



ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

Scorpion Minerals Limited (ASX: SCN; Company) provides the following review of activities for the quarter ended 30 September 2021.

PHAROS GOLD AND BASE METALS PROJECT

Murchison, WA

During the quarter the Company continued activities at its 100% owned Pharos tenements in the Murchison region of Western Australia (refer Figure 1). With a strategic land package of 640km² Pharos hosts a multitude of commodity targets prospective for iron ore, copper, PGE-Ni-Cu and gold.

TARGET AREAS BY COMMODITY – PHAROS PROJECT

Gold

During the quarter the Company completed 16 Reverse Circulation (RC) holes drilled for a total of 1,134m to a maximum depth of 145m in North-South drill sections at Beacon, Candle, Candle North and Lantern, and two East-West sections at Cap Lamp. The holes were designed to scissor historic intersections to determine strike and dip of the high-grade structures. A single section was drilled at each target, apart from at Lantern and Candle where two sections were completed.

Most drill holes intersected significant dolerite-hosted structures with associated quartz veining, alteration (silica-carbonate-chlorite-pyrite-arsenopyrite) and/or the weathered remnants. Regional alteration (carbonate-chlorite) of the dolerite host rocks was also noted. Prospects contain multiple shear zone-hosted quartz vein targets within altered dolerite similar to “Day Dawn” style mineralisation. Recent receipt of detailed aeromagnetic imagery and aerial photography is assisting the Company’s ongoing exploration programme.

Post-quarter end, the Company released results from the RC programme, which confirmed a new shallow high-grade zone confirmed at Cap Lamp, with a best result of **1m @ 11.76 g/t Au from 10m** in quartz veining within Hole CLRC012. Further drilling is planned at Cap Lamp, which is open to the west and North.

Scorpion’s priority targets within Pharos include the Oliver’s Patch Area, (containing the Candle, Lantern and Cap Lamp prospects), Ulysses, Mustang Sally and Laterite Hill.

Significant previous gold drilling results include:

- | | | | |
|---|----------------------------|----------|------------|
| • | 12m @ 7.40 g/t Au from 44m | Lantern | (Historic) |
| • | 16m @ 3.09 g/t Au from 16m | Lantern | (Historic) |
| • | 7m @ 8.33 g/t Au from 4m | Lantern | (SCN-2020) |
| • | 5m @ 8.28 g/t Au from 9m | Cap Lamp | (SCN-2020) |

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Chair

Mr Craig Hall
Non-Executive Director

Ms Kate Stoney
Non-Executive Director,
Company Secretary

SCORPION MINERALS
LIMITED

ABN 40 115 535 030
24 Mumford Place
Balcatta WA 6021

T: +61 8 6241 1877
F: +61 8 6241 1811

www.scorpionminerals.com.au

Results at Beacon, Candle, Candle North and Lantern prospects confirmed the newly interpreted orientation of high-grade structures.

Cap Lamp Prospect Drilling Discussion

The Cap Lamp prospect consists of a line of shallow workings (<5m depth) oriented NNE-SSW covering some 150m of strike (refer Figure 4). A compilation of historical RAB drilling results and soil geochemical sampling confirms the mineralised trend. Channel sampling of west-dipping veining in the only easily accessible surface working returned multiple high grade values with an approximate average value of 2.1 g/t Au over approximately 5m length, with a maximum value of 7.5 g/t Au returned from the north face of the working in a one metre wide quartz vein.

Eight holes (CLRC001-008) for 532m were completed on four 40m spaced sections in Phase 1 drilling in 2020, along with a deeper drill traverse 80m further south, east of the line of workings. A single hole for 30m (CLRC009) on the northern section was completed in Phase 2.

A significant result of **5m @ 8.28 g/t Au** from 9m was returned in CLRC009, which was open to the north and west (refer Figures 4, 5 and 7). A down-dip result of **3m @ 2.72 g/t Au** was returned from CLRC005, and near surface mineralisation was noted in CLRC006 further west.

Four additional RC holes (CLRC010-013) for 245m were completed during 2021 on the northernmost section at Cap Lamp, and on an infill section 20m south (refer Figure 4).

A best result of **1m @ 11.76 g/t Au from 10m** in hole CLRC012 was recorded on the infill section (refer Figure 6), in distinctive quartz veining, along strike from the high grade result in CLRC009 (refer Figure 5). In addition, continuity of the mineralisation was noted in all holes drilled.

High grade shoot development with a northerly plunge is interpreted at Cap Lamp (refer Figure 7). Future drilling will be prioritised to define the extent of the mineralisation down-dip and further along strike to the North, which has never been drilled.

This drilling requires Heritage Clearance from the Native Title Party, as the area was not completed in the time available during the original survey period. This work is currently planned for November and December, along with additional clearances for other planned drilling at Pallas, Mt Mulcahy and Scorpion/Fenix iron ore JV prospects.

Lantern Prospect Drilling Discussion

The Lantern prospect includes significant intersects previously recorded by Rotary Air Blast (RAB) drilling of **12m @ 7.4 g/t Au, including 2m @ 42.4 g/t Au** in RAB hole WLR033; and **16m @ 3.1 g/t Au, including 2m @ 16.8 g/t Au** in RAB hole WOR006.

Drilling was targeting sub-vertical to West dipping structures, oriented NW-SE crosscutting an approximately East-West oriented stratigraphic sequence of dolerite with thin (ca. 1m-3m width at surface) intercalated Banded Iron Formation (BIF) horizons. This structural orientation was based on the high-grade results in WLR033 and WOR006 interpreted as being hosted by the same structure.

Six RC holes (LTRC001-006) for 696m were completed on two East-West sections 40m apart as part of Phase 1 drilling. Drilling defined a significantly weathered profile oxidised to around 75m depth, with primary rock around 10m-15m further down. Quartz veining was intersected throughout the weathering profile hosted by dolerite or its sheared/altered counterparts.

A significant high grade result of **3m @ 18.0 g/t Au** from 4m was returned from drill hole LTRC004, within a larger intercept of **7m @ 8.33 g/t Au** from 4m (using a 0.5 g/t Au lower cut), in proximity to high-grade from the historic intersect of **2m @ 16.8 g/t Au** from 8m in hole WOR006.

Significant mineralised sulphide and veining was observed on sheared contacts between dolerite and intercalated BIF including a deep intersection in LTRC003 (**6m @ 0.85g/t Au from 148m**). This interval was extremely sulphidic and affected by high water flow and possible poor sample recovery. Re-splitting and duplicate sampling of this interval returned values of 1.1 and 1.4 g/t Au over the same interval.

Phase 2 drilling 'scissored' the Phase 1 drilling to test a possible east-dipping mineralisation control. Seven holes (LTRC007-013) on 3 x 40m sections for 820m advance were completed to a maximum depth of 200m. Following interpretation of results, the mineralising target structure (T1) was interpreted in a WNW-ESE orientation, dipping sub-vertically, predominantly to the north.

Drilling conducted during 2021 consisted of shallow drilling on N-S oriented drill fences testing for both a north and south-dipping control. Results indicated moderate anomalism encountered in the vicinity of previous high grades, with support for the T1 interpretation, with a best result of 1m @1.99 g/t Au from 53m returned in hole LTRC017.

Further work includes accurate collar and downhole surveying to better define the mineralisation before drilling additional targets in the area, such as an interpreted parallel structure (T2) adjacent to an untested **3,100 ppb** soil anomaly approximately 150m north of the T1 zone.

Candle Prospect Drilling Discussion

The Candle Prospects were highlighted from multiple anomalous rock chip samples to a maximum of 2.79 g/t Au taken from historically unsampled dolerite-hosted quartz outcrops oriented NW-SE. The newly discovered zones at Candle were some 375m-475m south of a historical RAB drilling highlight of 4m @ 2.65 g/t Au from 28m to the bottom of hole in WOR008.

The Company drilled six holes (CNRC001-006) for 594m on three sections in Phase 1 drilling, with two holes per section line 100m apart targeting the outcrop in the south, and two holes on a single section targeting mineralisation highlighted by the historical result in WOR008 (Candle North). A further three holes for 370m (CNRC007-009) were completed in Phase 2, with a single hole scissored back on each section against the Phase 1 drilling to better assess the dip of expected mineralisation.

At Candle, hole CNRC002 in the second section intersected 7m of mineralised dolerite from 101m to the end of hole at 108m, including 2m @ 1.34 g/t from 106m, and hole CNRC009 returning 1m @ 2.08 g/t from 55m in prospective geology in the northernmost section.

Results were re-assessed with consideration to the postulated T1 structural orientation interpreted at Lantern, and five holes (CNRC010-014) for 486m were drilled in two areas, Candle North and Candle, on two north-south sections scissoring previously encountered gold mineralisation.

At Candle North, shallow scissor drilling returned a best result of 3m @ 1.58 g/t Au from 39m in hole CNRC013, in proximity to the result in WOR008. The Company will complete step out sectional drilling targeting the T1 orientation (WNW-ESE) to test the extent of the mineralised structure down dip and along strike. The Candle North target is located in an area of no outcrop where soil cover is interpreted to extend to a depth of 2m to 3m.

At Candle, holes intersected significant dolerite-hosted structures with associated quartz veining, and silica-carbonate-chlorite-alteration, with associated arsenopyrite-pyrite mineralisation. Despite the

intensity and width of alteration, and notable arsenopyrite, results were not able to outline significant gold mineralisation, with a best result of 0.76 g/t Au in hole CNRC010 within a corresponding arsenic anomaly, in the vicinity of the result from CNRC002.

The Company remains encouraged by the style and nature of mineralisation at Candle, which is associated with strong alteration and warrants further investigation. Further work includes accurate collar and downhole surveying to better define the mineralisation before drilling additional targets in both areas.

During the quarter the Company also released a review of potential high-grade gold potential at Ulysses, where Hill 50-style gold mineralisation models have long been considered possible but not effectively tested by previous exploration (refer Figures 10 & 11 and Tables 4 & 5). In addition, there is significant potential for gold mineralisation within shear zones and vein style targets hosted within the adjacent mafic volcanics/intrusives. Improved aeromagnetic data has recently been received, providing information that will allow modelling of structurally controlled gold targets.

Beacon Prospect Drilling Discussion

The Beacon prospect was defined on the back of two anomalous rock chip samples to a maximum value of 0.84 g/t Au earlier this year, and surface nugget distribution in the proximal area. Two RC holes for 200m were drilled 40m apart as an initial test of a larger planned East-West traverse to be extended further to the west. Drilling encountered a variably silicified and veined shear within a strongly carbonate-altered dolerite. The intensity and style of alteration intersected was considered to be proximal to mineralisation. In 2021, the Company completed an additional two holes (BCRC003-004) for 203m scissoring the initial target area, with additional encouraging alteration noted. Some weakly anomalous gold (sub 0.1 g/t Au) was noted with alteration.

Iron Ore (Fenix JV)

Scorpion has entered into a joint venture with Fenix Resources Limited to explore for iron ore within the company's tenements. Fenix can earn 70% of the iron ore rights by sole funding exploration and resource definition drilling to identify up to 10 million tonnes. Alternatively, Fenix can earn 70% of a portion of the tenements by funding a feasibility study on a resource of at least 1 million tonnes of iron ore.

During the quarter the Company released a review of available air magnetic surveys identifying two target areas on the southern flank of the Weld Range at Iron Ridge Extension and Ulysses (refer Figures 8 and 9). Further interpretation of historic air core, reverse circulation (RC) and diamond drilling highlighted that previous work at Ulysses targeted gold and base metal geochemical anomalies that also intersected significant widths of Banded Iron Formation (BIF) beneath an area of cover to the south of the Weld Range. No assaying for iron was undertaken during this previous work.

Further evaluation of the historic drilling at Ulysses has enabled the accurate location of the prospective iron formation and expedited the planned RC drilling programme that will target the oxidised iron formation from the surface to a depth of 100m. Drill logging has identified a strong oxidation profile at Ulysses to at least 100m depth (Figure 11).

Historic interpretation of magnetic data by consultant geophysicists in 1990 and again in 2010, remodelled after completion of a detailed 50m line-spaced helimag survey, identified several strong negative anomalies at the Iron Ridge Extension prospect. This type of anomaly was caused by reversely magnetised material of the Very Strongly Ferromagnetic type (VSFM) and it is likely that these reversely polarised features are VSFM material such as magnetite or hematite.

The area remains inadequately tested for its iron ore potential and the newly identified VSFM targets will be the focus of further evaluation and an RC drill programme.

Improved aeromagnetic data and imagery has recently been received, aiding in detailed definition of the Iron Ridge Extension and Ulysses iron targets. The Company, in conjunction with Fenix and the Native Title Party are currently planning archaeological and ethnographic surveys of the complete Iron Ridge Extension and Ulysses targets for early November, prior to planned RC drilling of priority areas.

PGE-Ni-Cu

Significant PGE mineralisation has been identified in the region at the Parks Reef project located north of Mt Weld and operated by Podium Minerals. The Company has identified significant anomalies related to mafic/ultramafic intrusives identified by base metal exploration completed in the 1960's that was focussed on VMS Cu-Zn-Ag-Au mineralisation and are considered prospective for PGE-Ni-Cu mineralisation (refer Figure 8).

During the quarter the Company identified three high priority PGE-Ni-Cu Targets within the Pharos Project that are summarised below:

- Three PGE-Ni-Cu targets identified at Pallas, Glen Nickel and Mt Mulcahy South
- Geophysical (EM) anomalies located adjacent to Pallas PGE-Ni-Cu target
- Highly anomalous rock chip samples up to 1050ppm Ni and soil anomalies >700ppm Ni identified at Glen Nickel
- Highly anomalous rock chip results up to 3900ppm Ni and soil anomalies up to 960ppm Ni identified at Mt Mulcahy South

Drilling of priority targets, in particular Pallas, is planned to commence upon obtaining all necessary approvals. Other planned work includes reprocessing of and/or data capture of historic EM or IP surveys.

Pharos Project Planned Exploration Activities

The Company is now in receipt of detailed aeromagnetic imagery for the complete project area (refer Figure 2 base image), which vastly improves understanding on certain mineralisation controls in the area and allows for improved targeting and drill planning. This is in addition to the expected imminent receipt of high-resolution aerial photography, recently flown over the area. The Company intends to use both datasets heavily as it targets additional commodities across its tenure.

The following activities are planned to take place over the next few months, which are planned to proceed after receipt of Preliminary Advice from the Native Title Party following completion of planned Aboriginal Heritage Surveys and receipt of other statutory approvals:

1. Heritage Survey and Clearance, various areas
2. RC drill testing (~1000m programme) of Iron targets identified; Fenix JV
3. RC drill follow up Pharos gold targets (approx. 500m)
4. RC drill test of Pallas Ni-Cu-PGE target (approx. 200m)
5. RC pre-collaring of diamond holes- Mt Mulcahy (approx. 500m)
6. Diamond tail drilling at Mt Mulcahy (~250m)

For additional background on Pharos Project information please refer to ASX releases:

25/06/2020	<i>"Pharos Project Exploration Update"</i>
09/07/2020	<i>"High Grade Gold Rock Chips - Pharos Project"</i>
13/08/2020	<i>"Drilling to Commence – Pharos Project"</i>
31/08/2020	<i>"Commencement of Drilling - Pharos Project"</i>

28/09/2020	<i>"High Grade Gold Confirmed at Lantern - Pharos Project"</i>
08/10/2020	<i>"Phase 2 RC Drilling Commenced- Pharos Project"</i>
02/11/2020	<i>"Priority PGE Ni-Cu Targets – Pharos Tenement"</i>
24/11/2020	<i>"Further High-Grade Gold Results – Pharos Project"</i>
08/02/2021	<i>"Term Sheet – Iron Ore Rights at Pharos"</i>
08/04 2021	<i>"PGE-Ni-Cu Targets Identified at Pharos Project"</i>
28/04/2021	<i>"Fenix Iron Ore JV Update – Pharos"</i>
16/06/2021	<i>"Pallas PGE-Ni-Cu Target – Pharos"</i>
23/06/2021	<i>"Multiple Commodity Targets Identified at Pharos"</i>
13/07/2021	<i>"Fenix Iron Ore JV and Pallas PGE Target Exploration Update"</i>
21/07/2021	<i>"Iron Ore Targets Advanced and Drilling Expedited – Fenix JV"</i>
12/08/2021	<i>"RC Drilling Commences at Pharos Gold Targets"</i>
23/08/2021	<i>"Completion of Drilling at Pharos Gold Targets"</i>
20/10/2021	<i>"New Shallow High-Grade Gold Zone Confirmed at Cap Lamp"</i>

MT MULCAHY COPPER PROJECT

Murchison, WA

Geology Discussion

The Mt Mulcahy project in Western Australia (refer Figures 1 and 2) hosts the Mount Mulcahy copper-zinc deposit, a volcanic-hosted massive sulphide (VMS) 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 PUN:ASX release 25 September 2014 and Table 3) at the 'South Limb Pod' (SLP). The tenement containing the SLP is now in its second year of grant (refer ASX:SCN "*Mt Mulcahy Exploration Licence Granted, 16 September 2019*"). The Company noted the following highlights in that release:

Contained metal at the SLP resource of:

- **33.5M pounds (15,200 tonnes) of Cu,**
- **26.3M pounds (11,800 tonnes) of Zn,**
- **1.35M pounds (600 tonnes) of Co,**
- **415,000 ounces of Ag, and**
- **5000 ounces of Au**
- **87% of tonnes & 91% of Cu, Zn and Ag metal content classified Measured + Indicated.**
- **Significant intercepts from the historic drilling at SLP include:**
 - 6.8m @ 4.9% Cu, 3.7% Zn, 0.16%Co, 39g/t Ag, and 0.19g/t Au***
 - 10.2m @ 4.5% Cu, 4.0% Zn, 0.17%Co, 33g/t Ag, and 0.18g/t Au***
 - 12.4m @ 3.1% Cu, 2.3% Zn, 0.10%Co, 28g/t Ag, and 0.21g/t Au***
 - 11.3m @ 4.9% Cu, 4.2% Zn, 0.16%Co, 44g/t Ag, and 0.57g/t Au***

The folded horizon hosting the SLP VMS mineralisation forms a regional keel, where the surface expression can be traced for a distance of at least 12km along strike and excellent potential exists for additional mineralisation to be discovered along this prospective horizon. Twenty untested targets have been identified along strike of this horizon using a combination of VTEM and soil geochemistry. These targets have characteristics similar to the SLP and are considered prospective for VMS base metal accumulations. The Company maintains plans for extensional diamond holes targeting down dip and plunge of the current resource.

Gold targets within E20/931 are continually being evaluated in conjunction with the base metal prospectivity. A north-south trending Big Bell Shear splay is interpreted to pass through the western side of the licence area and auger soil geochemistry is planned to test for targets to be followed by RC drill testing of any anomalies defined by the programme. No active field work was undertaken during

the quarter. The Company is planning a heritage clearance of a drill line for planned RC pre-collar and subsequent diamond tail drilling.

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

CORPORATE

Placement to raise funds

During the quarter the Company announced that it completed a placement of 10,763,333 fully paid ordinary shares to new and existing sophisticated investors that raised \$807,250 before costs. The allotment of the new shares was not subject to shareholder approval and will fall within the Company’s existing placement capacity.

Drill for Equity

SCN also agreed to issue an additional 1,500,000 shares to iDrilling under a drill for equity arrangement on the same terms as the placement. SCN will then use iDrilling to complete upcoming drill programmes across the Pharos Project up to an amount of \$112,500 with any additional drilling costs to be paid in cash. The Company issued these shares post-quarter end, on 25 October 2021.

Conversion of Debt

As previously reported (ASX:SCN 8 June 2021 “Debt Arrangement Update”), SCN agreed with its lenders to convert a portion of its outstanding debt to equity in the Company at the same price as future placements in order that the lender maintains its position on the register. As part of this new placement a total of 3,600,000 new fully paid ordinary shares in the Company was to be issued to the lenders to extinguish \$270,000 of the outstanding loan balance subject to shareholder approval at the upcoming Annual General Meeting. The loans and variations to them have previously been announced by the Company on 26 October 2017, 27 September 2018, 18 October 2018, 13 March 2020 and 29 September 2020.

GUIDANCE NOTE 23 DISCLOSURES

Payments to related parties

The amount of payments to related parties and their associates disclosed in section 6.1 of Appendix 5B accompanying this report was \$47,727. These payments were made to Directors for company secretarial fees and consulting fees.

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

- ENDS -

Enquiries

Bronwyn Barnes

Non-Executive Chair

T +61 (0) 417 093 256

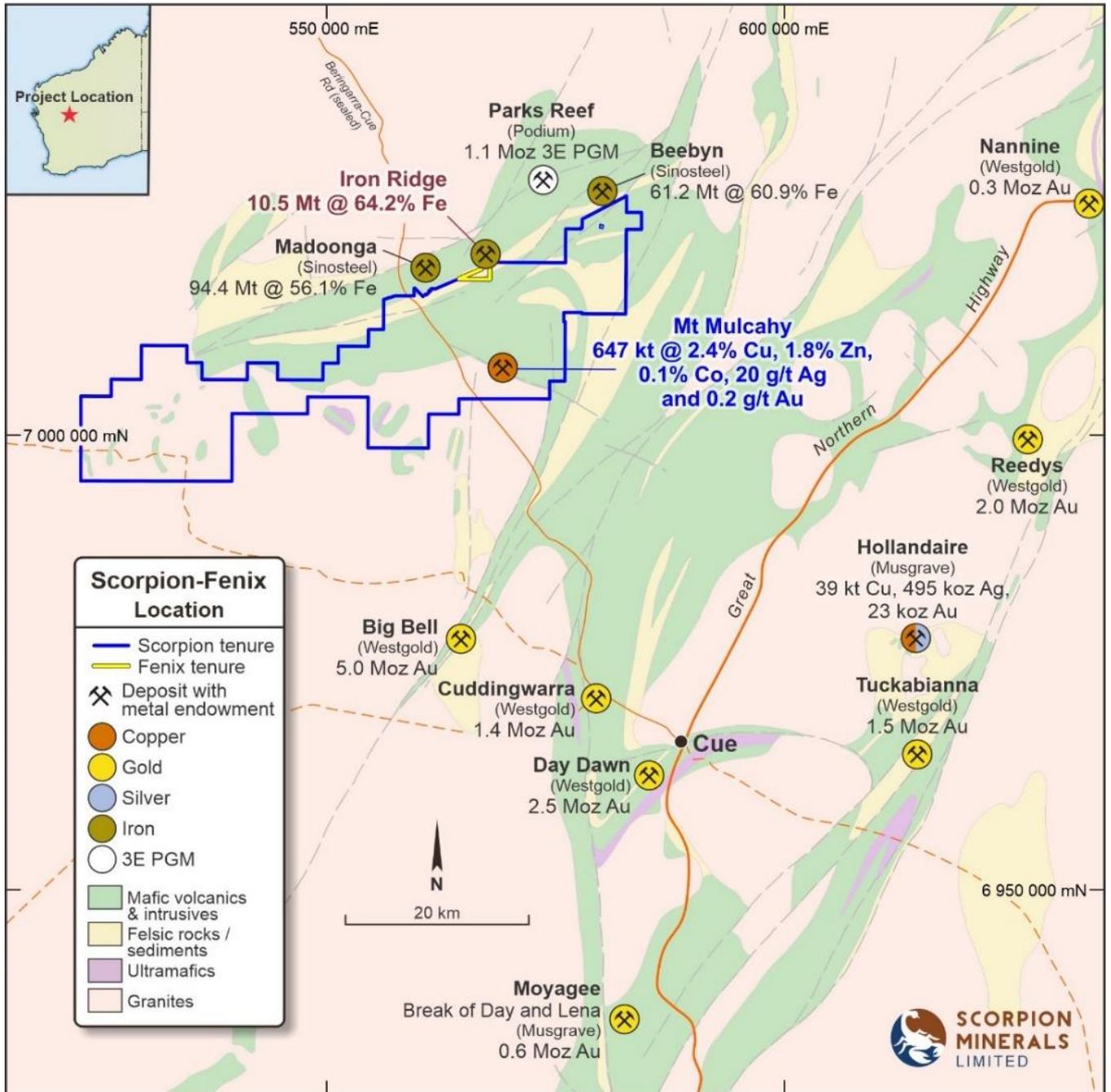


Figure 1 – Location of Pharos Project in Murchison area of WA, highlighting regional mineral endowment

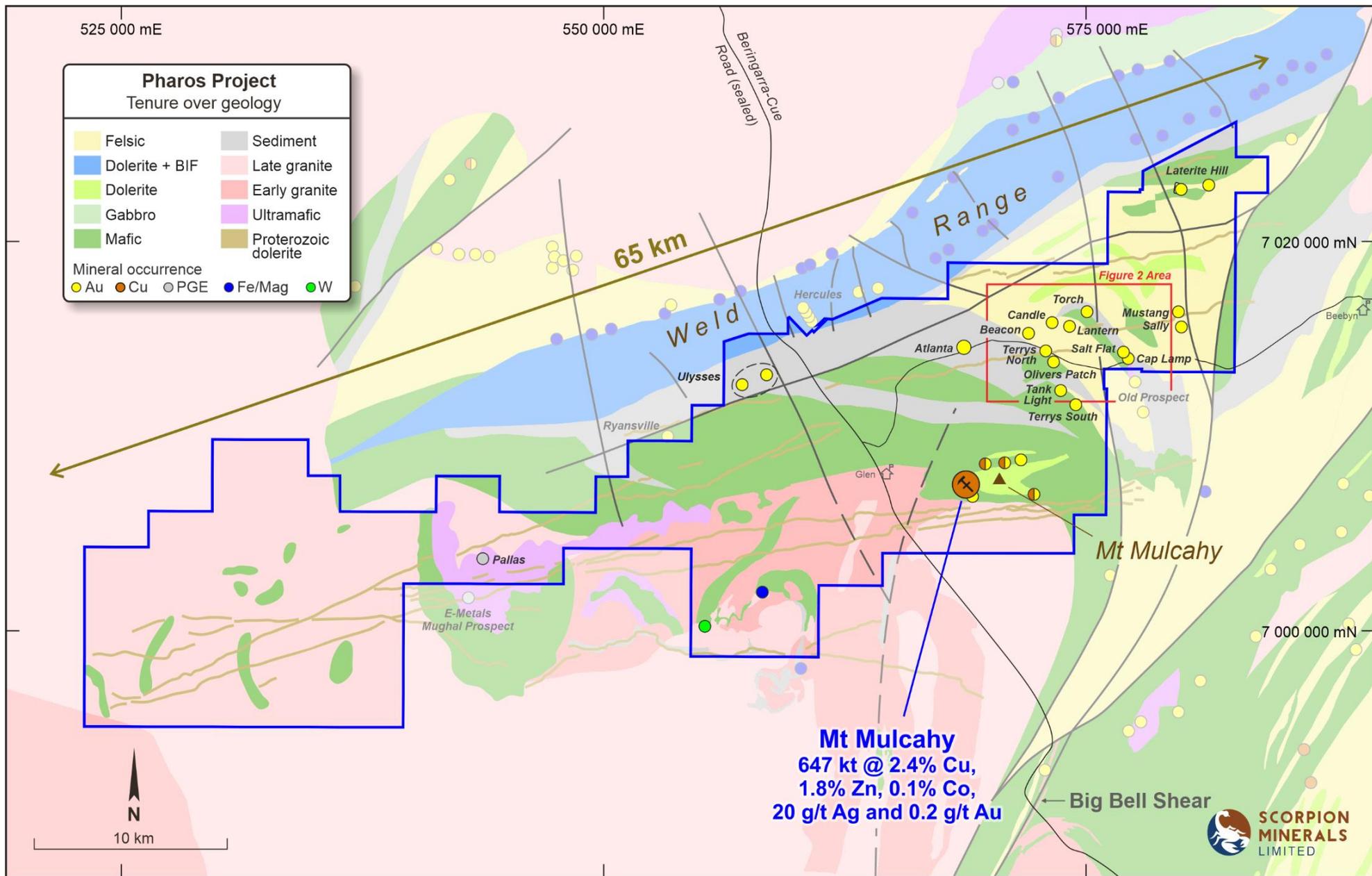


Figure 2 – Scorpion Minerals Limited 100% owned Pharos Project, overlain on regional geology with named prospects

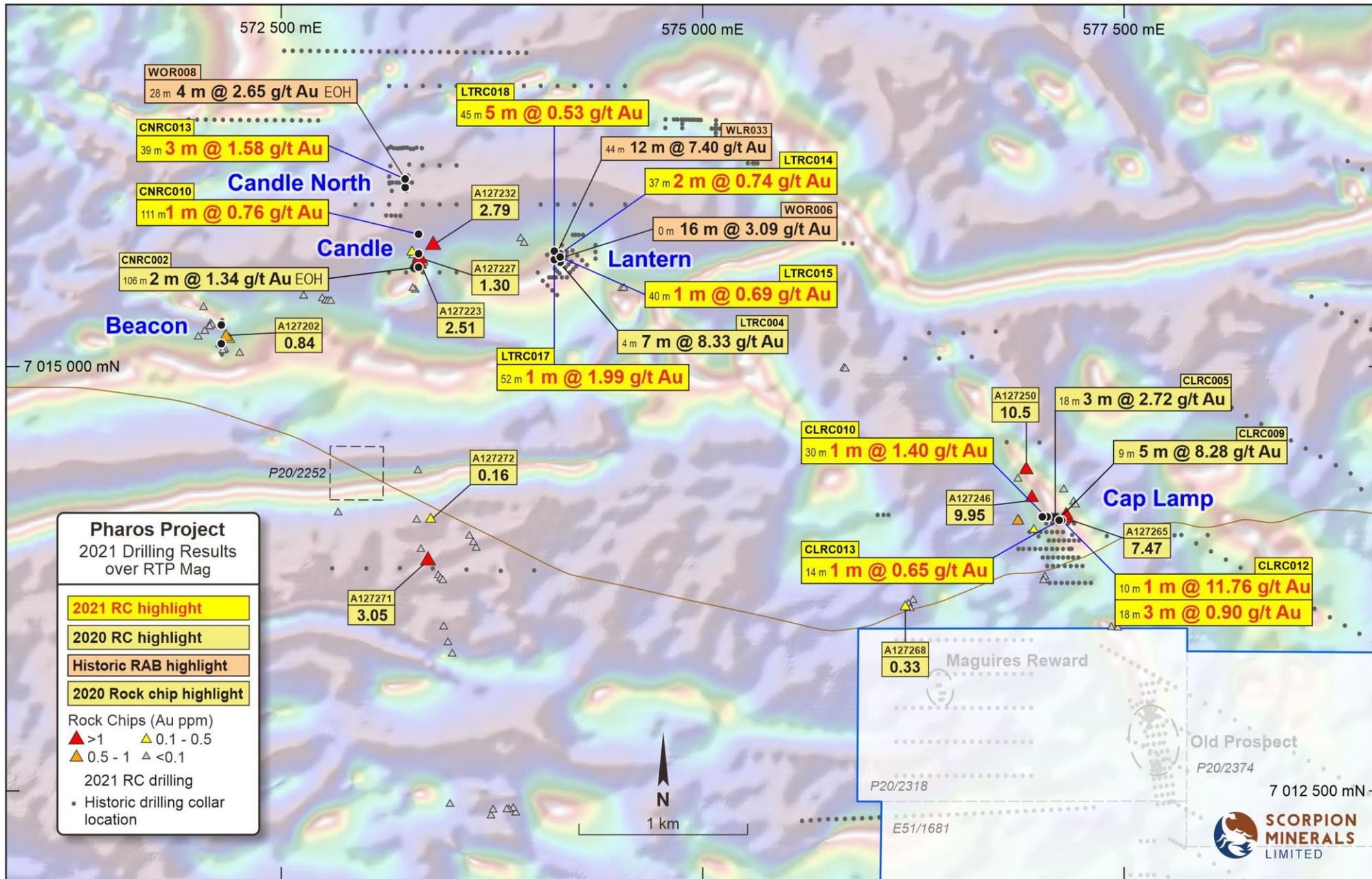


Figure 3 – 2021 RC Drilling Highlights Location Plan, overlain on newly acquired RTP magnetic imagery

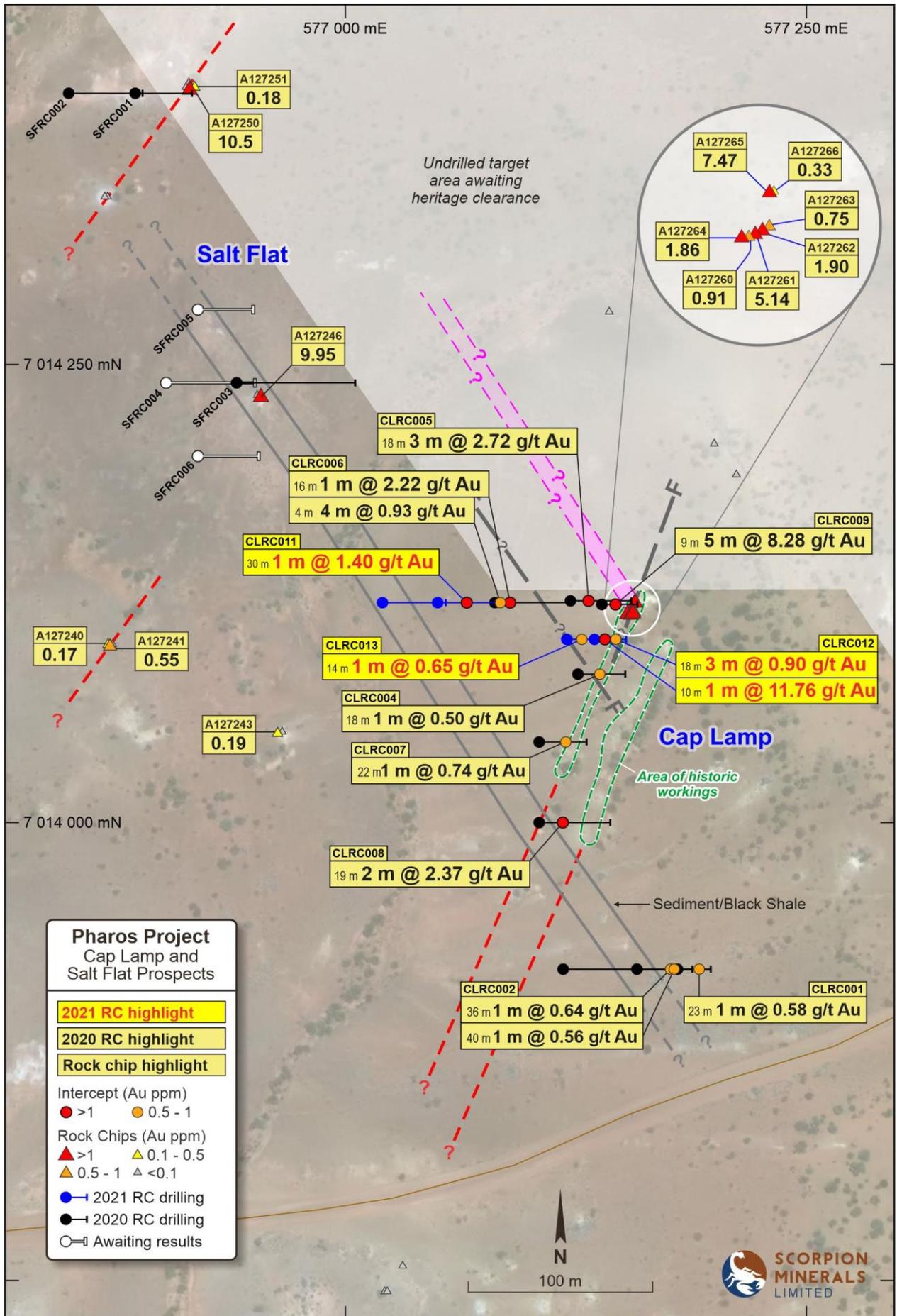


Figure 4 – Cap Lamp RC Drill plan, highlighting Cap Lamp Extension target zone in magenta

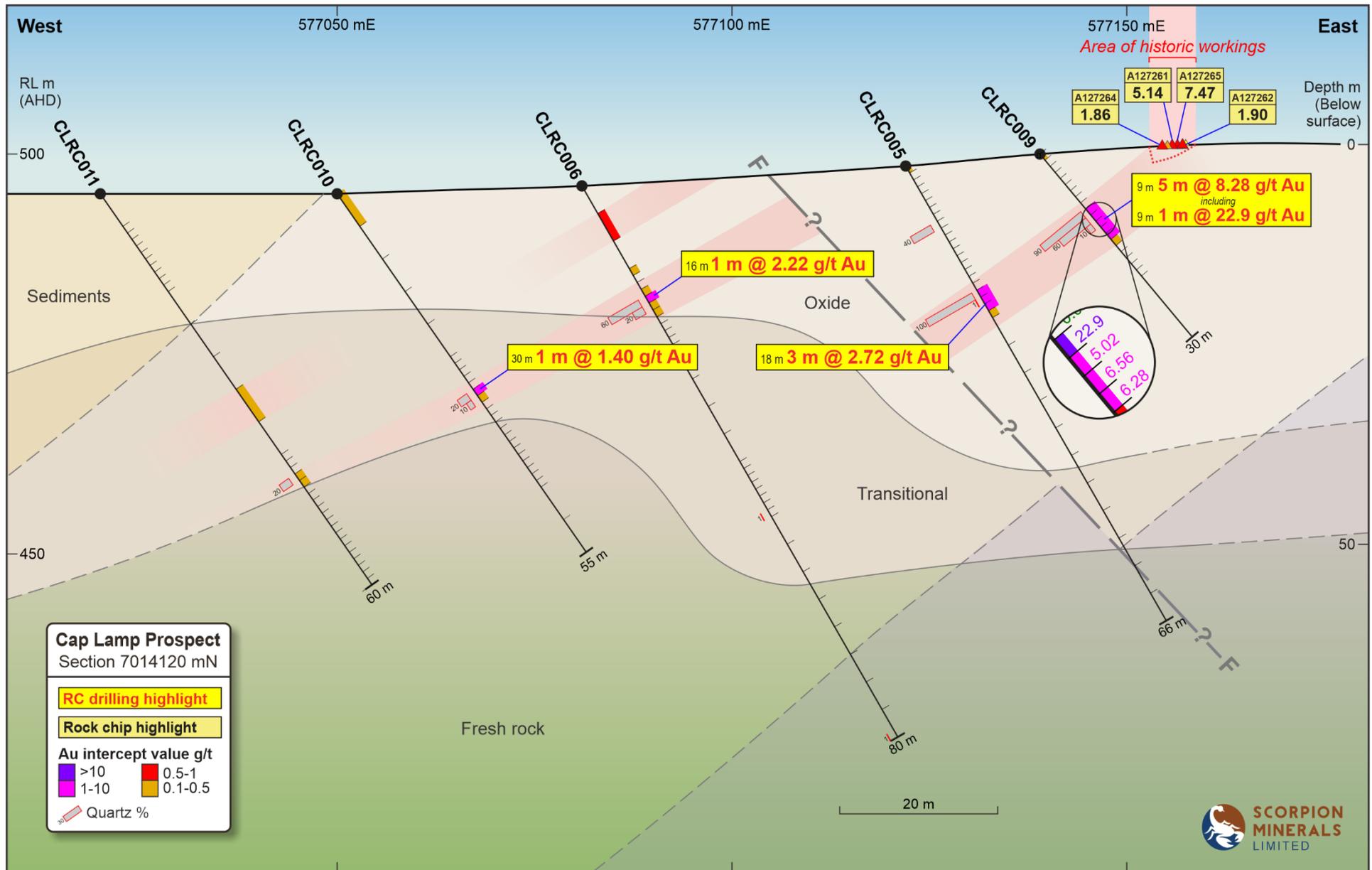


Figure 5 – Cap Lamp Cross Section 7014120mN

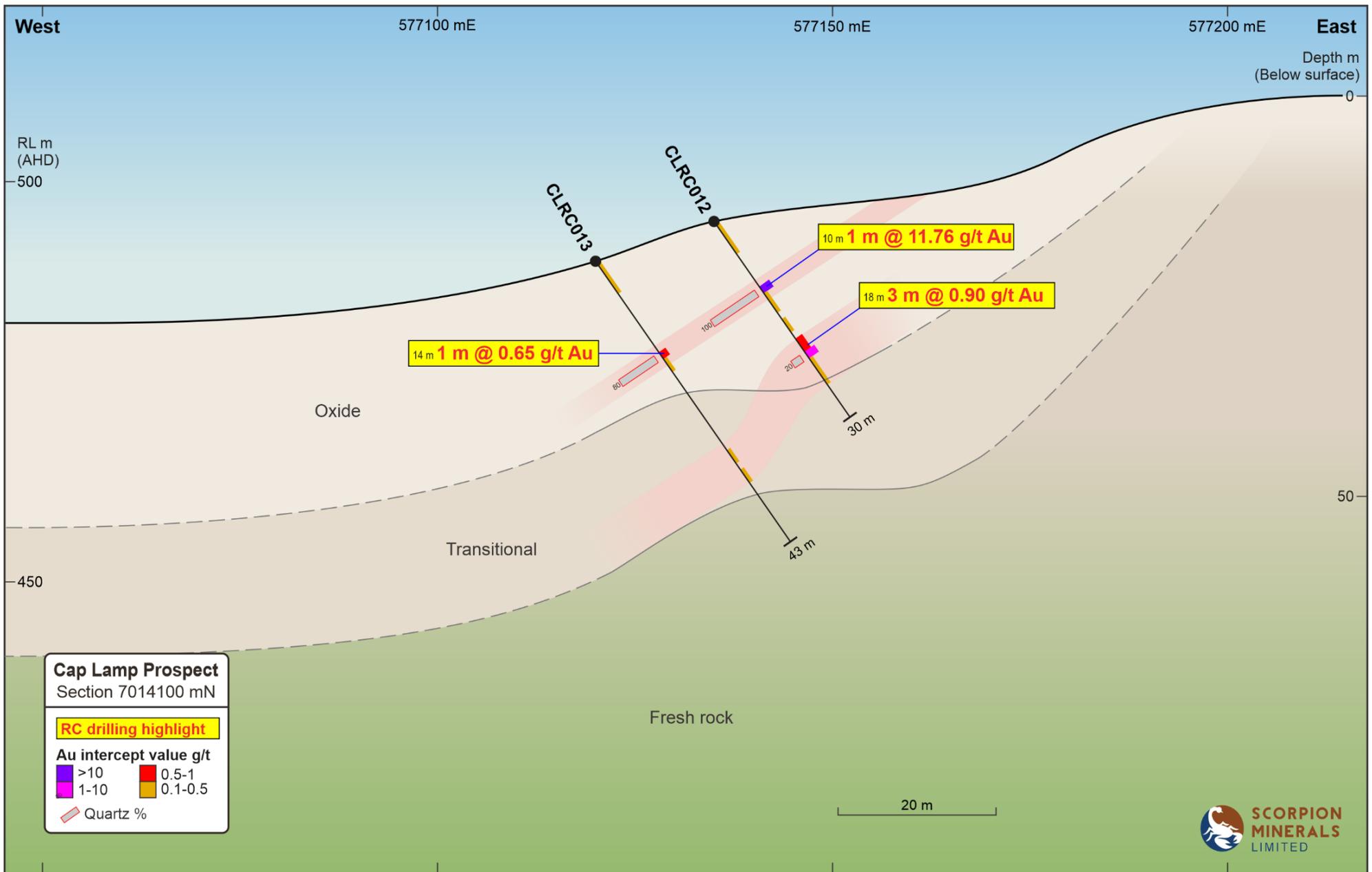


Figure 6 – Cap Lamp Cross Section 7014100mN

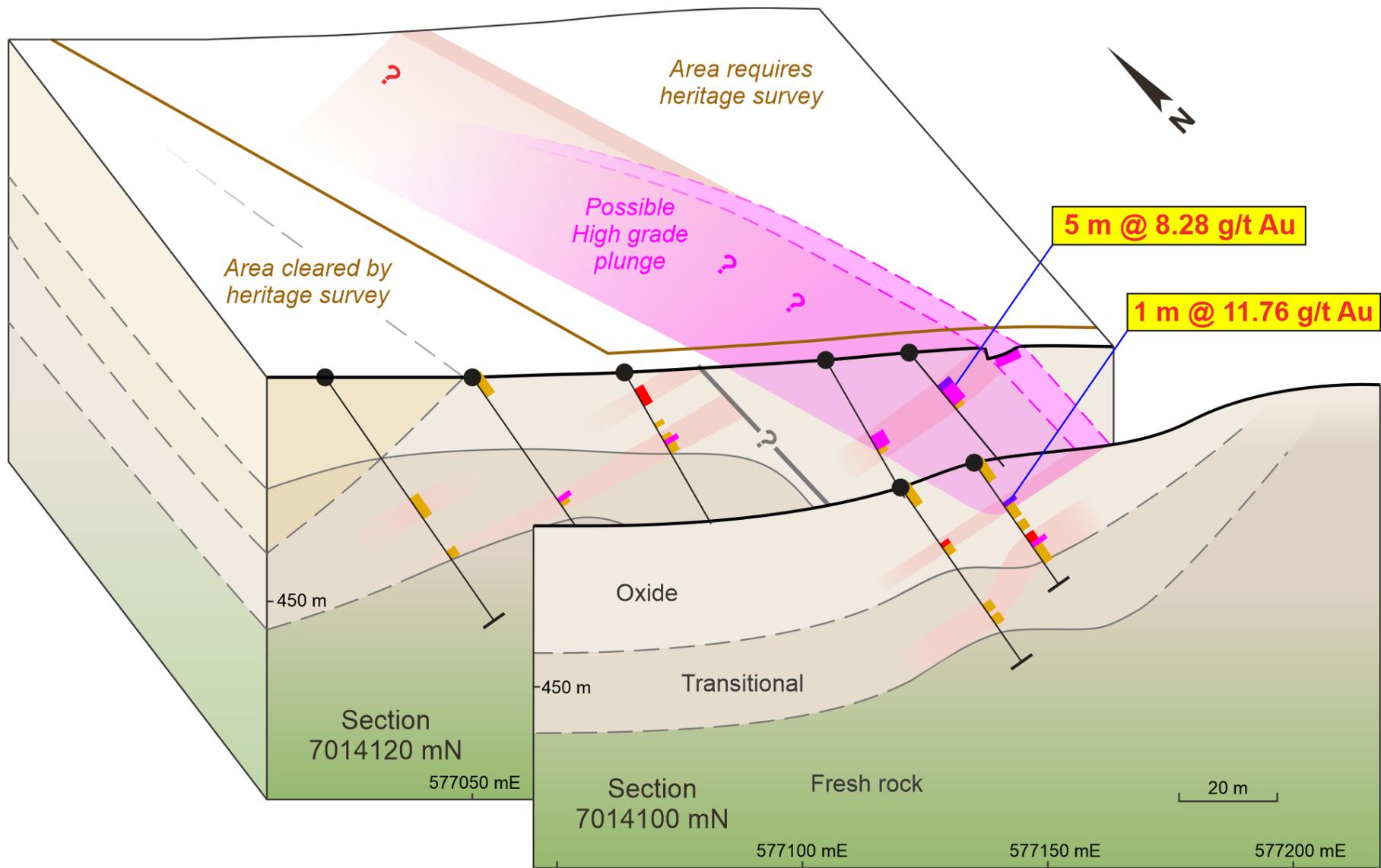


Figure 7 – Cap Lamp conceptual stacked sections, highlighting high-grade target in ground awaiting heritage survey prior to drilling

**Table 2: Pharos Project RC Drilling Significant Results: >1m ≥0.5 g/t Au
New Results**

Prospect	Hole ID	MGA Northing	MGA Easting	RL	MGA Azimuth	Dip	Max Depth (m)	From (m)	To (m)	Interval (m)	Au g/t	Notes
Beacon	BCRC003	7015140	572150	500	0.0	-55.0	103.0	NSI				3
	BCRC004	7015250	572150	500	180.0	-55.0	100.0	NSI				3
Cap Lamp	CLRC010	7014120	577050	495	90.0	-55.0	55.0	30.0	31.0	1.0	1.40	3
	CLRC011	7014120	577020	495	90.0	-55.0	60.0	NSI*				3,4
	CLRC012	7014100	577135	495	90.0	-55.0	30.0	10.0	11.0	1.0	11.76	3
								18.0	21.0	3.0	0.90	3
	CLRC013	7014100	577120	495	90.0	-55.0	43.0	14.0	15.0	1.0	0.65	3
Candle	CNRC010	7015785	573320	500	180.0	-55.0	121.0	111.0	112.0	1.0	0.76	3
	CNRC011	7015660	573320	500	0.0	-55.0	145.0	NSI				3
	CNRC012	7016060	573240	500	0.0	-55.0	60.0	NSI				3
	CNRC013	7016110	573240	500	180.0	-55.0	60.0	39.0	42.0	3.0	1.58	3
	CNRC014	7015590	573320	500	0.0	-55.0	100.0	NSI				3
Lantern	LTRC014	7015650	574160	500	180.0	-55.0	37.0	21.0	23.0	2.0	0.74	3,4
	LTRC015	7015670	574160	500	180.0	-55.0	55.0	40.0	41.0	1.0	0.69	3,4
	LTRC016	7015620	574160	500	0.0	-55.0	55.0	NSI*				3,4
	LTRC017	7015635	574125	500	0.0	-55.0	55.0	52.0	53.0	1.0	1.99	3,4
	LTRC018	7015685	574125	500	180.0	-55.0	55.0	45.0	50.0	5.0	0.53	1,3,4

Notes

1 - 4m or 5m composite

2 - Au by 50gm Fire Assay, NAGROM method – FA50_OES

3 - Au by 40gm Aqua Regia Digest, NAGROM method – ICP008

4 - Incomplete sampling

No upper cut applied, 0.5 g/t lower cut, allowing 2m internal waste

Coordinate system GDA94z50. Northing and Easting obtained by handheld GPS, accuracy +/- 3m, nominal RL used

NSI = No Significant Intercept, NSI* = No Significant Intercept, but incomplete sampling

Table 3: Previously Released Results

Prospect	Hole ID	MGA Northing	MGA Easting	RL	MGA Azimuth	Dip	Max Depth (m)	From (m)	To (m)	Interval (m)	Au g/t	Notes	
Atlanta	ATRC001	7014357	568689	500	90.0	-60.0	92.0	NSI				2	
	ATRC002	7014344	568648	500	90.0	-60.0	120.0	Not Sampled					
Beacon	BCRC001	7015185	572160	500	90.0	-50.0	80.0	NSI				2	
	BCRC002	7015185	572120	500	90.0	-55.0	120.0	NSI				2	
Cap Lamp	CLRC001	7013920	577180	500	90.0	-60.0	36.0	23.0	24.0	1.0	0.58	2	
	CLRC002	7013920	577158	500	90.0	-60.0	60.0	36.0	37.0	1.0	0.64	2	
								40.0	41.0	1.0	0.56	2	
	CLRC003	7013920	577118	500	90.0	-60.0	150.0	NSI				2	
	CLRC004	7014081	577126	500	90.0	-50.0	40.0	18.0	19.0	1.0	0.50	2	
	CLRC005	7014121	577122	498.5	90.0	-60.0	66.0	18.0	21.0	3.0	2.72	2	
	CLRC006	7014120	577081	496	90.0	-60.0	80.0	4.0	8.0	4.0	0.93	1,2	
								16.0	17.0	1.0	2.22	2	
	CLRC007	7014044	577105	500	90.0	-50.0	40.0	22.0	23.0	1.0	0.74	2	
	CLRC008	7014000	577105	500	90.0	-50.0	60.0	19.0	21.0	2.0	2.37	2	
	CLRC009	7014119	577139	500	90.0	-50.0	30.0	9.0	14.0	5.0	8.28	3,4	
								Including	9.0	10.0	1.0	22.88	3,4
Candle	CNRC001	7015723	573296	500	90.0	-50.0	120.0	NSI				2	
	CNRC002	7015720	573284	500	90.0	-70.0	108.0	102.0	103.0	1.0	1.47	3	
								106.0	108.0	2.0	1.34	3	
	CNRC003	7015620	573298	500	90.0	-55.0	78.0	NSI				2	
	CNRC004	7015619	573263	500	90.0	-55.0	100.0	NSI				2	
	CNRC005	7016079	573225	500	90.0	-50.0	80.0	43.0	44.0	1.0	1.12	2	
	CNRC006	7016079	573204	500	90.0	-55.0	108.0	NSI				2	
	CNRC007	7015623	573381	500	270.0	-60.0	90.0	NSI*				3,4	
	CNRC008	7015721	573440	500	270.0	-60.0	180.0	NSI*				3,4	
CNRC009	7016079	573296	500	270.0	-60.0	100.0	55.0	56.0	1.0	2.08	3,4		
Lantern	LTRC001	7015680	574108	500	90.0	-55.0	126.0	67.0	68.0	1.0	1.55	2	
	LTRC002	7015680	574084	500	90.0	-55.0	96.0	85.0	88.0	3.0	0.66	2	
	LTRC003	7015681	574062	500	90.0	-55.0	174.0	148.0	154.0	6.0	0.85	2	
	LTRC004	7015642	574147	500	90.0	-55.0	60.0	4.0	11.0	7.0	8.33	2	
								Including	4.0	7.0	3.0	18.04	2
									27.0	28.0	1.0	0.71	2
									45.0	46.0	1.0	0.99	2
	LTRC005	7015642	574122	500	90.0	-55.0	108.0	17.0	18.0	1.0	0.65	2	
LTRC006	7015643	574096	500	90.0	-60.0	132.0	NSI				2		
LTRC007	7015640	574200	500	270.0	-60.0	80.0	36.0	37.0	1.0	0.55	3,4		
								45.0	47.0	2.0	1.05	3,4	
LTRC008	7015644	574250	500	270.0	-60.0	110.0	NSI*				3,4		

Prospect	Hole ID	MGA Northing	MGA Easting	RL	MGA Azimuth	Dip	Max Depth (m)	From (m)	To (m)	Interval (m)	Au g/t	Notes
	LTRC009	7015680	574140	500	270.0	-60.0	80.0	NSI*				3,4
	LTRC010	7015682	574180	500	270.0	-60.0	110.0	NSI*				3,4
	LTRC011	7015604	574241	500	270.0	-60.0	120.0	12.0	13.0	1.0	0.51	3,4
	LTRC012	7015600	574275	500	270.0	-60.0	200.0	Not Sampled				
	LTRC013	7015600	574200	500	270.0	-60.0	120.0	1.0	2.0	1.0	0.53	3,4
Maguires North	MNRC001	7013535	576209	500	90.0	-50.0	40.0	NSI*				3,4
	MNRC002	7013537	576191	500	90.0	-60.0	84.0	NSI*				3,4
Olivers Patch	OPRC001	7013860	573356	500	90.0	-60.0	40.0	NSI*				2,4
	OPRC002	7013857	573323	500	90.0	-60.0	100.0	NSI*				2,4
	OPRC003	7013898	573329	500	90.0	-50.0	40.0	NSI*				3,4
	OPRC004	7013896	573301	500	90.0	-60.0	90.0	NSI*				3,4
Salt Flat	SFRC001	7014398	576886	500	90.0	-50.0	48.0	NSI				2
	SFRC002	7014398	576850	500	90.0	-60.0	80.0	NSI				2
	SFRC003	7014240	576941	500	90.0	-50.0	100.0	NSI				2
	SFRC004	7014240	576903	500	90.0	-60.0	96.0	Not Sampled				
	SFRC005	7014280	576920	500	90.0	-60.0	60.0	Not Sampled				
	SFRC006	7014200	576920	500	90.0	-60.0	66.0	Not Sampled				
Terrys South	TSRC001	7011720	574440	500	90.0	-50.0	78.0	55.0	58.0	3.0	0.84	3,4
	TSRC002	7011720	574434	500	90.0	-60.0	114.0	NSI*				3,4

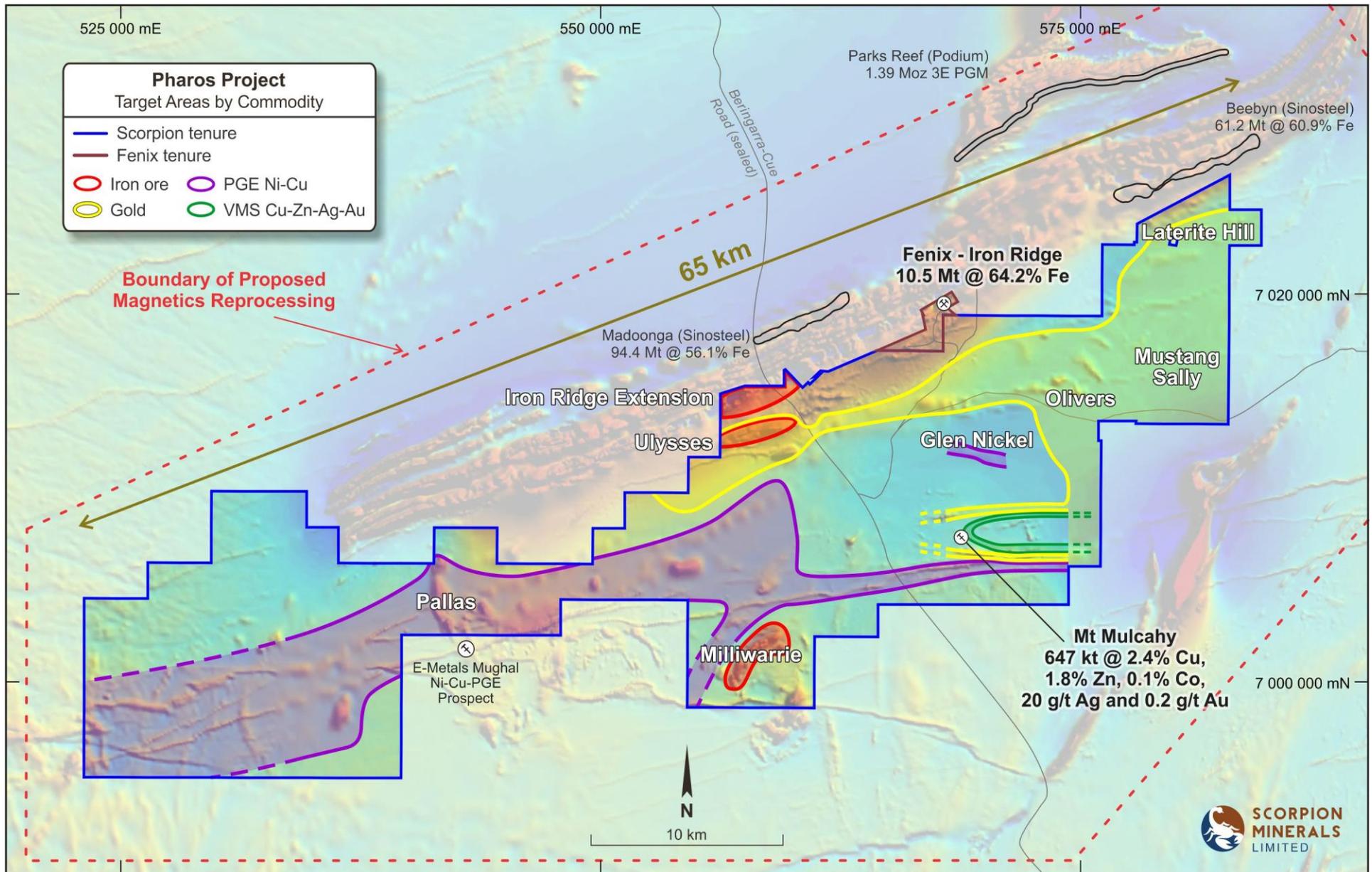


Figure 8 – Summary of Pharos Project Commodity Targets, highlighting area of available Open File/Multi Client Magnetics to be reprocessed

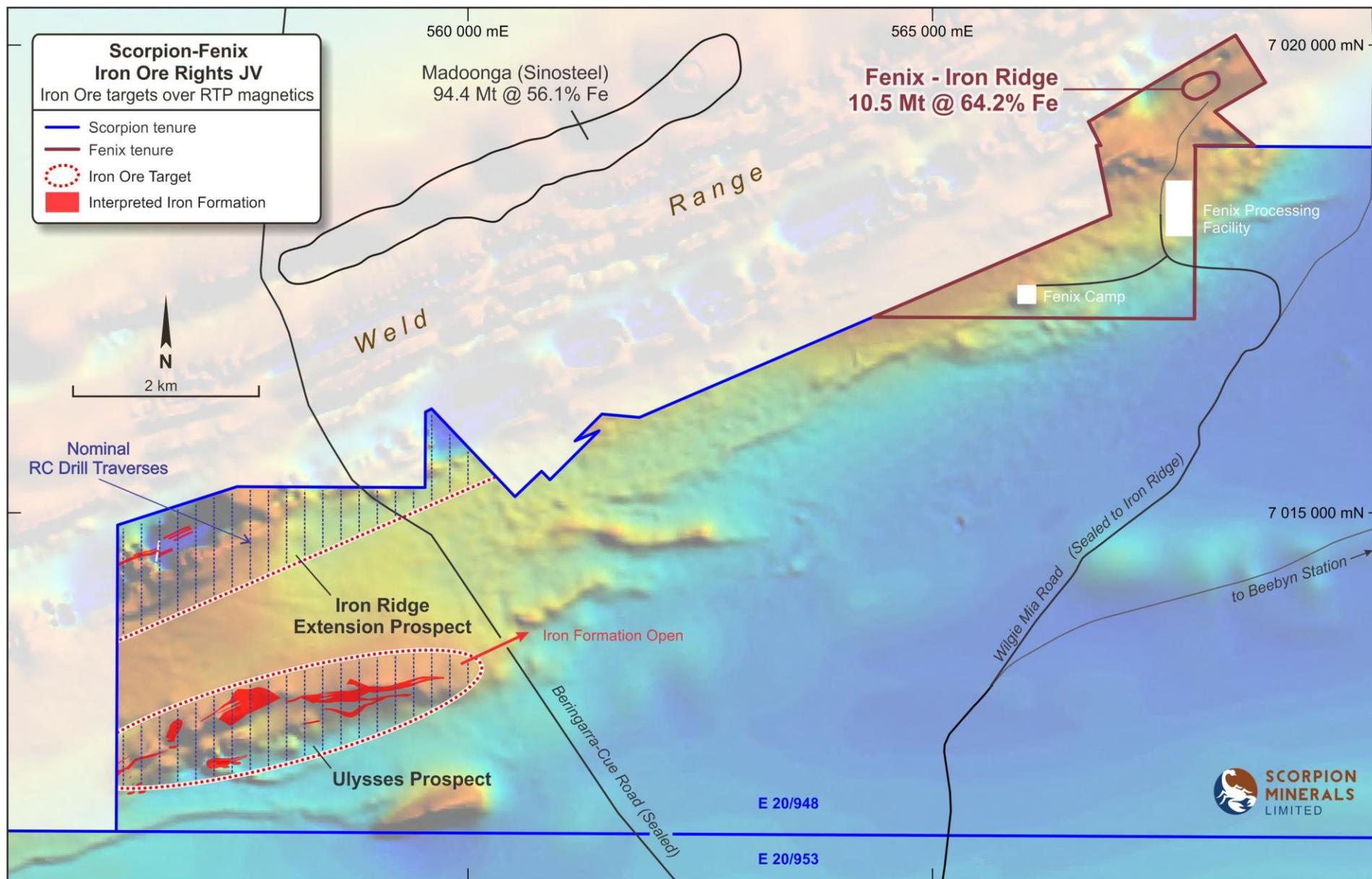


Figure 9 – Location of Fenix Mine and FEX-SCN JV Iron Ore Target Areas, highlighting position of Ulysses and Iron Ridge Extension Prospects – Pharos Project

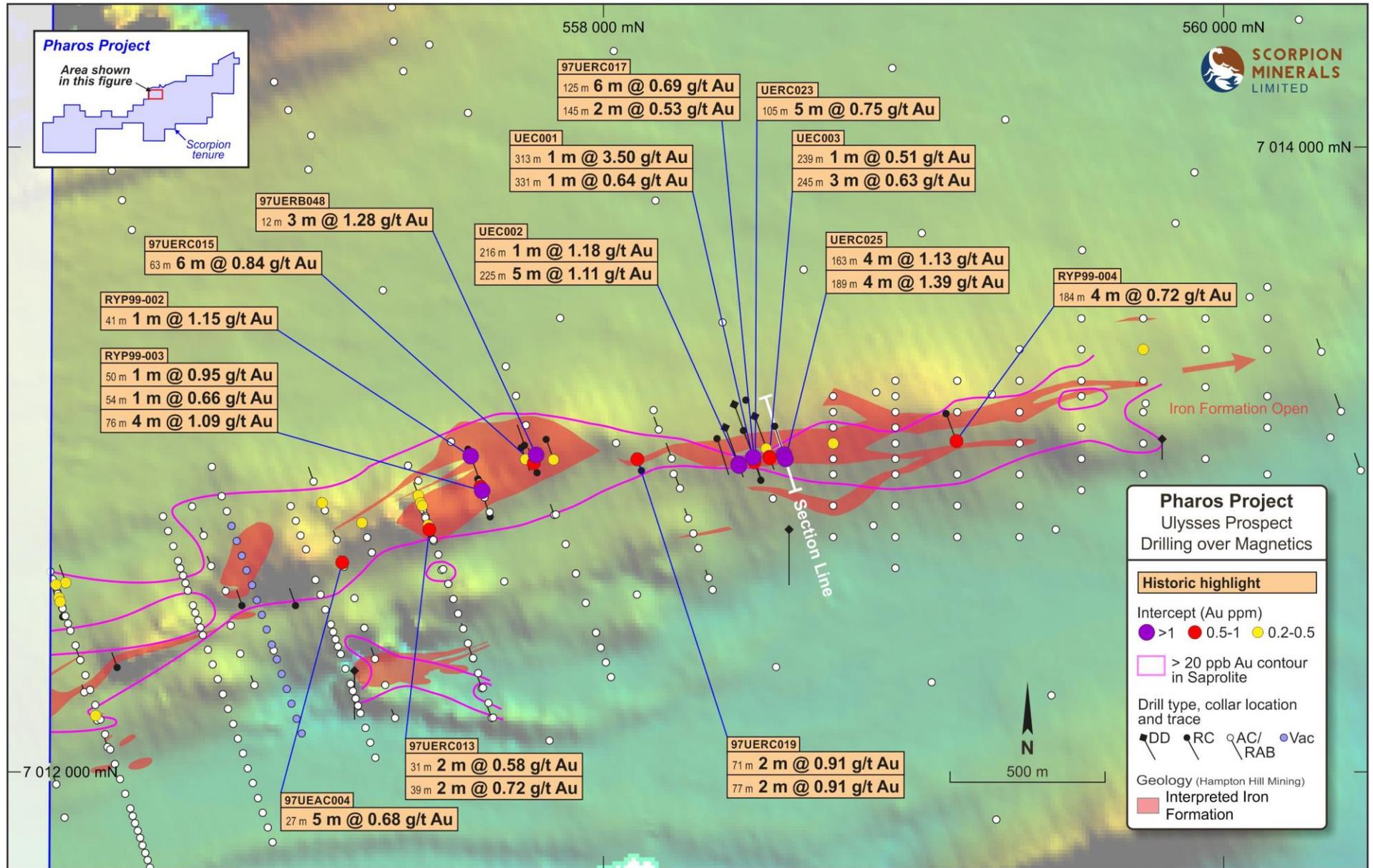


Figure 10 – Interpreted iron formation, historic drilling and significant gold intervals – Ulysses Prospect. No iron assays and outcrop very rarely apparent. Iron and gold mineralisation east of Section Line ineffectively tested by shallow drilling

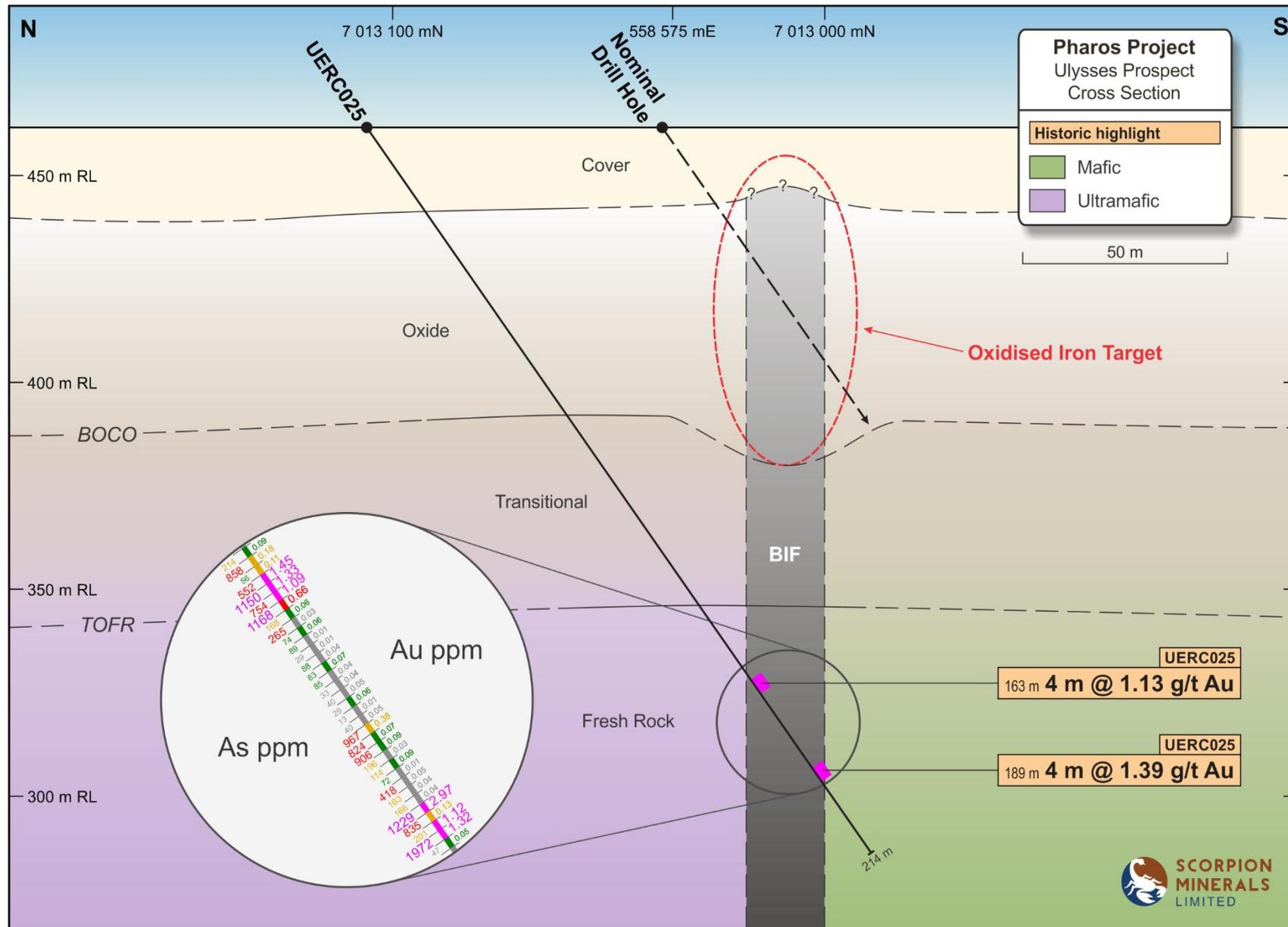


Figure 11 – Ulysses Cross Section from Figure 4, highlighting oxide iron target and related gold mineralisation from historic drilling

Table 4: Significant Intercept Results, Ulysses East Gold Prospect ≥ 0.5 g/t Au

Site ID	GDA North	GDA East	RL	Dip	Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Au g/t	Drill Type	Company
97UEAC004	7012656	557163	469	-60	340	77.0	27.0	32.0	5.0	0.68	AC	Hampton Hill
97UERB048	7013014	557782	464	-90	0	17.0	12.0	15.0	3.0	1.28	RAB	Hampton Hill
97UERB073	7012245	556139	471	-60	340	72.0	20.0	23.0	3.0	0.66	RAB	Hampton Hill
							32.0	35.0	3.0	0.57		
							67.0	72.0	5.0	0.54		
97UERC013	7012760	557443	466	-60	340	143.0	31.0	33.0	2.0	0.58	RC	Hampton Hill
							39.0	41.0	2.0	0.72		
97UERC015	7012957	557786	464	-60	340	169.0	63.0	69.0	6.0	0.84	RC	Hampton Hill
97UERC017	7012933	558507	461	-60	340	154.0	125.0	131.0	6.0	0.69	RC	Hampton Hill
							145.0	147.0	2.0	0.53		
97UERC019	7012964	558122	462	-60	340	123.0	71.0	73.0	2.0	0.91	RC	Hampton Hill
							77.0	79.0	2.0	0.91		
RYP99-002	7013032	557564	465	-60	160	250.0	41.0	42.0	1.0	1.15	RC	Hampton Hill
RYP99-003	7012937	557595	465	-60	160	103.0	50.0	51.0	1.0	0.95	RC	Hampton Hill
							54.0	55.0	1.0	0.66		
							76.0	80.0	4.0	1.09		
RYP99-004	7013147	559105	461	-60	160	204.0	184.0	188.0	4.0	0.72	RC	Hampton Hill
UEC001	7013176	558421	462	-55	160	438.5	313.0	314.0	1.0	3.50	DD	Hampton Hill
							331.0	332.0	1.0	0.64		
UEC002	7013102	558392	462	-55	160	294.0	216.0	217.0	1.0	1.18	DD	Hampton Hill
							225.0	230.0	5.0	1.11		
UEC003	7013137	558487	461	-55	160	316.0	239.0	240.0	1.0	0.51	DD	Hampton Hill
							245.0	248.0	3.0	0.63		
UERC023	7012997	558485	461	-90	0	114.0	105.0	110.0	5.0	0.75	RC	Hampton Hill
UERC025	7013106	558552	461	-55	162	214.0	163.0	167.0	4.0	1.13	RC	Aurora Minerals Limited
							189.0	193.0	4.0	1.39		

Table 5: Additional Intercepts Results, Ulysses East Gold Prospect ≥ 0.2 g/t Au

Site ID	GDA North	GDA East	RL	Dip	Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Au g/t	Drill Type	Company
97UEAC002	7012836	557102	468	-60	340	89.0	50.0	54.0	4.0	0.30	AC	Hampton Hill
97UEAC004	7012656	557163	469	-60	340	77.0	27.0	32.0	5.0	0.68	AC	Hampton Hill
97UERB038	7012790	557434	466	-90	0	14.0	5.0	14.0	9.0	0.28	RAB	Hampton Hill
97UERB039	7012885	557402	466	-90	0	20.0	14.0	20.0	6.0	0.23	RAB	Hampton Hill
97UERB048	7013014	557782	464	-90	0	17.0	12.0	17.0	5.0	0.92	RAB	Hampton Hill
97UERB073	7012245	556139	471	-60	340	72.0	15.0	43.0	28.0	0.40	RAB	Hampton Hill
							67.0	72.0	5.0	0.54		
97UERB080	7012164	556368	470	-60	340	56.0	32.0	36.0	4.0	0.23	RAB	Hampton Hill
97UERC007	7012592	556236	471	-60	340	16.0	13.0	16.0	3.0	0.24	RC	Hampton Hill

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 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.

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 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

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

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

E20/953, Murchison Area, Western Australia

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

Nil

- *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")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	15	15
1.2	Payments for		
	(a) exploration & evaluation	(287)	(287)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(341)	(341)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(45)	(45)
1.9	Net cash from / (used in) operating activities	(658)	(658)
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 (3 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)	807	807
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	225	225
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(11)	(11)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(50)	(50)
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	971	971

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	131	131
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(658)	(658)
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)	971	971
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	444	444

5. Reconciliation of cash and cash equivalents		Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	444	131
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)	444	131

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	48
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>Payment to Directors for company secretarial fees and consulting fees.</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2500	1596
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2500	1596
7.5 Unused financing facilities available at quarter end		904
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)	(658)
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)	(658)
8.4 Cash and cash equivalents at quarter end (item 4.6)	444
8.5 Unused finance facilities available at quarter end (item 7.5)	904
8.6 Total available funding (item 8.4 + item 8.5)	1,348
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2
<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	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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: 29 October 2021

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.