PEGASUS METALS LIMITED

Dablo Exploration Update

- **Results received from 3000 m RC drilling programme completed at Dablo PGE-Au-Ni-Cu project.**
- **Holes tested extensions to previous drilling and undrilled regional targets.**
- **Two regional PGE-Au-Ni-Cu discoveries made south of Dablo North – Tangaseiga and La Forge.**
- **Better results from drilling include (3E = Pd+Pt+Au):**
  - **Dablo North: 29m @ 3.97 g/t 3E, 0.64% Ni, 0.24% Cu from 32m**
  - **Tangaseiga: 24m @ 1.74 g/t 3E, 0.37% Ni, 0.08% Cu from 8m**
  - **La Forge: 12m @ 3.00 g/t 3E, 0.50% Ni, 0.09% Cu from 66m**
- **Potential epigenetic orogenic high-grade gold mineralisation discovered north of northern ultramafic contact at Dablo North:**
  - **2m @ 13.75 g/t Au from 88 m**
- **Results confirm the potential for multiple zones of PGE-Au-Ni-Cu and lode Au mineralisation along the identified 6km strike of the Dablo Ultramafic-Mafic Intrusive Complex. An additional 24km of interpreted corridor remains to be tested.**

Pegasus Metals Limited (**ASX:PUN**) ("**Pegasus**" or the **"Company**") is pleased to announce results from the completion of a recent 3000m Reverse Circulation (RC) drilling programme (refer PUN:ASX announcements 12th June 2018 and 18th June 2018) at the Dablo Pd-Pt-Au-Ni-Cu (palladium-platinum-gold-nickel-copper) Prospect in Burkina Faso in Africa (**Dablo Project**). Burkina Faso is considered a premier exploration destination for large mineral deposits (particularly gold) within the Paleo-Proterozoic greenstones of the Birimian shield (refer Figure 1).

The Dablo Project consists of a large tenement package comprising 4 tenements for a total of 981 km^2 (refer Figure 2) covering the Dablo Ultramafic-Mafic Intrusive Complex (DUMIC), with a strike length of 6 km identified so-far within a geochemically anomalous trend of over 30 km length (the Dablo corridor).

The Dablo Project contains a significant multi-pulse, dynamic ultramafic-mafic complex (DUMIC) in an emerging PGE-Au-Ni-Cu Province, which could potentially host large palladium-platinum-gold-nickel-copper deposits. Focused drilling on the discovery outcrop at Dablo North has confirmed that significant mineralisation can now be inferred to extend for over 300 m of strike in the small portion of the DUMIC tested-to-date.

Reconnaissance drilling in 2018 of targets within the DUMIC has resulted in two new discoveries, with significant multi-element intercepts returned from similar cumulate rocks to the Dablo North discovery. (For full details of significant intersections, refer Table 1.)

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At Tangaseiga, 1.8 km SSW of Dablo North (refer Figure 3) a single discovery hole DBRC2018-13 returned multiple significant mineralised intersects; results of which include:

- **24 m @ 1.74 g/t Pd+Pt+Au, 0.37% Ni, 0.08% Cu from 8 m**; including
  - **12 m @ 2.46 g/t Pd+Pt+Au, 0.46% Ni, 0.10% Cu from 12m**; and
- **6 m @ 2.50 g/t Pd+Pt+Au, 0.28% Ni, 0.11% Cu from 46 m**; and
- **5 m @ 1.33 g/t Pd+Pt+Au, 0.19% Ni, 0.08% Cu from 72 m**; and
- **5 m @ 2.70 g/t Pd+Pt+Au, 0.33% Ni, 0.13% Cu from 89 m.**

At La Forge, located 3.5km southwest of Dablo North (refer Figure 3), discovery holes DBRC2018-09 and 10, drilled around 500m apart, returned the following significant mineralised intervals respectively:

- **12 m @ 3.00 g/t Pd+Pt+Au, 0.50% Ni, 0.09% Cu from 66m**
- **8 m @ 0.67 g/t Pd+Pt+Au, 0.30% Ni from 154m;** including
  - **2 m @ 1.88 g/t Pd+Pt+Au, 0.33% Ni, 0.13% Cu from 156m.**

These results confirm the potential for multiple zones of PGE-Au-Ni-Cu mineralisation along the 6 km of target zone identified so-far, within an anomalous interpreted and untested trend of over 30 km length (the DUMIC corridor) inside the Dablo project tenure.

In addition, a single discovery hole, DBRC2018-04, was completed immediately north of the Dablo North prospect and returned a significant high-grade orogenic gold intersect from sulfide-bearing amphibolite of **2m @ 13.75 g/t Au from 88 m.**

This zone is completely open in all directions and warrants additional drilling to determine the geometry and scale of the gold mineralisation. Additional RC and Diamond drilling is planned to expand the known mineralisation at all three new prospects, as well as RC drilling at other untested regional targets within the DUMIC corridor.

Discussion of RC Drilling Results

A total of 17 holes (DBRC2018-01-16, 16W) for 3,152 metres (refer Table 2) were completed in April 2018 over the Dablo intrusive complex, testing extensions within a kilometre-long zone (Dablo North) previously the focus of historic drilling activity, and a 4 km long portion of the intrusion to the south of this area (refer Figure 3).

<u>Dablo North area</u>

Holes DBRC2018-01 to 08 were primarily completed as extensional holes to the previous focus of drilling activity over Dablo North (refer Figure 4).

Holes DBRC2018-01 and-02 were targeted at the north-western flank of the previously untested Induced Polarisation (IP) anomaly, and results reflect barren sulphides hosted within amphibolite and this flank is now considered not an extension of the known mineralization. No significant results were recorded.

Hole DBRC2018-03 was also drilled into the interpreted north-western flank position, and returned a significant low grade intercept of 6m @ 0.64 g/t Pd+ Pt +Au, and 0.34% Ni from 171m depth. The Company is investigating the relationship of this intersection to other mineralised positions.

A single discovery hole, DBRC2018-04, was completed immediately north of the Dablo North prospect into an untested unit of magnetic material and returned a significant high-grade orogenic gold intersect from sulfide-bearing amphibolite of **2m @ 13.75 g/t Au from 88 m.**

This zone is completely open in all directions and warrants additional drilling to determine the geometry and scale of the gold mineralisation.

Hole DBRC2018-05 was an extensional hole drilled to the west of known mineralisation at Dablo North, and only returned thin (1m wide) intervals of mineralisation.

Hole DBRC2018-06 was an RC twin, drilled 5m north of diamond drill hole DBDD001 (*refer ASX:PUN announcement 10th January 2018*) which returned 39 m @ 4.5 g/t Pd +Pt +Au, 0.87% Ni and 0.27% Cu from 13 m, and was intended to provide a comparison between the two drilling techniques.

Equivalent depth results reveal that the core samples deliver consistently higher results than RC as shown below, and the Company anticipates that RC results may be under-representing the heavier metals during the RC drilling process, e.g.-

- **DBDD001 (13m-52m) 39m @ 2.67 g/t Pd, 1.10 g/t Pt, 0.74 g/t Au, 0.87 %Ni, 0.27 %Cu**
- **DBRC2018-06 (28m-67m) 39m @ 1.80 g/t Pd, 0.67 g/t Pt, 0.50 g/t Au, 0.64 %Ni, 0.18 %Cu**

While the Company will continue to address this issue, at this stage the Company currently intends to use RC drilling at the prospect identification stage, and core drilling for resource evaluation.

Holes DBRC2018-07 and -08 (400m apart) were extensional hole drilled to the east of known mineralisation at Dablo North, and returned no significant results. However, company geologists now believe that PGE-Au-Ni-Cu mineralisation at Dablo North can be inferred over 300 m of strike length, and possibly another 200 m within this part of the multi-pulse DUMIC corridor.

La Forge area

Holes DBRC2018-09 to 11 were drilled in the southern part of the intrusion, south of Dablo village, some 3.5 km SSW of Dablo North. Visible 3ulphides were observed in all holes, and results have highlighted a new discovery in similar cumulate rocks to those hosting mineralisation at Dablo North.

Holes DBRC2018-09 and 10 were drilled around 500m apart, and returned the following significant mineralised intervals respectively:

- **12 m @ 3.00 g/t Pd+Pt+Au, 0.50% Ni, 0.09% Cu from 66m ;** and
- **8 m @ 0.67 g/t Pd+Pt+Au, 0.30% Ni from 154m;** including
  - **2 m @ 1.88 g/t Pd+Pt+Au, 0.33% Ni, 0.13% Cu from 156m.**

Hole DBRC2018-11 was drilled 300m west of DBRC2018-10, and returned no significant results. Company geologists now believe that this hole likely did not test the potentially mineralised horizon.

Hole DBRC2018-12 was a single hole designed and drilled to test the magnetic anomaly northwest of Dablo village, with no significant results returned.

Dablo Central area

At Tangaseiga, 1.8 km SSW of Dablo North, a single discovery hole (DBRC2018-13) drilled into a magnetic target zone returned multiple significant mineralised intersects; results included:

- **24 m @ 1.74 g/t Pd+Pt+Au, 0.37% Ni, 0.08% Cu from 8 m**; including
  - **12 m @ 2.46 g/t Pd+Pt+Au, 0.46% Ni, 0.10% Cu from 12m**; and
- **6 m @ 2.50 g/t Pd+Pt+Au, 0.28% Ni, 0.11% Cu from 46 m**; and
- **5 m @ 1.33 g/t Pd+Pt+Au, 0.19% Ni, 0.08% Cu from 72 m**; and
- **5 m @ 2.70 g/t Pd+Pt+Au, 0.33% Ni, 0.13% Cu from 89 m.**

This result is significant as it delivered multiple mineralised intervals down the hole, confirming the potential for multiple zones of PGE-Au-Ni-Cu mineralisation along the 6 km of target zone identified so-far at Dablo. This zone is open in all directions and warrants additional drilling to determine the geometry and scale of the mineralisation. The magnetic target zone at Tangaseiga is around 500m in length.

Hole DBRC2018-14 was drilled into some 450m south of the Tangaseiga discovery hole, north of Dablo village, on a separate magnetic unit, possibly part of the La Forge prospect. The hole returned a single thin (1m wide) interval of mineralisation.

Hole DBRC2018-15 and 16 targeted a larger, discrete magnetic unit between Dablo North and Tangaseiga. No significant results were returned. Hole DBRC2018-16W was a shallow (70m depth) vertical hole drilled in the vicinity of DBRC2018-16, intended to be re-purposed as a well for local community use. It successfully intersected water.

Regional works

The Company is reviewing regional gold potential with the Dablo Project Tenure. The Company also intends to geochemically test priority terrains at the Kelbo Ouest and Perko permits in the near future. Initial results from lag geochemistry on the Perko permit (west of Dablo) have provided targets to be followed up by soil sampling.

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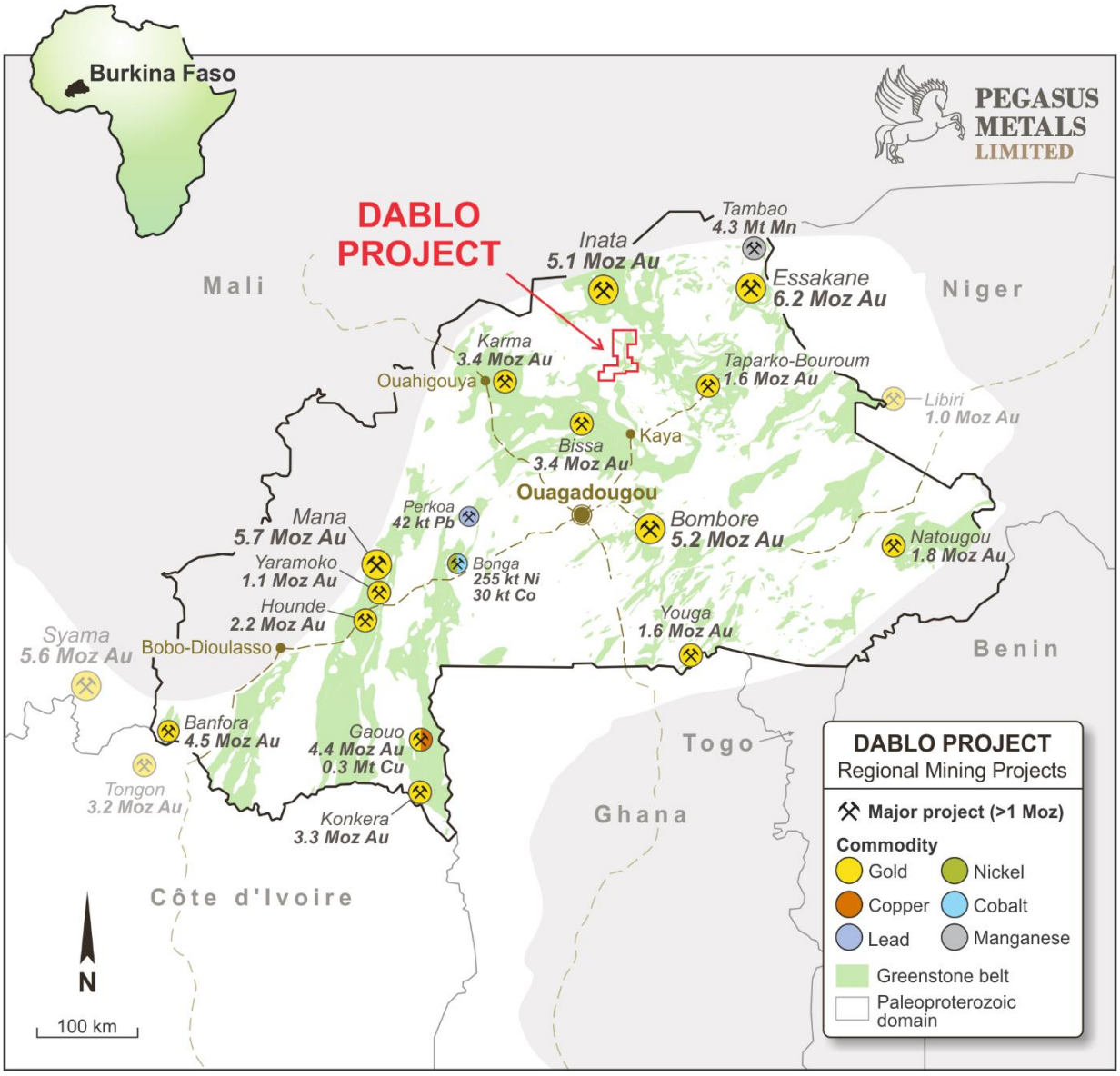

Figure 1: Dablo Project Location, highlighting significant regional mining projects

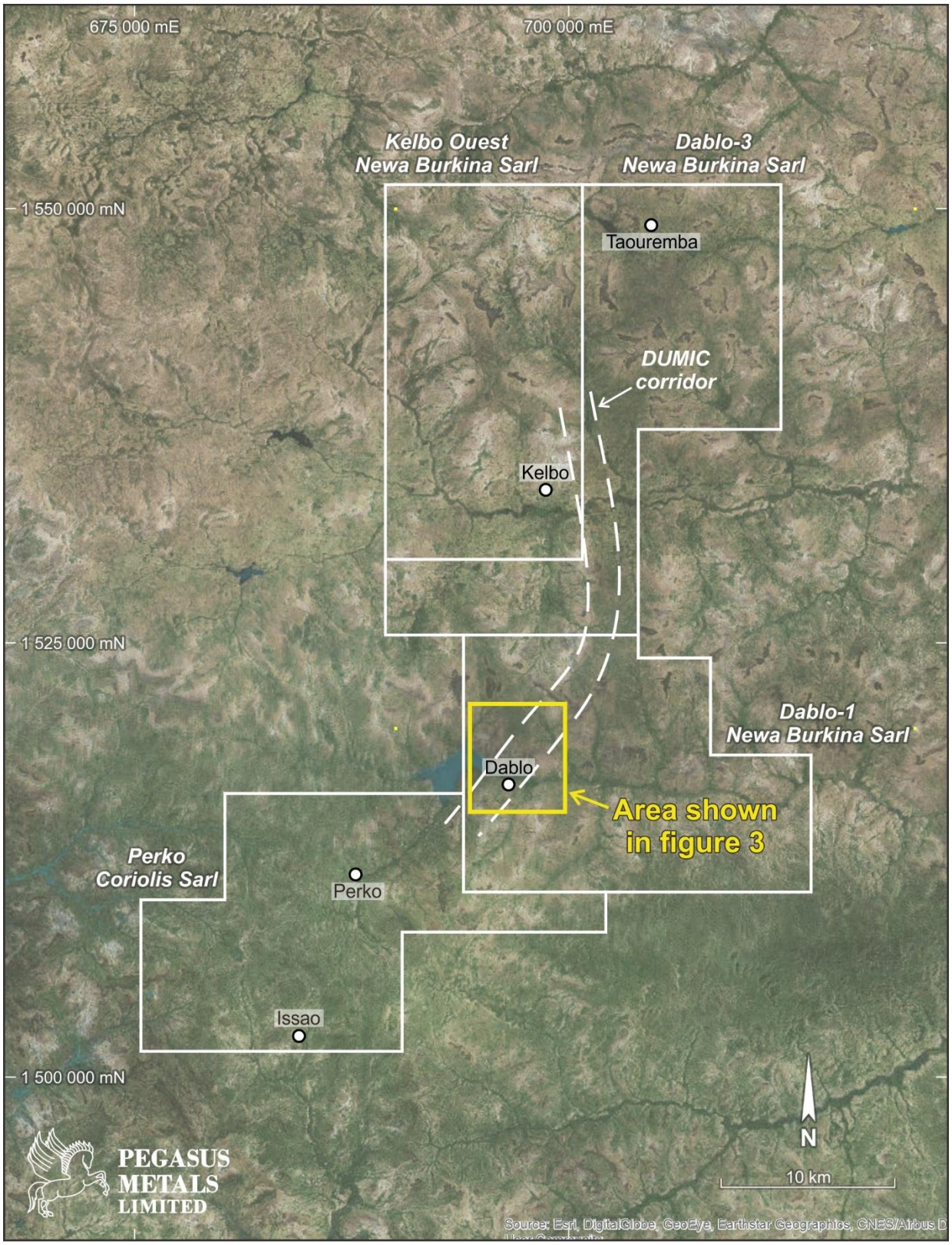

Figure 2: Dablo Project Tenure, highlighting current area of activity, and Dablo corridor.

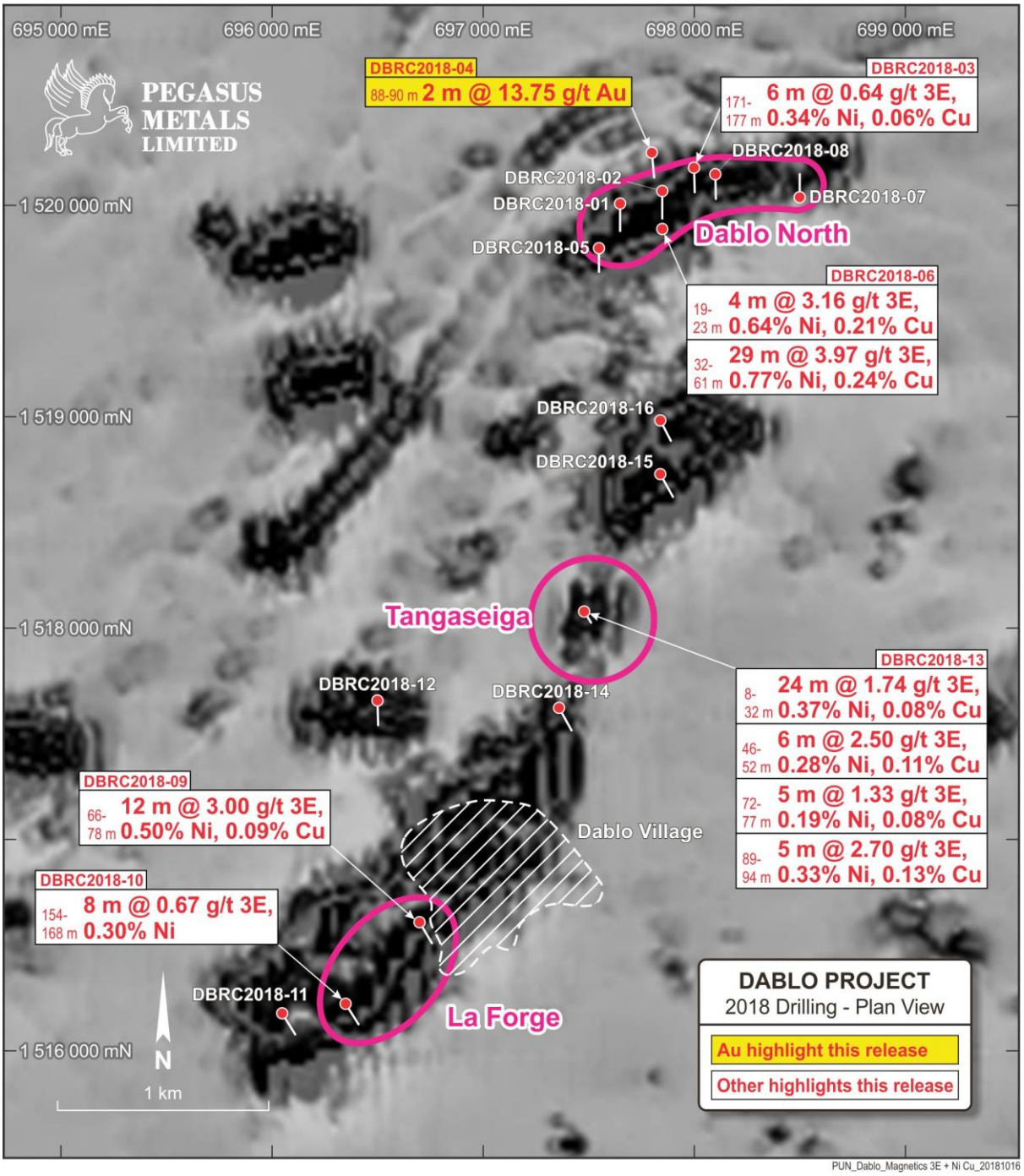

Figure 3: Significant results (white for multi-element intersect, yellow for gold only) from 2018 RC drill campaign, highlighting discovery holes at two new mineralised prospects, and a newly discovered orogenic gold prospect. Background image is greyscale magnetic first vertical derivative.

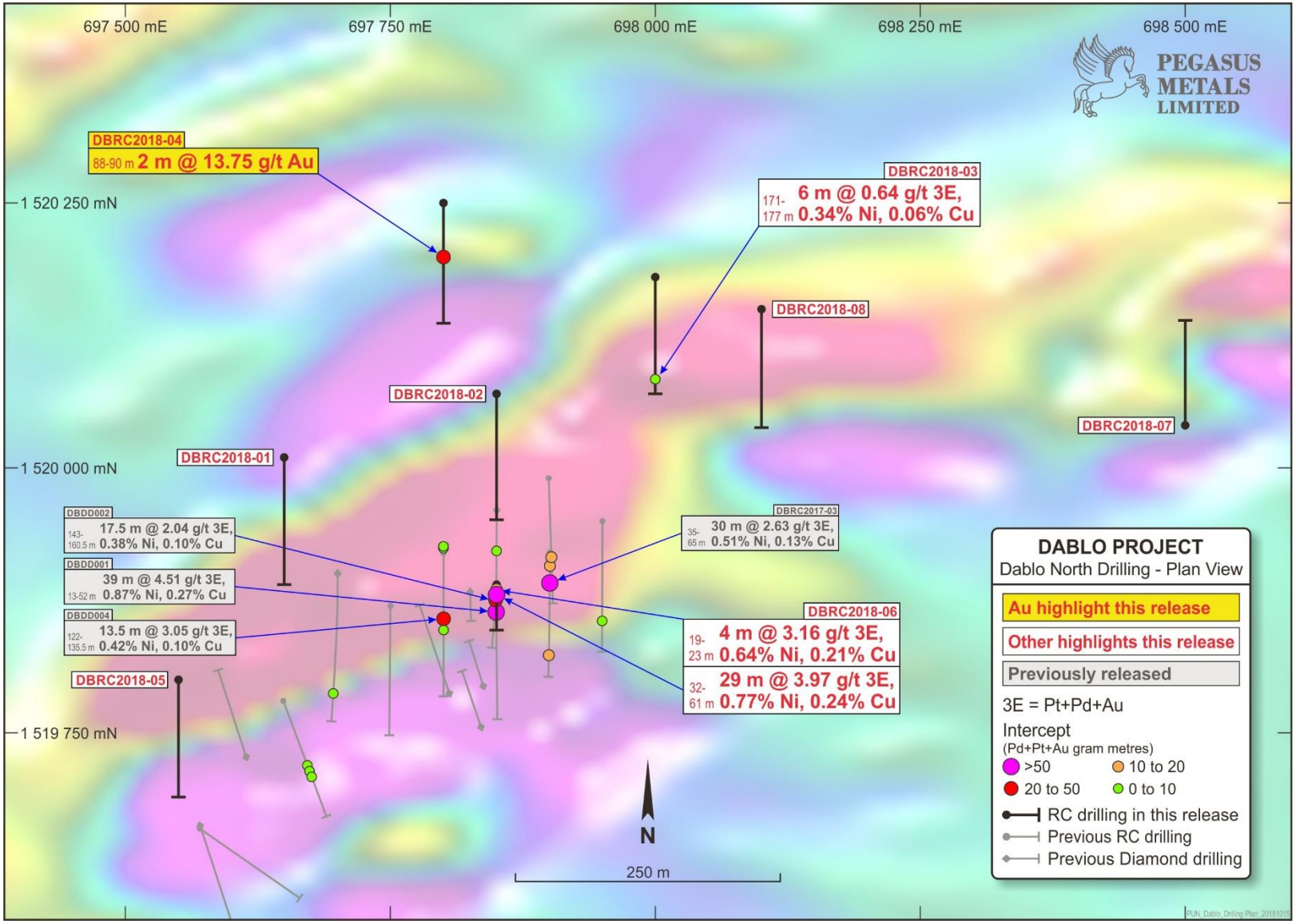

Figure 4: Dablo North significant results at from 2018 RC drill campaign. Colour background image is 1VDRTP magnetic imagery

Table 1: Detailed results from 2018 RC Drilling, Dablo Project (≥1m @ Pd+Pt ≥ 0.5 g/t).

Hole_ID		Int	From	To	Cu	Ni	Co	Au	Pt	Pd	Pd+Pt+Au (3E)
		m	m	m	ppm	ppm	ppm	g/t	g/t	g/t	g/t
DBRC2018-01	NSR										
DBRC2018-02		1	148	149	207	3040	145	0.04	0.16	0.38	0.57
		1	187	188	938	3050	137	0.08	0.24	0.92	1.24
DBRC2018-03		1	167	168	478	1855	94	0.04	0.15	0.63	0.82
DBRC2018-03		**6**	**171**	**177**	**580**	**3423**	**148**	**0.02**	**0.15**	**0.47**	**0.64**
DBRC2018-04		**2**	**88**	**90**	**262**	**13**	**37**	**13.75**		**0.01**	**13.75**
DBRC2018-05		1	3	4	328	2770	172	0.07	0.16	0.37	0.60
DBRC2018-05		1	122	123	102	2640	124	0.02	0.16	0.50	0.68
DBRC2018-06		4	19	23	2135	6355	163	0.36	0.83	1.97	3.16
DBRC2018-06		**29**	**32**	**61**	**2392**	**7731**	**181**	**0.65**	**0.99**	**2.33**	**3.97**
DBRC2018-06	***Including***	**19**	**32**	**51**	**2956**	**9454**	**201**	**0.82**	**1.23**	**2.91**	**4.96**
DBRC2018-07	NSR										
DBRC2018-08	NSR										
DBRC2018-09		**7**	**5**	**12**	**346**	**6200**	**280**	**0.04**	**0.16**	**0.32**	**0.52**
DBRC2018-09		1	36	37	155	3660	154	0.02	0.13	0.44	0.59
DBRC2018-09		1	39	40	806	5600	176	0.55	0.71	2.07	3.34
DBRC2018-09		4	62	66	27	4570	188	0.13	0.20	0.46	0.79
DBRC2018-09		**12**	**66**	**78**	**926**	**5020**	**210**	**0.46**	**0.64**	**1.90**	**3.00**
DBRC2018-10		1	89	90	84	2170	138	0.01	0.14	0.57	0.71
DBRC2018-10		2	144	146	19	2880	143	0.01	0.10	0.61	0.72
DBRC2018-10		**8**	**154**	**162**	**132**	**3030**	**152**	**0.05**	**0.11**	**0.52**	**0.67**
DBRC2018-10	***Including***	**2**	**156**	**158**	**22**	**3290**	**329**	**0.13**	**0.33**	**1.43**	**1.88**
DBRC2018-10		1	166	167	782	3750	170	0.95	0.17	0.46	1.57
DBRC2018-10		2	172	174	40	2330	128	0.02	0.23	0.91	1.16
DBRC2018-11	NSR										
DBRC2018-12	NSR										
DBRC2018-13		**24**	**8**	**32**	**780**	**3712**	**208**	**0.16**	**0.56**	**1.02**	**1.74**
DBRC2018-13		**12**	**12**	**24**	**1006**	**4458**	**151**	**0.12**	**0.75**	**1.59**	**2.46**
DBRC2018-13		1	36	37	811	2650	146	0.11	0.56	0.98	1.65
DBRC2018-13		1	43	44	336	2130	119	0.10	0.35	0.60	1.04
DBRC2018-13		**6**	**46**	**52**	**1119**	**2833**	**146**	**0.21**	**0.89**	**1.40**	**2.50**
DBRC2018-13		1	63	64	366	2940	187	0.04	0.42	0.60	1.05
DBRC2018-13		1	68	69	768	3360	164	0.21	0.48	1.03	1.73
DBRC2018-13		5	72	77	775	1900	96	0.14	0.44	0.76	1.33
DBRC2018-13		1	81	82	167	2130	129	0.01	0.45	0.71	1.17

Hole_ID	(con't)	Int	From	To	Cu	Ni	Co	Au	Pt	Pd	Pd+Pt+Au (3E)
		m	m	m	ppm	ppm	ppm	g/t	g/t	g/t	g/t
DBRC2018-13		**5**	**89**	**94**	**1324**	**3252**	**137**	**0.15**	**0.87**	**1.69**	**2.70**
DBRC2018-14		1	83	84	952	4180	157	0.05	0.34	0.61	1.00
DBRC2018-15		1	229	230	1950	3000	106	0.14	0.38	0.44	0.96
DBRC2018-16		1	13	14	1290	4030	188	0.30	0.84	0.90	2.03
DBRC2018-16W	NSR										

NSR = No significant result

Table 2: Updated location of Reverse Circulation drill hole collars (WGS84 Z30N datum).

Hole_ID	UTM_E	UTM_N	RL	Azimuth	Dip	Max Depth (m)
DBRC2018-01	697650	1520010	318.50	180	-53	200
DBRC2018-02	697850	1520070	320.00	180	-53.5	200
DBRC2018-03	698000	1520180	320.86	180	-56.7	200
DBRC2018-04	697800	1520250	321.55	180	-55.6	200
DBRC2018-05	697550	1519800	320.98	180	-56.6	200
DBRC2018-06[1]	697850	1519890	317.99	180	-55	75
DBRC2018-07	698500	1520040	320.78	360	-60	200
DBRC2018-08	698100	1520150	318.00	180	-56	200
DBRC2018-09	696700	1516610	313.75	150	-56.5	200
DBRC2018-10	696350	1516225	319.64	150	-55	200
DBRC2018-11	696050	1516180	327.78	150	-55.5	200
DBRC2018-12	696500	1517660	307.33	180	-55	200
DBRC2018-13	697480	1518080	314.00	150	-55	114
DBRC2018-14	697360	1517625	308.00	150	-55.5	200
DBRC2018-15	697840	1518730	322.35	150	-56	250
DBRC2018-16	697840	1518985	320.04	150	-55.7	243
DBRC2018-16W	697860	1518945	320	0	-90	70

[1] DBRC2018-06 is located 5m north of DBDD001 and was drilled as a twin for comparison between the RC and DD sampling methods.

About Pegasus Metals Limited.

Pegasus Metals is the 100% holder of the Mt Mulcahy project, where the Company has defined a small high-grade Cu-Au-Zn-Co Volcanogenic Massive Sulfide (VMS) resource at the South Limb Pod, some 70km north of Cue, in Western Australia.

The Company has previously announced (refer PUN:ASX announcement 10th January 2018) that it has entered into an agreement to acquire Scorpion Minerals Limited, which holds the rights to enter a 70% joint venture interest in the Dablo exploration project in Burkina Faso, Africa, (refer Figure 1) through Newgenco Exploration (West Africa) Pty Ltd ("NEWA"). The Company is pleased to confirm that Scorpion has spent approximately $1.3 million in the period to 30 September 2018, earning an interest of 15% in the Dablo Project.

A general meeting of the Company's shareholders was held on 2 October 2018, whereby it was resolved, amongst other things, to:

- Issue 12 million fully paid ordinary shares with respect to the acquisition of Scorpion Minerals Limited; and
- Change the Company's name from Pegasus Metals Limited to Scorpion Minerals Limited, with effect from the day on which the Australian Securities and Investments Commission alters the details of the Company's registration.

Competent Person Statement

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Information contained in this announcement is an accurate representation of the available data relating to the Dablo Project.

The information contained in this announcement that relates to geology and exploration results is based, and fairly reflects, information compiled by Mr Grant 'Rocky' Osborne, who is a Member of the Australian Institute of Geoscientists. Mr Osborne is a non-executive director of Scorpion Minerals Limited. Mr Osborne has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Osborne consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	NEWA drilled 17 Reverse Circulation (RC) holes for 3152m advance in April 2018 (DBRC2018-series). Results for these holes are discussed in this release
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	NEWA exploration- Sample representivity was ensured by a combination of Company Procedures regarding quality controls (QC) and quality assurance/ testing (QA). Examples of QA include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures. Examples of QC include (but are not limited to), collection of drilling duplicates (field duplicates), and the sourcing and use of certified standards (STD OREAS 13b) and blank samples.
	Aspects of the determination of mineralisation that are Material to the Public Report - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	NEWA RC drilling – RC drilling was used to obtain 1m samples, from which split samples have been obtained for transport to ALS Global in Canada. Samples were assayed using analytical methods ME-MS61 and PGM-ICP23.

Criteria	JORC Code explanation	Commentary
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	NEWA RC drilling – RC drilling was conducted using a truck -mounted Schramm with booster. Drilling occurred on two shifts averaging 184m per day.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	NEWA RC drilling – RC drilling recoveries were not recorded.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	NEWA RC drilling – RC drilling recoveries were not recorded but considered satisfactory. A booster was employed to keep air pressure up down the hole, and minimize the effects of ground water, which was observed to be negligible, except for holes DBRC2018-13, -15 and -16. Hole DBRC2018-13 was abandoned due to high water flows. Hole DBRC2018-16w was drilled as water well for the local community.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Analytical results from the single twin drill hole completed to assess the difference between RC and DD samples reveal that the DD samples yield higher results for Au, Cu, Ni, Pd and Pt. The company considers it possible that RC drilling is under-reporting PGE-Au-Ni-Cu values
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging of samples followed industry common practice. Qualitative logging of samples including (but not limited to); lithology, mineralogy, alteration, veining and weathering. The quality of logging is high and consequently the confidence in the data to support resource estimations is satisfactory. Acquisition of orientated core in additional drilling programmes will be required for some mining studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	All logging is quantitative, based on visual field estimates.
	The total length and percentage of the relevant intersections logged.	Detailed RC logging of all drilling was completed at the company's regional field base.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not Applicate, results from RC drilling only in this release
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	All RC samples were riffle split at the rig and sampled dry. Sample weights received at the laboratory have a mean weight of 2.60kg with 50% of the total weighing between 2.30kg and 2.90kg
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Company procedures were followed to ensure sub- sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of sampling equipment and practices.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	4% blanks, duplicates and certified reference materials (CRM) were submitted with the samples to the laboratory as part of the quality control procedures which is a suitable insertion rate. A blank was inserted every 50 samples, a duplicate sample was taken every 50 samples and a CRM standard inserted every 24 samples
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	A duplicate sample was taken every 50 samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to correctly represent the sought mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	ME-MS61 is a Four Acid Digestion technique with MS finish and considered a total extraction method, particularly appropriate for this type of deposit and stage of exploration. The PGM-ICP23 method yields Pt, Pd and Au analysed via Fire Assay with ICP-AES finish.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	NEWA RC drilling pXRF measurements were taken by an Oympus VANTA unit, which operated satisfactorily.

Criteria	JORC Code explanation	Commentary
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Company QAQC involved the submission of blanks and standards, and a Certified Reference Material (CRM) standard was inserted into the sample run, as detailed above. The analytical laboratory also provide their own routine quality controls within their own practices. The results from their own validations were provided to NEWA. Results from the CRM standards and blanks gives confidence in the accuracy and precision of the assay data returned from ALS.
	The verification of significant intersections by either independent or alternative company personnel.	Multiple company geologists and consultants have verified mineralised intersections.
	The use of twinned holes.	DBRC2018-06 was drilled 5m north of DBDD001 to enable comparison of the analytical results between the RC and DD methods. This hole is considered as a twin hole.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected for drill holes using a laptop computer and Microsoft Excel Software. The information was sent to the company for validation and compilation into a database.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill collar locations were pegged before drilling and surveyed using handheld GPS to accuracy of +/- 1m. Down-hole single were conducted by the diamond drilling contractor. The survey method used was GyroSmart every 5m downhole.
	Specification of the grid system used.	The grid system used is WGS84 UTM Zone 30N
	Quality and adequacy of topographic control.	The collars generally plot within ± 3m RL of the high resolution AW3D Japanese Satellite DEM (1m) acquired by NEWA in December 2017

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill hole spacing is target specific, refer to figures 3 and 4 in the text.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The drilling is effectively reconnaissance in nature, and currently not appropriate for Mineral Resource or Ore Reserve Estimations.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The holes were drilled S to SE on NS to NW-oriented section lines, approximately perpendicular the strike of the interpreted steeply-dipping mineralized zone. Drill holes have intersected the interpreted mineralisation at 30°-40°, hence quoted downhole intersection lengths may be between 50% to 73% greater than true widths. This is not considered to have introduced a sampling bias.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Not Applicable
Sample security	*The measures taken to ensure sample security*	All samples were removed from site to a secure local storage facility after drilling. Samples submitted for assay were split from the originals on-site and transported in company vehicles to the preparation laboratory in Ougadougou. ALS laboratory checks received samples against the sample dispatch form and issues a reconciliation report. The chain of custody is managed company management, in conjunction with ALS using tracking sheets to monitor the progress of sample dispatches.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or review of the data management system has been carried out.

JORC Code, 2012 Edition – Table 1

Section 2 Reporting of Exploration Results (Criteria in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Scorpion Minerals holds a right to acquire up to a 70% interest in the Dablo Project via a joint venture (JV) with Newgenco Exploration (West Africa) Pty Ltd ("NEWA") over the Dablo Project in Burkina Faso. Four permits (Dablo1-4) covering 40km of regional strike form the project area and expire between 2022 and 2025. The earn-in is two tiered: −Phase 1 - Scorpion to spend $4M on agreed expenditure within 24 months to earn an initial interest of 51% in the Dablo Project. −Phase 2 - Scorpion can earn up to a further 19% interest in the Dablo Project by spending up to a further $4M on agreed expenditure within the period of 18 months after completion of Phase 1. −Scorpion must spend a minimum of $1.15M within 12 months with approximately $930,000 already spent to date as at the date of this release. NOTE: As at the time of this release, the minimum $1.15M exceeded
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The permits are in good standing and no known impediments exist.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The German Federal Institute for Geosciences and Natural Resources agency, BGR (Bundesanstalt für Geowissenschaften und Rohstoffe) explored and drilled the area in the 1980s, returning significant Ni-Cu grades but only partially assayed for precious metals. NEWA conducted in a Project Generation Alliance with First Quantum Minerals Ltd ("FQM"), with the objective of discovering Ni-Cu-PGE sulfides in West Africa. The DMI occurrence was discovered in an outcrop by NEWA in 2011 with rock chip sampling yielding 3-4g/t PGE. A land package was assembled and FQM supported the drilling of 5 diamond holes for 915m in 2014, with the best result returning 39.00m at 0.87% Ni, 0.27% Cu and 4.51 g/t Pd+Pt+Au (from 13.00m-52.00m in DBDD001) from disseminated sulfides in peridotite. The drilling success led to a ground TEM survey and subsequent airborne VTEM survey. The area has been covered with several regional datasets (soils, mapping, VTEM, Aeromagnetics) as well as local project scale work including rock chipping, mapping, soils, and Induced Polarisation (IP) surveying etc., and can be considered largely drill-ready.
Geology	*Deposit type, geological setting and style of mineralisation.*	The mineralisation is PGE-Ni-Cu disseminated magmatic sulfide associated with the Dablo Ultramafic-Mafic Intrusive Complex (DUMIC) an elongate ultramafic-mafic intrusion 6 km long and up to 500 meters wide. It is part of a 30 km long ultramafic-mafic intrusive trend of Paleoproterozoic age. The host is mostly gabbronorite/ norite/peridotite at greenschist facies, with mineralization associated with an early ~2.0-2.1 Ga Birimian-aged magmatic event, located on a trans-lithospheric fault associated with a large-scale gravity anomaly. The area is flat, with almost no outcrop, regolith cover consists of soil, lateritic duricrust and locally sand. The average depth of regolith is around 12 metres. Some supergene mineralization is noted at the weathering interface, and sulfides are observed below the weathered zone as disseminations and interstitial concentrations, with lesser sulfide veinlets and local small blebs. It is interpreted that disseminated sulfide mineralisation is associated with at least two mafic-ultramafic magmatic pulses.

Criteria	JORC Code explanation	Commentary
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	The drill hole collar plan in Figure 1 of this release illustrates the spatial relationship of the NEWA 2017 RC drill holes and the location of each of the holes as well as drill hole orientation data at the collar position (coordinates stated in WGS84 Z30N datum) are shown in Table 1. Downhole intercept values are tabulated in the release.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Downhole survey data has not been included, due to size of the data, and difficulty displaying in tabulated view. Drill hole lift was <5° and drill hole azimuth deviated <3° from planned specifications which is considered acceptable.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Detailed Exploration results in Table 1 are nominally reported where the arithmetic sum of ≥1m of intersect of Pd (g/t) + Pt(g/t) was ≥0.5 g/t.
	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Where higher grade zones exist internal to broader intervals of lower grade mineralisation, these are noted as included intervals and emboldened.
	The assumptions used for any reporting of metal equivalent values should be clearly stated	No metal equivalents have been reported. Values for Pd and Pt are arithmetically added to deliver a “Pd + Pt” value, and values for Au, Pd and Pt are arithmetically added to deliver a “3E” value.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not*	The S- to SE-oriented drill holes have intersected the interpreted steeply-dipping (ca 80-90 degrees) mineralisation at 30°-40°, hence quoted downhole intersection lengths may be between 50% to 73% greater than true widths. All reported intersections are down-hole lengths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar*	A plan view of the drill hole collars is shown within release.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All low and high-grade significant intersections have been reported. NSR is an abbreviation for No Significant Result.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All relevant exploration data is shown on the figures and tables and is discussed in the text.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	More detailed geological logging and structural interpretation will be carried out to further validate the exploration model. Soil sampling over the two more recent permits is planned. Additional DD drilling is planned at all three prospects as well as RC drilling to test other untested targets, both along strike and in parallel belts within the Dablo Corridor.