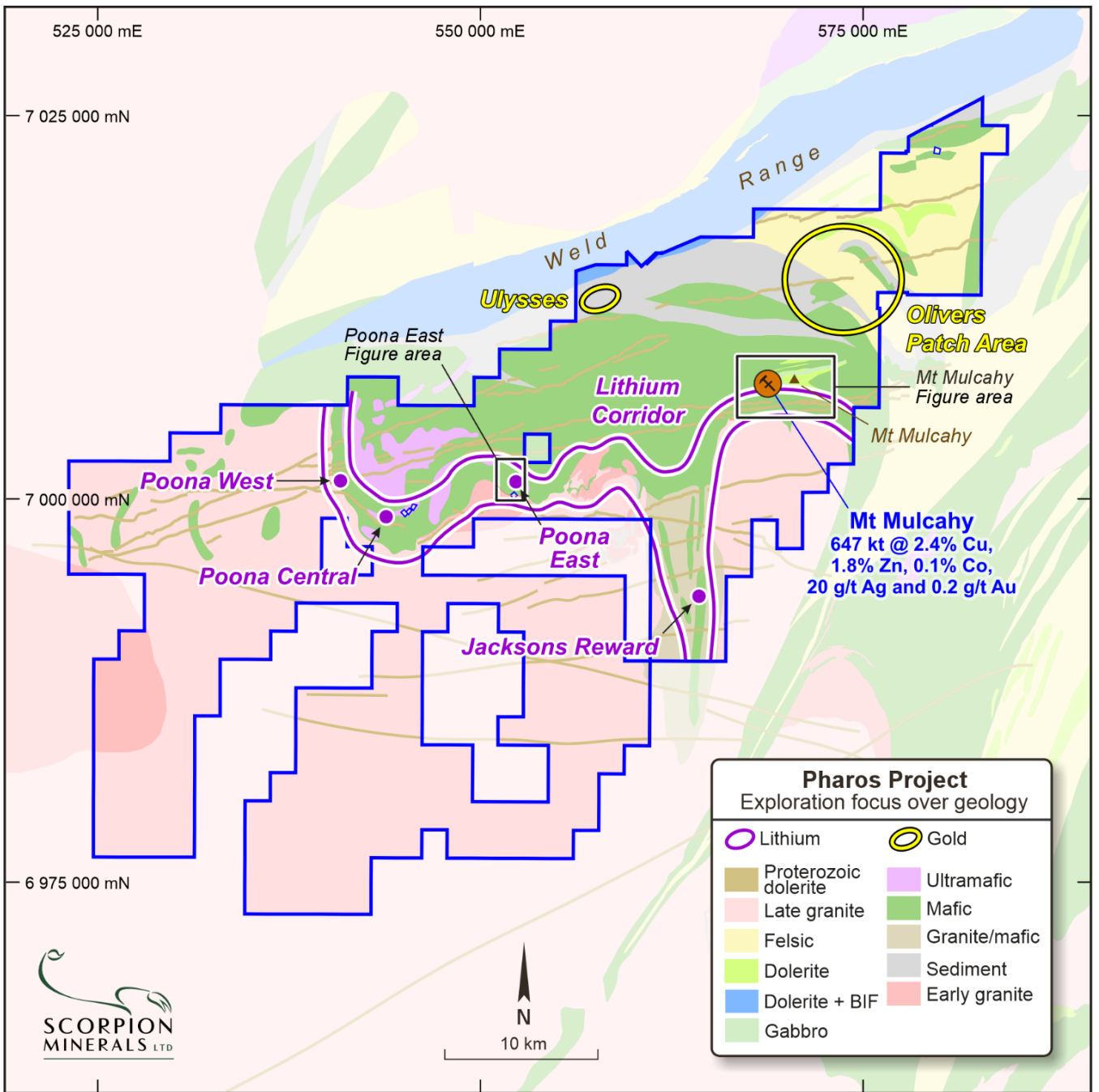


Figure 1: Pharos Project Plan showing Lithium Corridor, Lithium, Copper and Gold Targets.

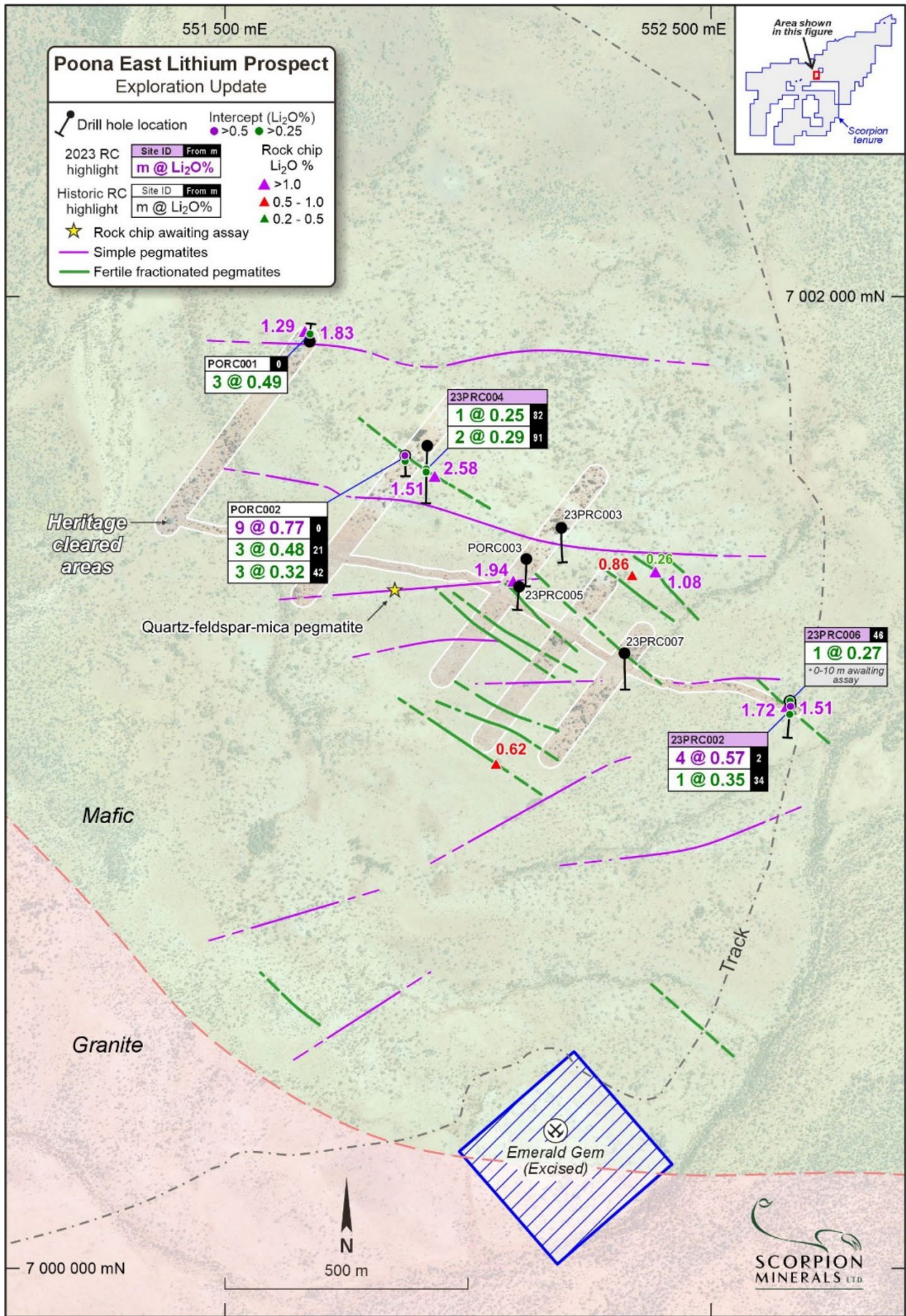


Figure 2: Poona East Prospect Plan showing significant results and existing limited access

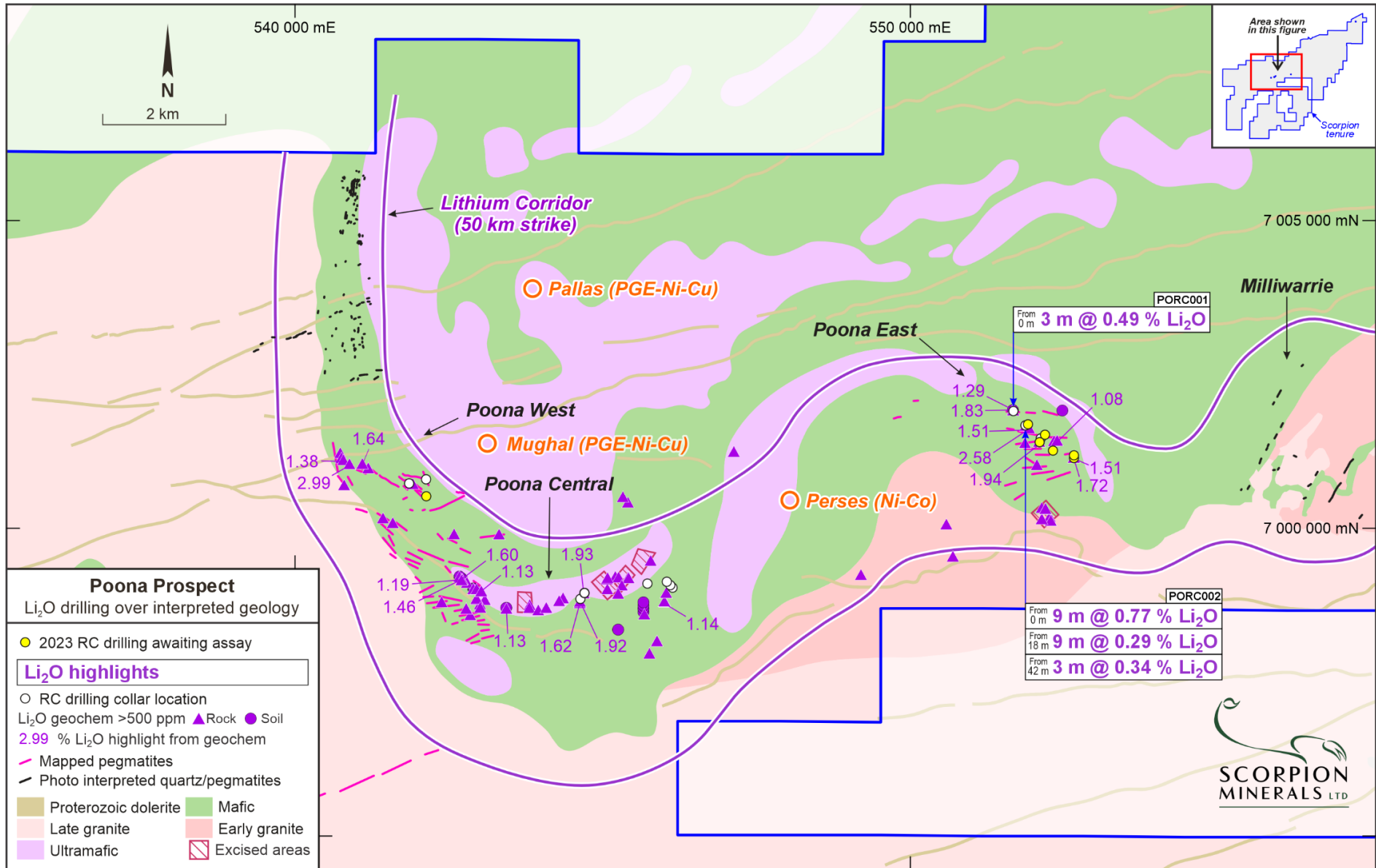


Figure 3: Completed RC Drill holes; Significant Historic Rock Chip and RC results

Corporate

An extraordinary general meeting of the Company was held on 22 February 2024, to consider resolutions relating to the Company's November 2023 placement. All resolutions were passed by shareholders.

During the quarter, the Company allotted 35,999,997 \$0.075 options in a new class expiring on 1 March 2026, issued under its prospectus dated 29 February 2024 to participants in and lead managers to the Company's November 2023 placement. ASX has granted quotation of the options under the security code SCNO.

Listing Rule 5.3.5 disclosures

The amount of payments to related parties and their associates disclosed in section 6.1 of Appendix 5B accompanying this report was approximately \$377,000. This consisted of payments to Directors for directors' fees, superannuation and company secretarial fees totalling approximately \$64,000, as well as payments to Target Exploration Pty Ltd (an entity of which Ms Kate Stoney is a director) of approximately \$313,000 for CEO services, exploration management and technical consulting services, and corporate and administrative services.

Payments to related parties and their associates during the quarter included amounts in respect of invoices from prior periods, the payment of which was deferred pending the Company's capital raising completed in November 2023.

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

- ENDS -

Enquiries

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About Scorpion Minerals Limited

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

Pharos Project

The Pharos Project consists of 1,283 square kilometres of granted tenure, located approximately 50 km northwest of the small mining town of Cue in the Murchison Mineral Field. The project is easily accessible from the Great Northern Highway by the sealed Jack Hills Mine access road and then by unsealed tracks. Scorpion holds a 100% interest in the project.

The project is prospective for gold, iron ore, PGE-Ni-Cu, lithium and VMS hosted Cu-Zn-Ag Au mineralisation, and contains the Mt Mulcahy deposit. The 'South Limb Pod' zone of mineralisation at Mt Mulcahy contains a JORC 2012 Measured, Indicated and Inferred Resource of 647,000 tonnes @ 2.4% copper, 1.8% zinc, 0.1% cobalt and 20g/t Ag (refer Table 1).

Youanmi Project

The Youanmi Project consists of 279 square kilometres of granted tenure, located approximately 130 kilometres northeast of the small mining centre of Payne's Find in the East Murchison Mineral Field. The project is easily accessible from the Great Northern Highway by the Payne's Find-Sandstone road which cuts the southern end of the project area and then by unsealed station tracks. Scorpion holds an option to purchase a 100% interest in the project.

The project is prospective for lithium, PGE-Ni-Cu, gold and vanadium mineralisation.

Table 1: Current Mineral Resource Estimate, Mt Mulcahy Project

(refer ASX release 25/9/2014 "Maiden Copper - Zinc Resource at Mt Mulcahy", which also contains a list of significant drill intersections for the deposit, listed within that report at Table 2)

Mt Mulcahy South Limb Pod Mineral Resource Estimate											
Resource Category	Grade						Contained Metal				
	Tonnes	Cu (%)	Zn (%)	Co (%)	Ag (g/t)	Au (g/t)	Cu (t)	Zn (t)	Co (t)	Ag (oz)	Au (oz)
Measured	193,000	3.0	2.3	0.1	25	0.3	5,800	4,400	220	157,000	2,000
Indicated	372,000	2.2	1.7	0.1	19	0.2	8,200	6,300	330	223,000	2,000
Inferred	82,000	1.5	1.3	0.1	13	0.2	1,200	1,100	60	35,000	
TOTAL	647,000	2.4	1.8	0.1	20	0.2	15,200	11,800	610	415,000	4,000

Competent Persons Statement 1

The information in this report that relates to the Exploration Results and Mineral Resources at the Mt Mulcahy, Pharos and Youanmi Projects is based on information reviewed by Mr Michael Fotios, who is a member of the Australian Institute of Mining and Metallurgy. Mr Fotios is a consultant to Scorpion Minerals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Fotios consents to the inclusion of the information in the form and context in which it appears.

Competent Persons Statement 2

The information in this report that relates to the Mt Mulcahy Mineral Resource is based on information originally compiled by Mr Rob Spiers, an independent consultant to Scorpion Minerals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Fotios. This information was originally issued in the Company's ASX announcement "Maiden Copper-Zinc Resource at Mt Mulcahy", released to the ASX on 25 September 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

Forward Looking Statements

Scorpion Minerals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Scorpion Minerals Limited, its Directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever.

This announcement may contain forward-looking statements that are subject to risk factors associated with exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimate.

Appendix 1: Tenement Schedule (ASX Listing Rule 5.3.3)

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

➤ **TENEMENT SCHEDULE**

TENEMENT No.	LOCATION	STATUS	INTEREST %	HOLDER
P51/3016	WA	Granted	100	Scorpion Minerals Ltd
P51/3017	WA	Granted	100	Scorpion Minerals Ltd
P20/2252	WA	Granted	100	Scorpion Minerals Ltd
P20/2253	WA	Granted	100	Scorpion Minerals Ltd
E20/931	WA	Granted	100	Scorpion Minerals Ltd
E20/948	WA	Granted	100	Scorpion Minerals Ltd
E20/953	WA	Granted	100	Scorpion Minerals Ltd
E20/962	WA	Granted	100	Scorpion Minerals Ltd
E20/885	WA	Granted	90 ¹	Scorpion Minerals Ltd
E20/896	WA	Granted	100	Scorpion Minerals Ltd
E20/963	WA	Granted	100	Scorpion Minerals Ltd
E20/964	WA	Granted	100	Scorpion Minerals Ltd
E20/1020	WA	Granted	100	Scorpion Minerals Ltd
E57/978-I	WA	Granted	100 ²	Diversity Resources Pty Ltd
E57/1049-I	WA	Granted	100 ²	Diversity Resources Pty Ltd
E57/1056-I	WA	Granted	100 ²	Diversity Resources Pty Ltd
E04/2785	WA	Pending	0 ³	Scorpion Minerals Ltd
E57/1377	WA	Pending	0 ⁴	Scorpion Minerals Ltd

¹ 10% B.R. Legendre

² Scorpion Minerals Ltd holds a binding option to acquire a 100% interest in the Youanmi Lithium Project, comprising tenements E57/978-I, E57-1049-I and E57/1056-I (refer ASX release 19 December 2022).

³ Application made 30 September 2021

⁴ Application made 13 January 2023

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

Nil

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

Nil

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

Nil

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

Nil

Appendix 5B

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

Name of entity

Scorpion Minerals Limited

ABN

40 115 535 030

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(382)	(1,532)
(b) development	-	-
(c) production	-	-
(d) staff costs	(37)	(47)
(e) administration and corporate costs	(230)	(619)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(645)	(2,193)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(204)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	2,796

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,637	389
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(645)	(2,193)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,796
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	992	992

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	992	1,637
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	992	1,637

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	377
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

Comprises payments to Directors for directors' fees, superannuation and company secretarial fees totalling approximately \$64,000; payments to Target Exploration Pty Ltd (an entity of which Ms Kate Stoney is a director) of approximately \$313,000 for CEO services, exploration and technical consulting services, and corporate and administrative services.

Payments included amounts relating to activities in previous quarters for which payment had been deferred pending the Company's capital raising completed in November 2023.

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(645)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(645)
8.4 Cash and cash equivalents at quarter end (item 4.6)	992
8.5 Unused finance facilities available at quarter end (item 7.5)	1,325
8.6 Total available funding (item 8.4 + item 8.5)	2,317
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.59
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer: N/A	

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

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

Answer: N/A

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

Compliance statement

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

Date: 30 April 2024

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

Notes

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