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Pharos Project Exploration Update

HIGHLIGHTS

- Application for Exploration Licence immediately west of Pharos Project, covering an interpreted southern extension to the greenstone belt.
- Heritage clearance survey underway, covering multiple targets in the vicinity of planned drilling.
- RC drilling to commence after receipt of heritage clearances.

Scorpion Minerals Limited (the Company; ASX:SCN) is pleased to provide an update on exploration activities for its Pharos Project in the Murchison region of Western Australia.

The Company recently applied for exploration licence EL20/962 which is immediately west of application E20/953. The Company has an option to purchase E20/953 with Element 25 (ASX:E25) and the licences cover an interpreted extension to the greenstone belt southwest of the Weld Range, and contains several mafic intrusions that are of high interest.

The application for EL20/962 (Choallie Creek) is approximately 200km² and will bring the total contiguous package in this highly prospective region, including Mt Mulchay, to over 640km².

The Company has this week commenced the heritage survey in conjunction with the traditional owners to clear tracks and lines for planned drilling. Concurrently with the heritage activities this week a mapping and sampling programme is also being conducted.

Planning has commenced for an initial 2200m Reverse Circulation (“RC”) drilling programme for the Pharos Project, and will include several lines on a 40m x 40m grid to around 100m depth to define the high-grade mineralisation previously identified at Lantern. The drilling programme is also planned to test the newly discovered zones at Candle and Beacon, along with selected workings within Oliver’s Patch and an undrilled line of workings along the ‘Old Prospect’ northern extension (refer Images 1 and 2).

The drilling programme will commence once the heritage clearance is finalised by the Heritage Service Provider and the market will be updated at that time.

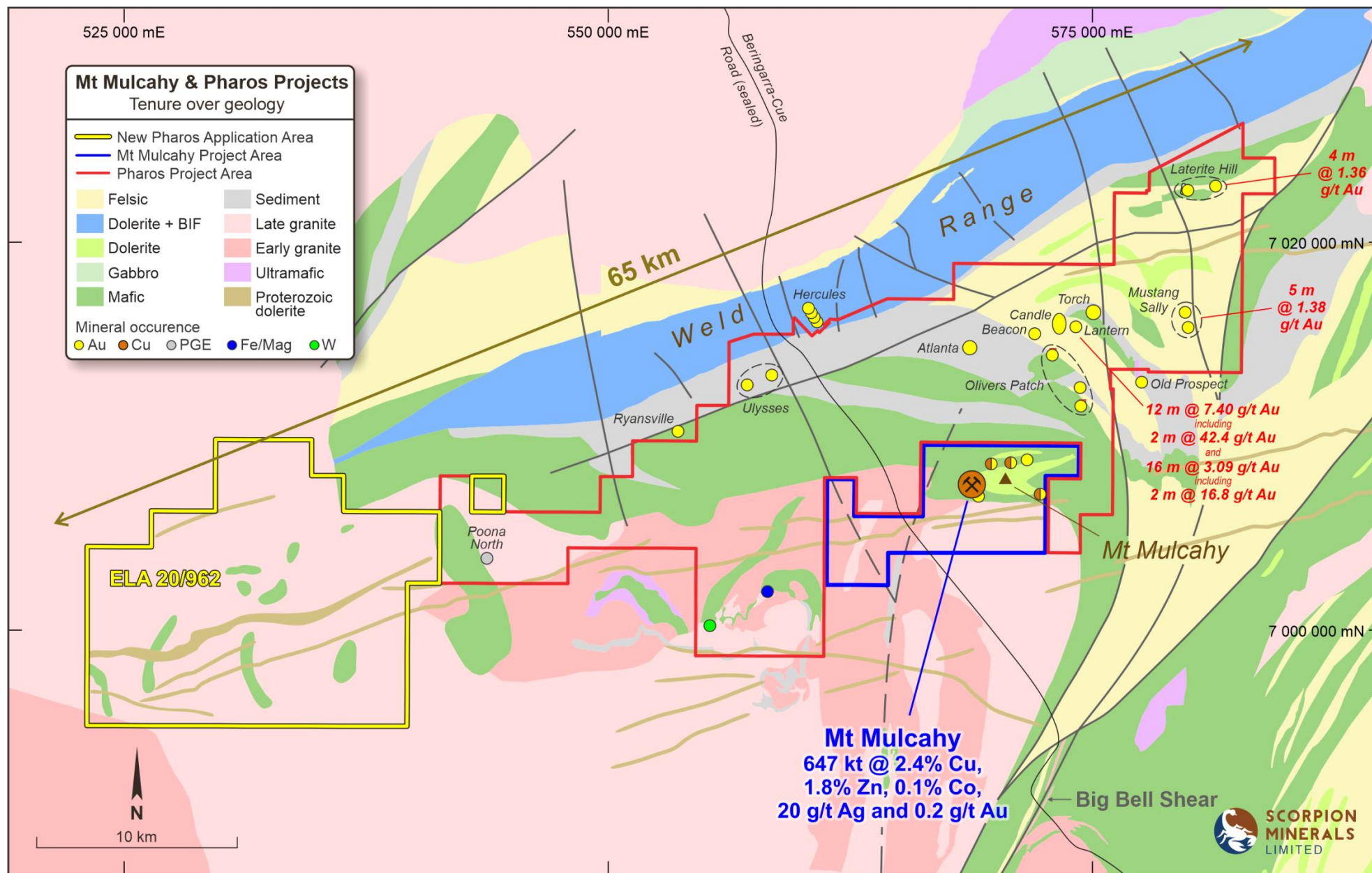


Figure 1 – Location of Pharos and Mt Mulcahy Project in Murchison area, WA, highlighting new exploration application E20/962



Image 1: Unnamed line of workings North of Beebyn Road, extensional to 'Old Prospect' zone



Image 2: Northernmost working at same location, confirming 330° strike and 60° dip to west

General Discussion of Mineral Potential of Pharos Project

The Company has an Option to Acquire 100% of two exploration tenement applications (E20/948 and E20/953) from Element 25 (**ASX: E25**)¹ (refer Figures 1 & 2); with E20/948 recently granted.² E20/948 and application E20/953 - together the Pharos Project - cover 384 km², and are contiguous with 58 km² of granted SCN tenure (E20/931), which contains the Mount Mulcahy copper-zinc volcanic-hosted massive sulphide (VMS) deposit, a zone of mineralisation with 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 SCN:ASX release 25 September 2014, also Figures 1 & 3) at the 'South Limb Pod' (SLP).

The Pharos Project tenements are considered prospective for a number of gold mineralisation types including:

1. Shear zone hosted lode style mineralisation hosted in mafic, ultramafic and felsic volcanics.
2. Banded Iron hosted "Hill 50" style replacement deposits.
3. High grade quartz vein "Day Dawn" style mineralisation hosted within dolerite and basalt.
4. Felsic porphyry hosted quartz stockwork and ladder vein mineralisation.

The Company has noted several significant historical gold intercepts from Rotary Air Blast (RAB) drilling undertaken by previous companies on the tenements, including the following high grade intersections from the Lantern prospect on E20/948, following up on an original 3100 ppb (3.1 g/t) Au soil sample in the 1990's from Guardian Resources:

- **12 m @ 7.40 g/t Au from 44 m, including 2 m @ 42.4 g/t Au in Hole**
- **16 m @ 3.09 g/t Au from 0 m, including 2 m @ 16.8 g/t Au**

The Company considers that the Beacon, Candle, Lantern and the Oliver's Patch areas within the Pharos Project contain multiple quartz-vein targets similar to "Day Dawn" style mineralisation (refer Figure 2) and is highly encouraged by the open-ended nature of the current prospects. The Company has recently discovered additional gold targets³ at surface west of the Lantern Prospect at the Candle and Beacon Prospects.

Planned systematic exploration will focus on interpreted structural controls for primarily gold mineralisation associated with NNW trending splay structures off the Big Bell Shear (refer Figure 1), a major regional structure associated with significant gold endowment, including the 5Moz Big Bell gold deposit (refer Figure 2). The Company believes that significant potential for new gold and base metal deposits exist within the expanded project area.

The stratigraphic sequence to the west of and adjacent to the Big Bell shear contains all the above rock types for the gold mineralisation styles targeted, and systematic exploration has not been undertaken historically where the NW-NNW trending splays off the Big Bell shear intersect these lithologies (refer Figure 1). Previous explorers have noted repeated observation of sericite-chlorite-carbonate alteration and pyrite-arsenopyrite mineralisation associated with gold mineralisation, which the Company believes indicative of large Archean gold hydrothermal systems.

¹ Refer ASX:SCN release dated 7 November 2019 "Option to Acquire Gold and Base Metal Projects at Mt Mulcahy".

² Refer ASX:SCN release dated 23 January 2020 "Grant of Pharos Project Tenement".

³ Refer ASX:SCN release dated 13 February 2020 "New gold targets discovered at Pharos Project".

Planned future exploration includes:

1. Reprocessing of existing air magnetics and completion of a regional geologic interpretation.
2. Detailed geological mapping and rock chip sampling of selected target areas.
3. Systematic auger soils geochemical sampling of the project initially focusing on high priority targets.
4. Follow up RC drilling of historic drill intercepts at Lantern, Candle, Beacon, Oliver’s Patch Mustang Sally, Ulysses and Laterite Hill.

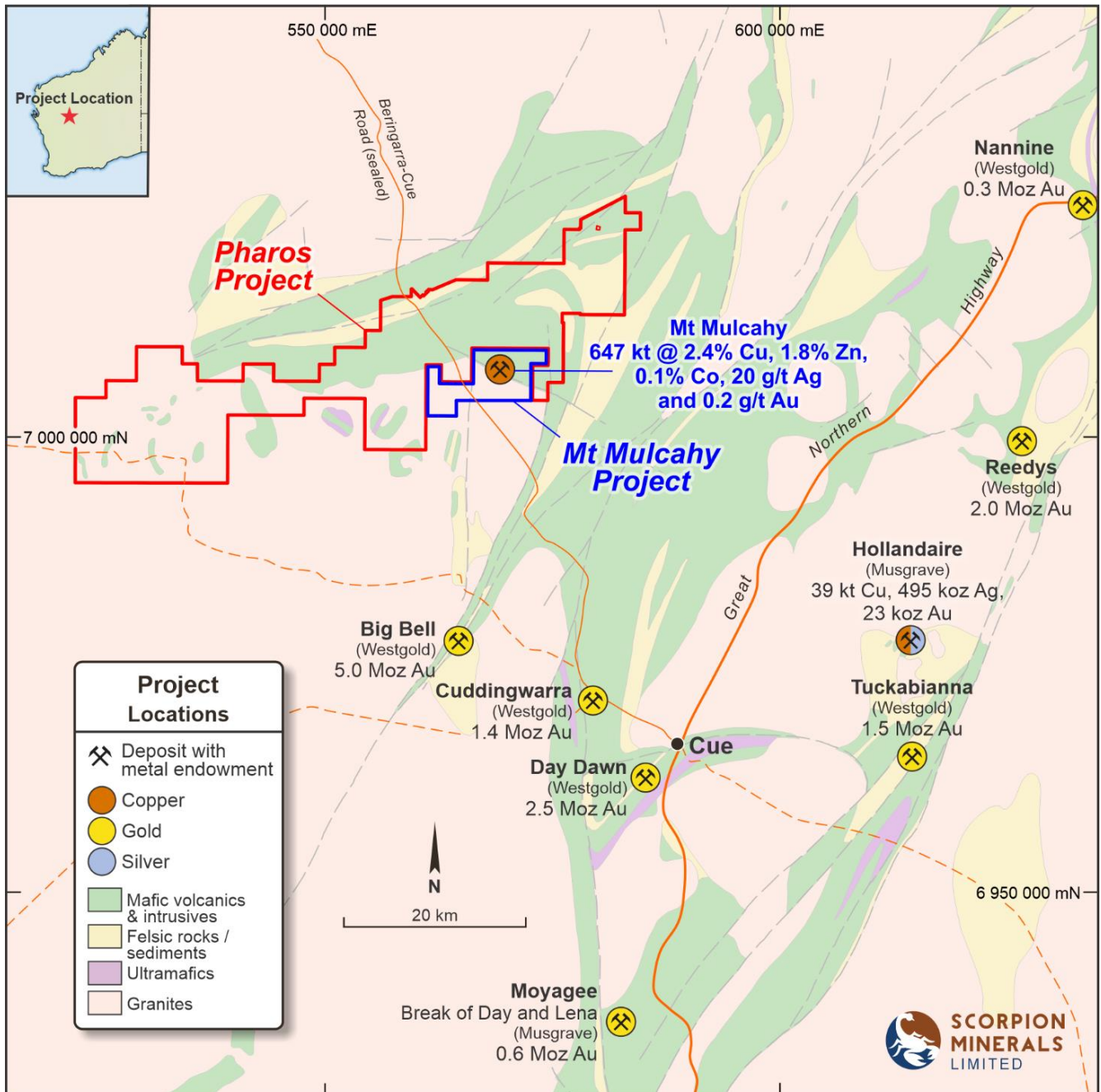


Figure 2 – Location of Pharos and Mt Mulcahy Project in Murchison area, WA, highlighting regional mineral endowment.

- ENDS -

Enquiries

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Competent Persons Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Mt Mulcahy and Pharos Projects is based on information reviewed by Mr Craig Hall, whom is a member of the Australian Institute of Geoscientists. Mr Hall is a director and 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 Hall consents to the inclusion of the information in the form and context in which it appears.

Forward Looking Statements

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