

23 June 2023



Damian Dinelli  
ASX Listings Compliance  
Level 40 Central Park  
152-158 St Georges Tce  
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Damian

### **Response to ASX Price and Volume Query**

Scorpion Minerals Limited (**ASX:SCN**) (**Scorpion** or **Company**) refers to your letter dated 21 June 2023 requesting further information on the change in price of SCN's securities and increase in volume of SCN's securities (**Letter**).

Utilising the paragraph numbering contained in the Letter, Scorpion advises as follows:

**1. Is SCN aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

On 30 May 2023, the Company announced that it had completed a follow up infill Reverse Circulation (RC) drilling programme at its Youanmi Lithium Project in Western Australia. The Company noted at the time of the announcement that samples had been submitted for analysis and results were expected to be received within 4 weeks. Initial results from this drilling programme were sent by the assay lab to the Company's technical contractor (**Contractor**) on Monday, 19 June 2023 and Tuesday, 20 June 2023. The Company was not aware that its Contractor had received the results until it made enquiries on Wednesday 21 June 2023 following receipt of ASX's Letter. AS at the date of ASX's Letter, the interpretation of this information was incomplete and undergoing review by the Contractor. Assay results for all drilling undertaken by the Company are sent to the Contractor in the first instance for initial review and compilation into a form suitable for consideration by the Board.

The Company has no reasons to believe that confidentiality of the assay results had been lost and does not believe that information regarding the assays received in respect of the infill RC drilling programme and not yet announced could explain the recent trading in its securities. Nonetheless, to ensure full transparency in light of recent trading in its securities, the Company sought to expedite the interpretation and reporting of this information and released the assay results that have been compiled, validated and interpreted to date, onto the ASX market announcements platform earlier today (23 June 2023).

- a. **Please advise whether any samples of the drilling exploration programme that SCN is currently undertaking have been sent to the laboratory? If yes, please provide the exact date on which the drill cores were sent to the laboratories.**

The Company is undertaking a continuous drilling exploration program at the Youanmi Lithium Project and continues to submit samples on a regular basis. The drilling program completed on 28 May 2023 (as announced to ASX on 30 May 2023) comprises 14 holes for approximately 21158 samples, which were sent to the laboratory as follows:

- (i) first batch representing 73% of samples were sent to the laboratory on 26 May 2023. The Contractor received assays from these samples on 19 June 2023 and 20 June 2023; and
- (ii) second batch representing 27% of samples were sent to the laboratory on 6 June 2023. The Contractor is awaiting the assay results from the second batch.

- b. **Please advise whether SCN is expecting any results from the laboratories in relation to its drilling programme and if yes, please advise when the results are expected to be provided to SCN. Please provide detailed information in relation to the timing of these results.**

Initial assay results from the Company's current drilling exploration program were received by the Company's Contractor on Monday, 19 June 2023 and 20 June 2023. The Company was not aware that its Contractor had received the results until it made enquiries on 21 June 2023 following receipt of ASX's Letter.

Upon making enquiries on 21 June 2023 with the Contractor, the Company was advised that the Contractor had received the results (as noted above) and the Contractor was in the process of compiling, validating, assessing and interpreting the information. Out of an abundance of caution following receipt of the Letter, the Company sought to expedite the interpretation and reporting of the assays results, which were released earlier today on the ASX market announcement platform once the Company's internal approval processes had been completed.

- c. **Please advise when was the drilling completed.**

Drilling was completed on 28 May 2023, which was announced by the Company on 30 May 2023.

- d. **Please advise what arrangements (if any) SCN has in place to maintain confidentiality of its assay results? Please provide detailed information.**

The Company deals with a professional laboratory that is aware of the Company's specific confidentiality policies and requirements for delivery of assay results. In particular, results of assays for all drilling will be delivered by the laboratory directly to the Contractor for interpretation and compilation into a form suitable for review by the Board. Thereafter, the Board will ensure timely and accurate announcement of results in accordance with the ASX Listing Rules and JORC Code.

Further, confidentiality protocols and corporate governance policies are adhered to by all directors, employees and contractors in dealing with confidential information such as assay results.

The Company has no reason to believe that confidentiality of the assay information has been lost.

**2. If the answer to question 1 is “yes”.**

- a. Is SCN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in SCN’s securities would suggest to ASX that such information may have ceased to be confidential and therefore SCN may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.**

No. Please see ASX announcement released today, Friday 23 June 2023.

- b. Can an announcement be made immediately? Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt.**

Please see ASX announcement released today, Friday 23 June 2023.

- c. If an announcement cannot be made immediately, why not and when is it expected than an announcement will be made?**

Not Applicable. Please see ASX announcement released today, Friday 23 June 2023.

**3. If the answer to question 1 is “no”, is there any other explanation that SCN may have for the recent trading in its securities?**

The Company considers the following factors could potentially explain the recent trading in its securities:

- the Company released an announcement on 13 April 2023 reporting on assay results from an initial RC drilling programme confirming significant high grade lithium mineralisation at the Youanmi Lithium Project in Western Australia. The recent acquisition of this project, and commencement of exploration activities has been strongly welcomed by shareholders and the Company’s share price has increased steadily since the 13 April 2023 ASX announcement;
- the Company released an announcement on 8 June 2023 regarding the appointment of highly experienced mining industry executive, Michael Fotios as Chief Executive Officer. Mr Fotios is a highly experienced and well-regarded lithium industry expert, and his appointment as CEO has been strongly welcomed by shareholders;
- the enhanced profile of the Company provided by recent positive media exposure focusing on the Company and its activities; and
- strong market sentiment and enhanced profile of lithium explorers with projects in Western Australia, particularly in response to high-grade lithium assays recently announced by GreenTech Metals Ltd (ASX: GRE) at its Ruth Well Project in Western Australia. It should be noted that Mr Fotios has also been engaged by GreenTech as a technical advisor.

4. **Please confirm that SCN is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

Confirmed.

5. **Please confirm that SCN's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an office of SCN with delegated authority from the board to respond to ASX on disclosure matters.**

Confirmed.

Yours faithfully

**Kate Stoney**

Director & Company Secretary



21 June 2023

Reference: 75657

Ms Kate Stoney  
Company Secretary  
Scorpion Minerals Limited

By email

Dear Ms Stoney

**Scorpion Minerals Limited ('SCN'): Price and Volume Query**

ASX refers to the following:

- A. The change in the price of SCN's securities from an intraday low of \$0.068 on 16 June 2023 to an intraday high of \$0.105 today.
- B. The significant increase in the volume of SCN's securities traded from 16 June 2023 to 21 June 2023.

**Request for information**

In light of this, ASX asks SCN to respond separately to each of the following questions and requests for information:

- 1. Is SCN aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
  - (a) Is SCN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in SCN's securities would suggest to ASX that such information may have ceased to be confidential and therefore SCN may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that SCN may have for the recent trading in its securities?
- 4. Please confirm that SCN is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that SCN's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SCN with delegated authority from the board to respond to ASX on disclosure matters.

**When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:00 AM AWST Wednesday, 21 June 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall

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within the exceptions mentioned in Listing Rule 3.1A, SCN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require SCN to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in SCN's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in SCN's securities under Listing Rule 17.3.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SCN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that SCN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

### Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

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**Damian Dinelli**  
Senior Adviser, Listings Compliance