



**SCORPION
MINERALS**
LIMITED

ASX ANNOUNCEMENT

13th August 2020

Drilling to Commence - Pharos Project

HIGHLIGHTS

- 5,000 RC Drilling programme confirmed for Pharos Project
- Programme designed to confirm historical gold intersects and test below mineralised outcrop and historic workings
- Drilling contractor secured under a Drill-for-Equity Agreement
- All approvals in place for first phase of drilling
- First phase of drilling scheduled to commence next week

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Director

Mr Craig Hall
Non-Executive Director

Ms Carol New
*Non-Executive Director,
Joint Company Secretary*

Ms Kate Stoney
Joint Company Secretary

Scorpion Minerals Limited (the Company; ASX: SCN) is pleased to confirm the securing of a drilling contractor to undertake Reverse Circulation (RC) drilling at its Pharos Project located approximately 50kms north west of Cue in the Murchison district of WA, immediately north of its Mt Mulcahy Project (refer Figures 1, 2). The Company has an Option to Acquire 100% of the two exploration tenements comprising the Pharos Project, E20/948 and E20/953, from Element 25 (**ASX: E25**).

The Company has signed a contract with iDrilling Australia to undertake a minimum of 5,000m of RC drilling to be completed during 2020, with an initial programme of 2,500m to commence from next week. All relevant approvals for drilling are in place.

As part of the contract, iDrilling Australia, through its parent company, will subscribe for 2,000,000 shares in SCN at a price of \$0.07 per share, being a value of \$140,000. The shares will be escrowed for a minimum 6-month period from the date of issue, or until such time as invoices to a total of \$140,000 (ex-GST) have been accepted. The shares will be issued under the Company's existing capacity under LR7.1.

The Company considers that Beacon, Candle, Lantern (refer Figures 3, 4) and newly-outlined prospects such as Cap Lamp and Salt Flat (refer Figures 3, 5) contain multiple quartz vein targets similar to "Day Dawn" style mineralisation (refer Figure 1), and is highly encouraged by the open-ended nature of the current prospects.

The proposed RC drilling programme will initially focus on confirming and defining historical intersects of gold in previous drilling, and test below outcrop and workings recently shown to contain gold mineralisation. Twenty-six holes averaging 96m in depth are currently planned, including six holes on two lines at 40m spacing to a maximum of 150m depth to target high grade mineralisation at the Lantern prospect (refer Figure 4).

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In addition RC drilling will also be completed to test mineralised zones at Candle (6 holes), Beacon (2 holes), Atlanta (1 hole), Cap Lamp (6 holes), Salt Flat (3 holes), and Oliver's Patch (2 holes) (refer Figures 4, 5), with holes depths varying between 30-150m.

All approvals are in place to commence drilling next week, with the first phase of the programme estimated to take around two weeks.

The second phase of drilling will include an additional 2,500m of RC drilling and is planned after receipt and interpretation of assays at the conclusion of the current programme, with the intent to extend outlined mineralisation.

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

- ENDS -

Enquiries

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Non-Executive Director

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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 Craig Hall, whom is a member of the Australian Institute of Geoscientists. Mr Hall is a director and consultant to Scorpion Metals 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.

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 Hall. This information was originally issued in the Company's ASX announcement "Maiden Copper-Zinc Resource at Mt Mulcahy", released to the ASX on 25th 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

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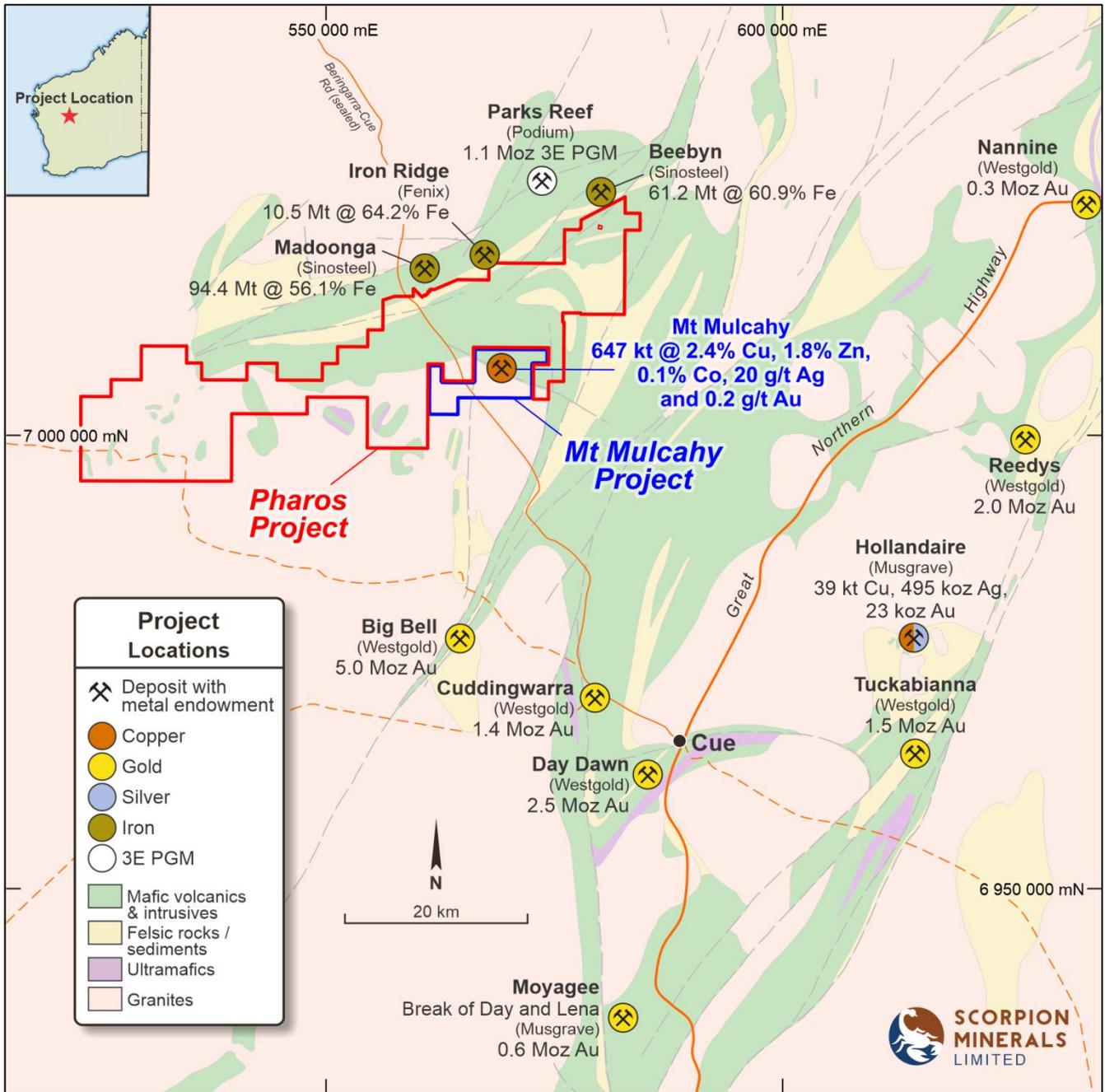


Figure 1 – Location of Pharos and Mt Mulcahy Project in Murchison area, WA, highlighting regional mineral endowment.

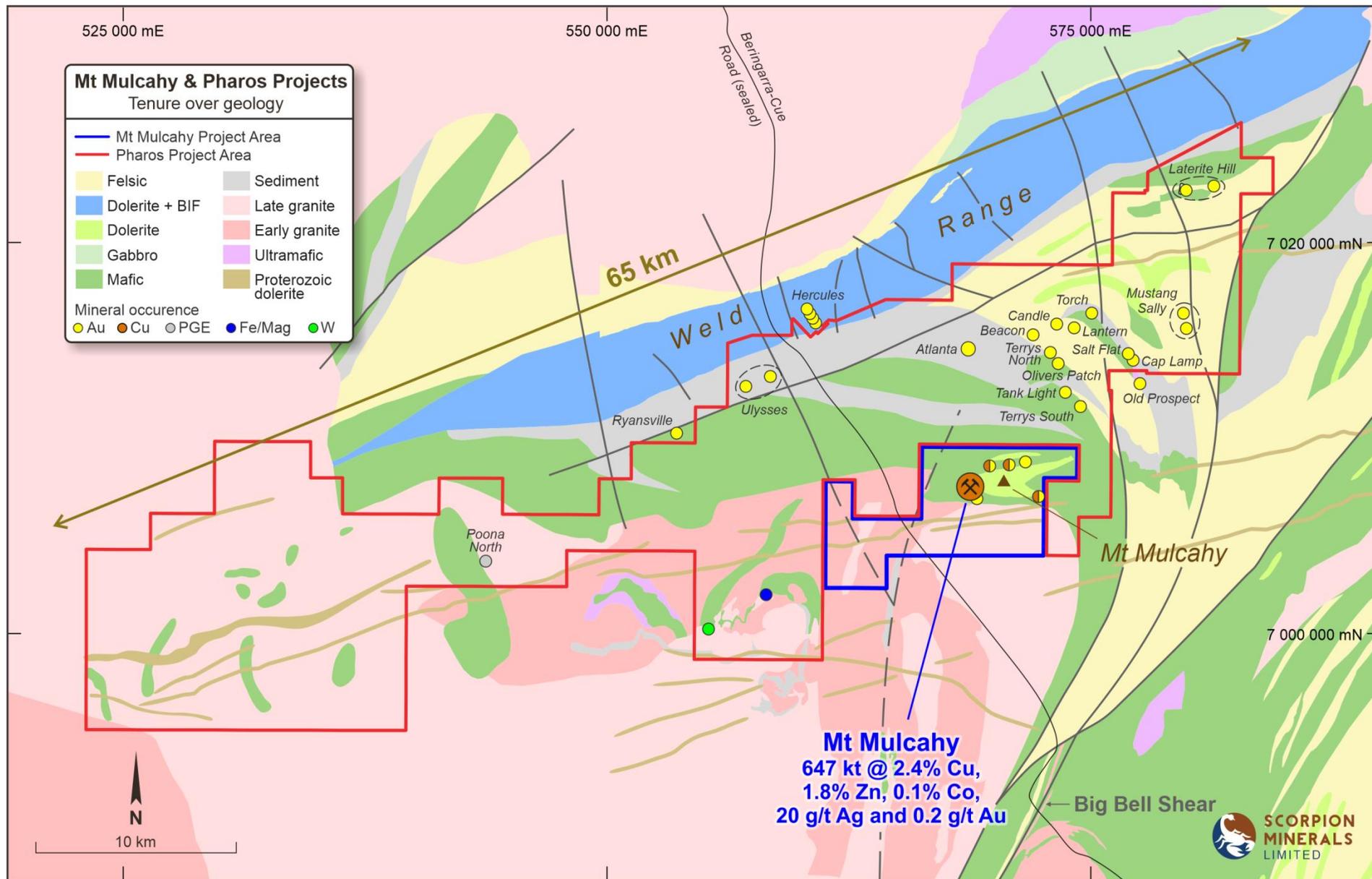


Figure 2 – Location of Pharos and Mt Mulcahy Project, with current gold prospects highlighted

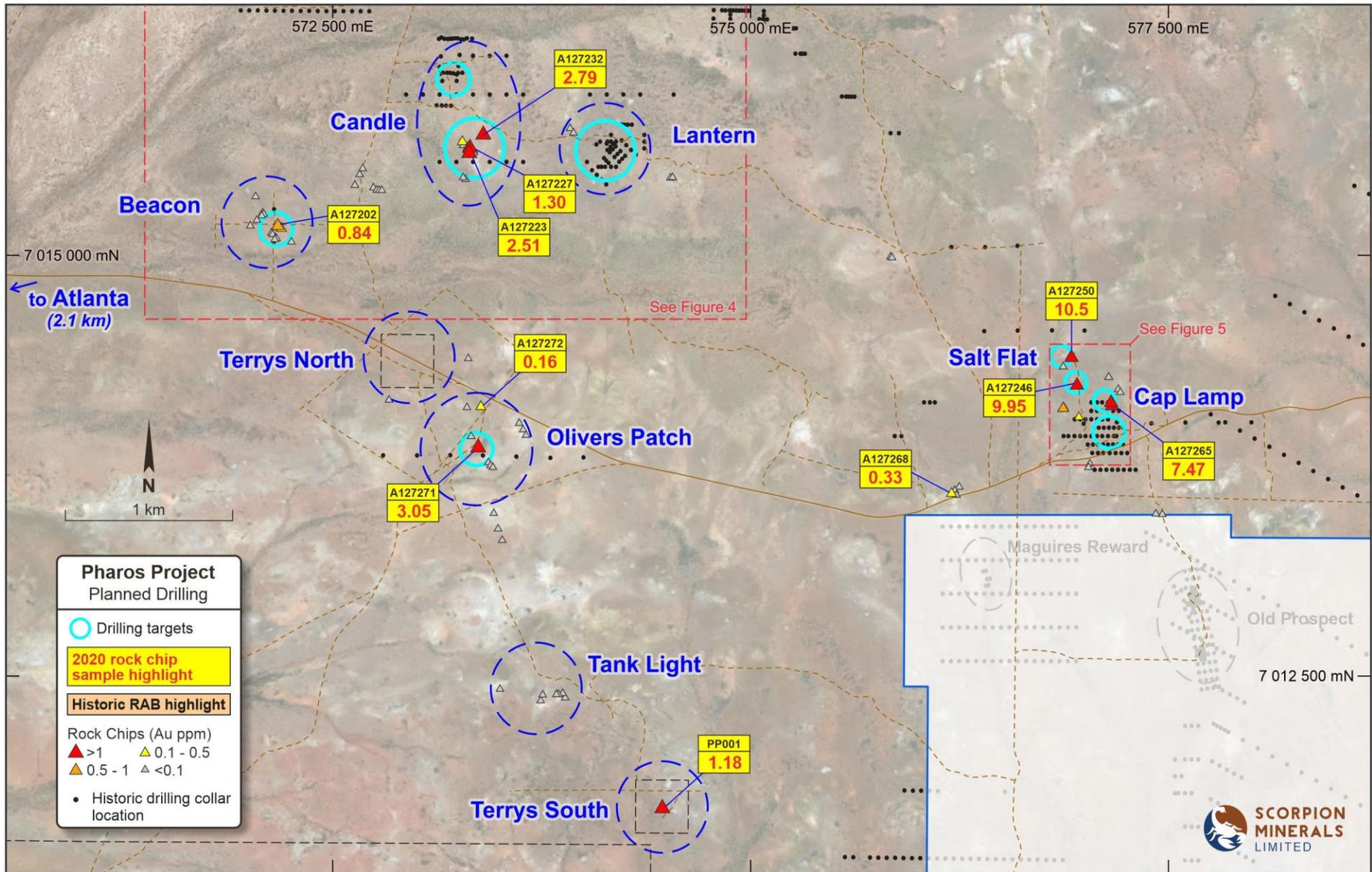


Figure 3 – Location of Pharos advanced prospects

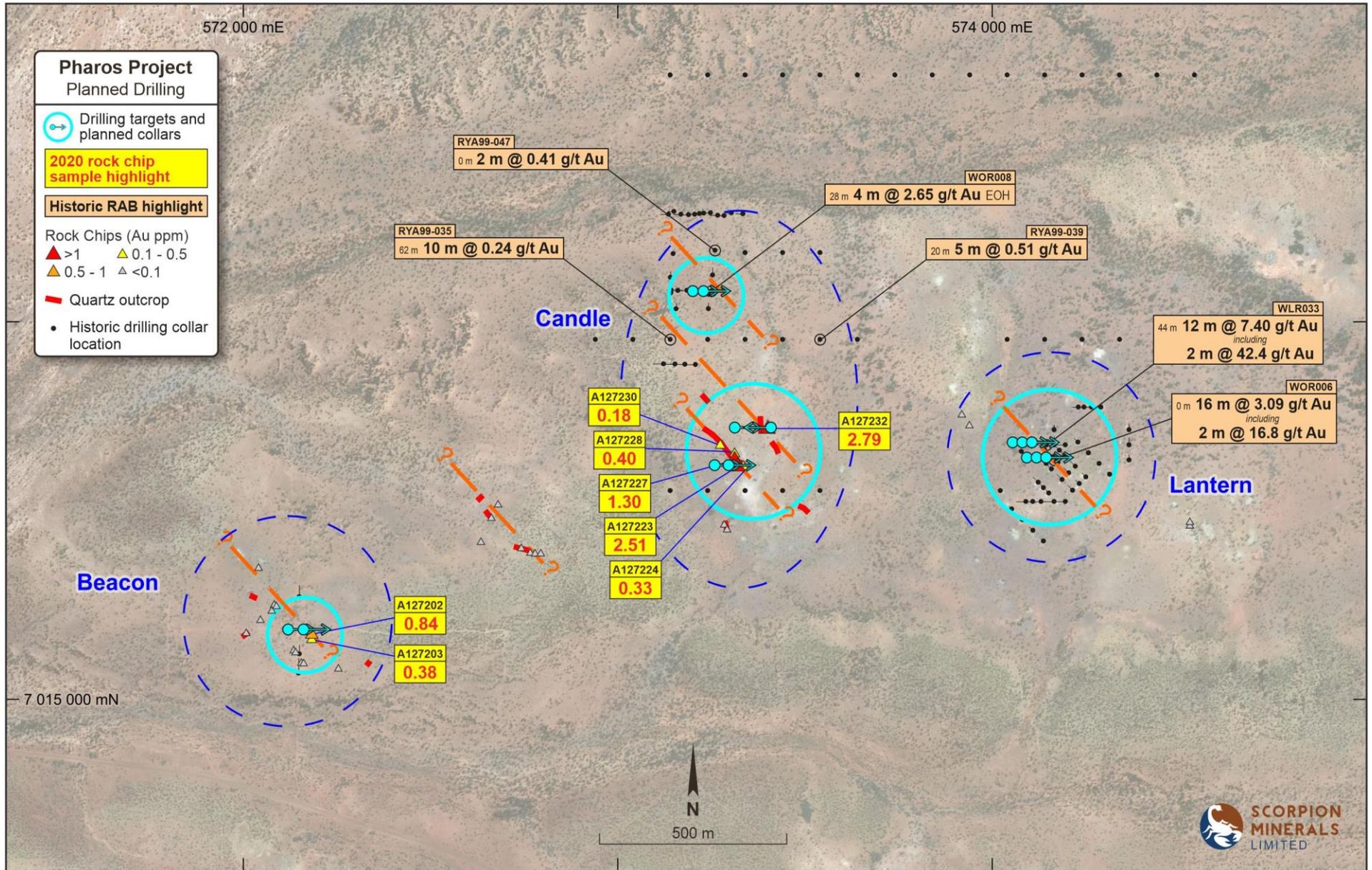


Figure 4 – Beacon, Candle and Lantern Prospects showing Significant Historic Drilling Results, with 2020 rock chip highlights in yellow. Interpreted NW mineralised trend in orange

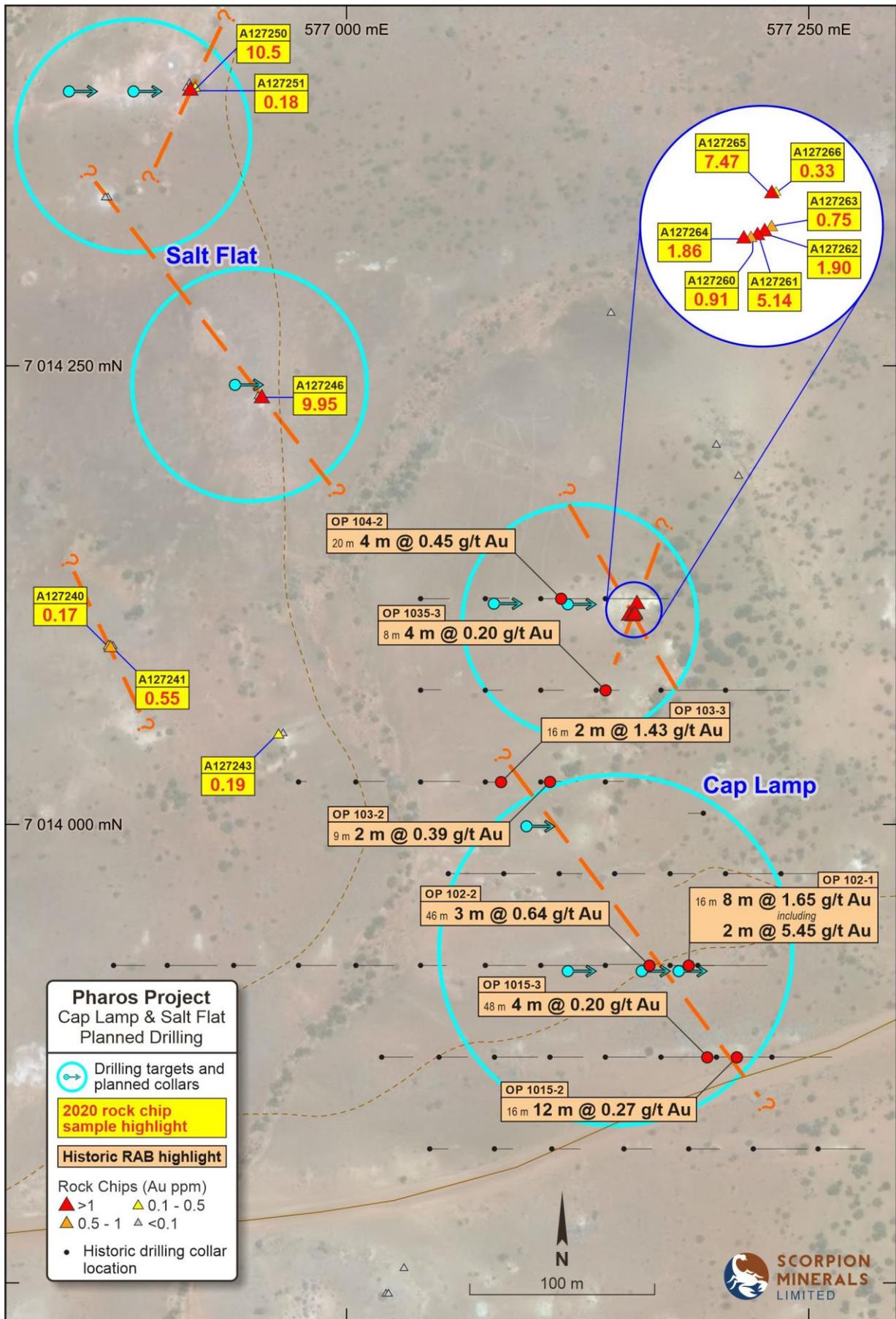


Figure 5 – Proposed drilling at Cap Lamp and Salt Flat prospects, showing significant historic drilling results, with 2020 rock chip highlights in yellow. Interpreted NW and NE mineralised trends in orange.