

QUARTERLY ACTIVITIES REPORT

QUARTER ENDED 31 DECEMBER 2024

HIGHLIGHTS

- Scorpion's extensive ground position in highly prospective Dalgara-Big Bell shear corridor remains largely untested
- Strong exploration potential at Olivers Patch confirmed with many gold specimens located away from existing prospects
- Scorpion continued to assess regional project opportunities
- Scorpion continued to assess options to unlock value from Mt Mulcahy Copper asset in Western Australia

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

Management Commentary

Commenting on the Scorpion's strategy and plans, CEO Michael Fotios said: "Entering the new calendar year, our focus remains on accelerating exploration across several of our exciting gold targets within the Murchison. Our latest work has highlighted significant gold potential within the Pharos Project, and we are looking forward to getting back on the ground to test these targets as quickly as possible."

Scorpion's portfolio in the Murchison boasts exception gold, copper and lithium potential, and further updates on our exploration plans and strategic discussions will be provided to the market in due course."

Exploration & Development Portfolio Summary

Pharos Project, WA (SCN: 100%)

The Pharos Project is 100% owned by Scorpion and covers an area of 924km² located 60km northwest of Cue in the Murchison Mineral Field, Western Australia. The project is prospective for gold, lithium, PGE-Ni-Cu, iron ore and VMS hosted Cu-Zn-Ag Au mineralisation.

During the December quarter, the Company's exploration activities focused on high-grade gold targets within the Pharos Project, with Scorpion's technical team commencing a strategic review of historical exploration data to refine targets and inform near-term exploration plans.

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

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Geological setting and recent significant discoveries

The Pharos tenements cover the stratigraphic sequence to the west of and adjacent to the Dalgara–Big Bell shear corridor host to the Big Bell deposit and immediately adjacent to the recent Never Never discovery at Dalgara (refer Figure 1). Systematic exploration has not been undertaken historically where the NNW trending splays off the Big Bell shear intersect prospective lithologies. 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.

Pharos Gold Targets

The tenements at Pharos are considered prospective for several 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; and*
- 4. Felsic porphyry hosted quartz stockwork and ladder vein mineralisation*

Gold exploration by prior tenement holders at the Pharos tenements has been unsystematic, with multiple soil anomalies and rock chip targets requiring follow-up sampling and RC drill testing. Location of historic drill holes (refer Figure 2) was constrained by historic heritage clearance along limited access tracks. Follow-up drilling will test existing targets where access has been simplified by completed heritage surveys covering a larger contiguous area. Further heritage clearances will be completed where necessary.

The Company has recently announced the discovery of specimen gold and visible gold in vein quartz at the Olivers Patch prospect within the Pharos Project (refer ASX releases 25 July 2024 and 11 September 2024). The specimens are likely remobilised gold precipitated in surface laterite, during weathering, overlying a bedrock source and then subsequently liberated by later erosion of the laterite. Significantly some of the nuggets, including an 800g specimen, were found almost one metre below surface.

The discovery of gold nuggets at this location is significant as historical surface soil and lag sampling surveys had identified any gold anomalism in the area. It is suspected that this may be the result of wide sample spacing coupled with the presence of surface transported cover material masking the bedrock and indicates that the area remains highly prospective for the discovery of gold mineralisation under shallow cover.

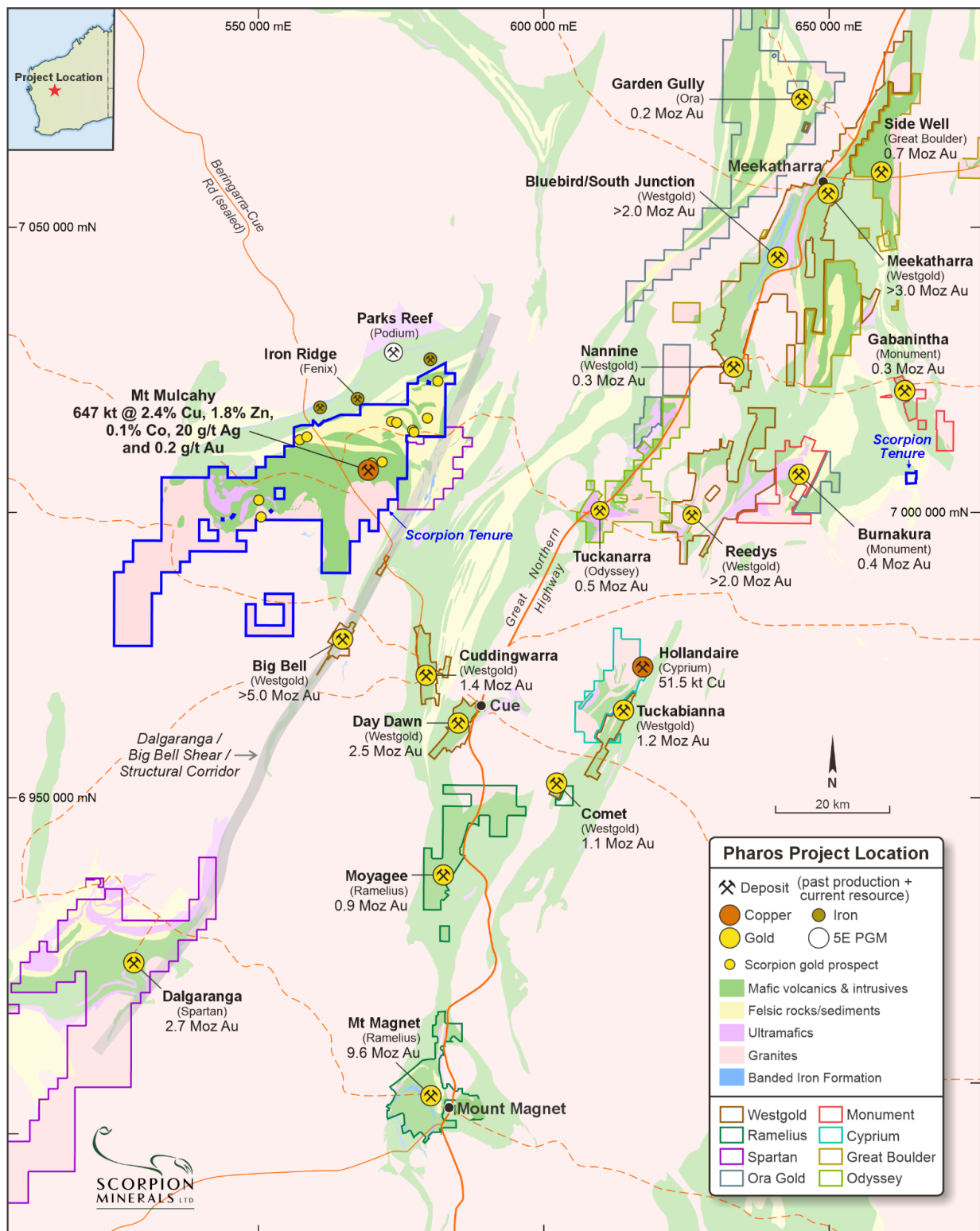


Figure 1: Pharos Project regional geography

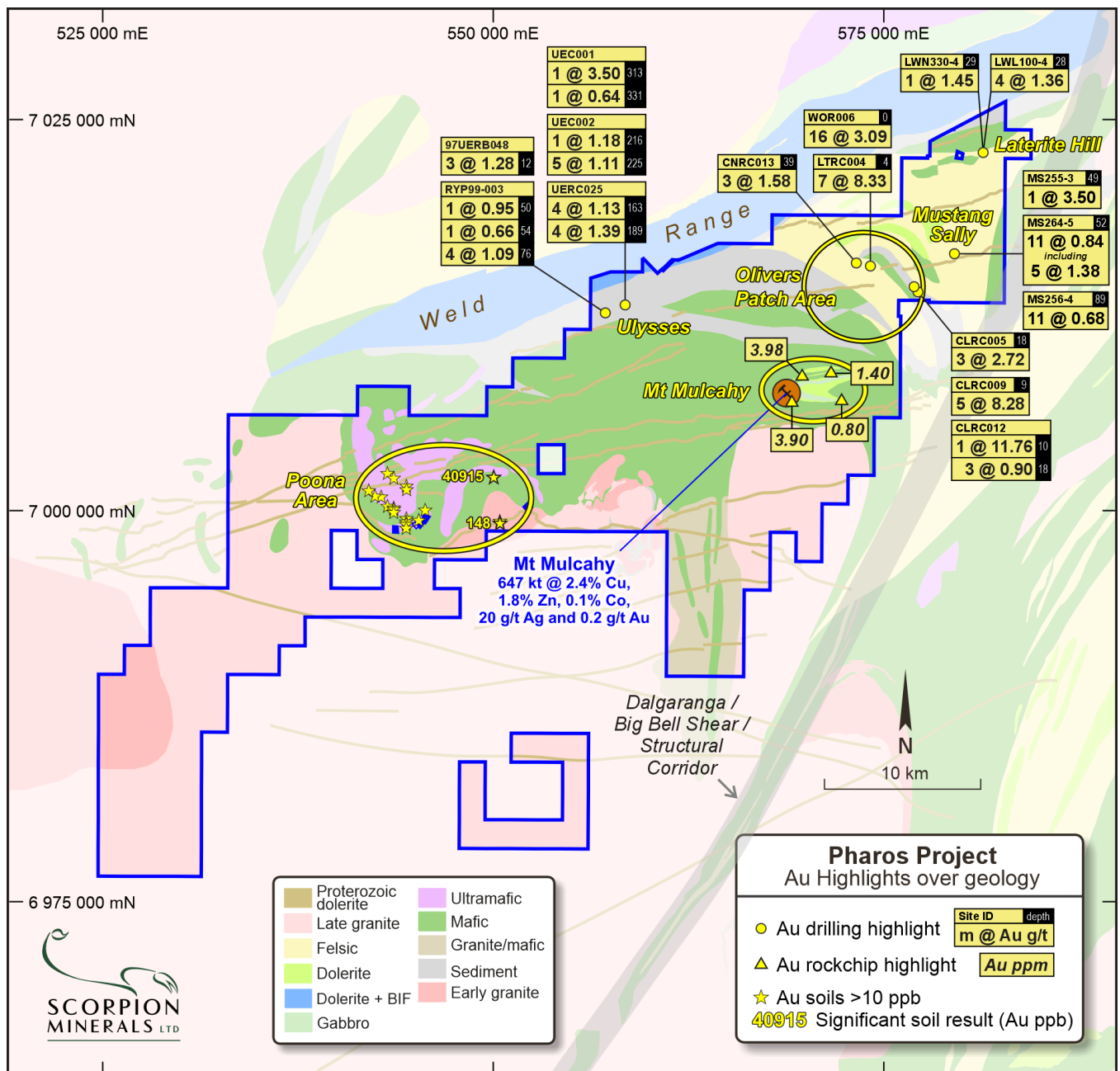


Figure 2: Pharos Project – plan view geology, gold targets, peak soil anomalies, rock chip and drilling results

Mt Mulcahy Copper Prospect, WA (SCN: 100%)

During the quarter, the Company advance its strategy to unlock the value of the Mt Mulcahy Copper prospect within the Company's 100% owned Pharos Project in WA.

Scorpion continues to assess multiple options to progress Mt Mulcahy in a strengthening copper market, with plans to recommence field work also well advanced. Further details on the Mt Mulcahy strategy will be provided in the near-term.

Mt Mulcahy summary – strategic copper asset in a prime location

An existing copper resource has been defined within the South Limb Pod zone of **647,000 tonnes @ 2.4% copper, 1.8% zinc, 0.1% cobalt and 20g/t Ag** (refer Table 1). The review has highlighted the potential scale of the copper-rich Volcanogenic Massive Sulphide (VMS) horizon which extends over 13.5km long and remains open along strike. Multiple untested VTEM conductors have been located within the VMS horizon corridor to a depth of only 300m, with the horizon below this depth untested.

Previous exploration completed by Scorpion and others prior to 2014 included, geological mapping, soil geochemistry, air magnetics, airborne VTEM survey (effective to about 300 metres depth only), percussion drilling (open hole and reverse circulation), diamond drilling and resource modelling/estimation.

A total of 85 holes have been completed for 10,304m from surveyed access to test South Limb Pod and West Copper (2 holes). Historic shallow percussion drilling has only tested to a maximum of 50 metres below surface (mbs) and was ineffective in locating sulphide mineralisation. These percussion holes have been used, where logging is available, to map the extent of the sediment hosted Volcanogenic Massive Sulphide (VMS) mineralisation around the Mt Mulcahy Syncline.

Interpretation of historic results at Mt Mulcahy indicate the VMS horizon is folded along an east-west axis with the south limb dipping north at about 45 degrees and the north limb also dipping north, however more steeply at about 80 degrees. At the West Copper target, two holes were targeted beneath surface oxide copper workings and high-grade copper rock chip samples in an area of structural complexity that is poorly understood.

Mt Mulcahy is interpreted to be in a similar geological setting to Golden Grove with copper dominant mineralisation within a sediment hosted VMS horizon. At Mt Mulcahy historic exploration has been conducted along a 13.5km long zone to a depth of only 50 mbs apart from South Limb Pod and West Copper where drilling has tested to about 250 mbs. This compares to Golden Grove where several recent orebody discoveries along the 16km long VMS corridor are blind and/or extend to depths of up to 2200 mbs.

Corporate

The Company's Annual General Meeting was held on 30 November 2024, with all resolutions put to shareholders being passed.

Listing Rule 5.3.5 disclosures

No payments to related parties and their associates were made during the quarter. Payment of directors' fees has been deferred to later quarters.

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 Project located in the Murchison Province of Western Australia.

Pharos Project

The Pharos Project consists of 924 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).

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 and Pharos 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
E57/1422	WA	Granted	100	Scorpion Minerals Ltd
E04/2785	WA	Pending	0 ³	Scorpion Minerals Ltd

¹ 10% B.R. Legendre

² Application made 30 September 2021

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

E57/1422 at Youanmi was granted on 9 October 2024 (SCN 100% interest).

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

Scorpion's option to acquire a 100% interest in tenements E57/978, E57/1049 and E57/1056 held by Diversity Resources Pty Ltd at Youanmi expired during the quarter without exercise.

➤ *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 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(38)	(132)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	(20)
	(e) administration and corporate costs	(9)	(130)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST refund)	10	80
1.9	Net cash from / (used in) operating activities	(37)	(201)
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 (6 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)	-	-
3.2	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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(98)	(166)
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	(98)	(166)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	136	368
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(37)	(201)
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)	(98)	(166)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1	1

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	1	136
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)	1	136

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	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>Payments to Directors and related parties have been deferred to later quarters.</p>		

7. Financing facilities											
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>											
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>											
	<table> <tr> <th>Total facility amount at quarter end \$A'000</th><th>Amount drawn at quarter end \$A'000</th></tr> <tr> <td>2,500</td><td>1,175</td></tr> <tr> <td>-</td><td>-</td></tr> <tr> <td>-</td><td>-</td></tr> <tr> <td>2,500</td><td>1,175</td></tr> </table>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000	2,500	1,175	-	-	-	-	2,500	1,175
Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000										
2,500	1,175										
-	-										
-	-										
2,500	1,175										
7.1	Loan facilities										
7.2	Credit standby arrangements										
7.3	Other (please specify)										
7.4	Total financing facilities										
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)
	(37)
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)
	(37)
8.4	Cash and cash equivalents at quarter end (item 4.6)
	1
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)
	1,326
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)
	36
<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

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: 31 January 2025

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.