



SCORPION MINERALS LIMITED

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Chair

Mr Craig Hall
Non-Executive Director

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Non-Executive Director,
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SCORPION MINERALS LIMITED

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ASX ANNOUNCEMENT

7 February 2022

Scorpion Acquires 904km² Poona Project in Murchison Goldfield, WA

HIGHLIGHTS

- Scorpion has completed all due diligence activities to acquire the Poona Project from eMetals Limited (ASX: EMT)
- SCN has acquired 100% interest in tenements E20/885, E20/896, E20/963 and E20/964 which cover a combined 904km²
- SCN's footprint in the Murchison now stands at 1,544km²
- Technical review of historic data substantially completed – key targets to be drill tested as part of a broader program this quarter
- SCN targeting PGE-Ni-Cu and lithium mineralisation across several priority targets within Murchison portfolio

Scorpion Minerals Limited (ASX: SCN) (“the Company” or “SCN”) is pleased to advise that it has completed all due diligence activities associated with the binding Heads of Agreement (“the Agreement”) with eMetals Limited (ASX:EMT) (“eMetals” or “EMT”) to acquire tenements E20/885, E20/896, E20/963 and E20/964 (“Tenements”) which cover a combined 904km² in the Murchison Goldfield of Western Australia (see Figure 1).

SCN will now move to issue 4,000,000 fully paid ordinary shares in SCN to EMT to complete the acquisition of 100% interest in the Tenements. The shares will be subject to a holding lock pending receipt of completed Deeds of Assignment from EMT. EMT will also receive a 0.5% net smelter return (“NSR”) royalty in respect of minerals mined from the Tenements, should commercial mining be undertaken.

The four Tenements (**Poona Project**) are contiguous and south of SCN's Pharos tenements. The Poona Project contains the Mughal Ni-Cu target plus the Poona and Jackson's Reward Rare Metal Pegmatite occurrences, all of which are located immediately south of SCN's high priority PGE-Ni-Cu targets at Pallas.

Following receipt of all statutory approvals SCN will undertake an extensive drilling campaign across priority targets at Pharos. Drilling will include testing of the PGE-Ni-Cu target identified at Pallas, the shallow high grade Gold Prospect at Cap Lamp, and the Cu-Au-Zn VMS targets at Mt Mulcahy in early 2022. This drilling will be expanded to include targets within the Poona Project identified as part of the technical review process.

Company Comment – Director Bronwyn Barnes

“The acquisition of the Poona Project consolidates Scorpion's position in the Murchison and provides further impetus to our exploration plans for the region. Poona complements our exciting portfolio of copper, gold and PGE-Ni-Cu targets and we are looking forward to kicking off our drill program at Pallas and Mt Mulcahy this quarter. A technical review of the Poona Project is nearing completion and this data will be incorporated into the upcoming program and additional updates on exploration plans will be provided in due course.”

Key Terms of the Agreement

Consideration for the Acquisition is as outlined below:

- i. pay EMT \$12,500 in cash (completed); and
- ii. issue 4,000,000 fully paid ordinary shares in the capital of the Company; and
- iii. grant EMT a 0.5% net smelter return (NSR) royalty in respect of minerals mined from the Tenements (payable only on and from commercial mining); and
- iv. accept the assignment of the obligation to pay the two performance payments contained in the Agreement between EMT and Venus Metals Corporation Limited. The performance payments are subject to and conditional upon achievement of the following performance milestones:
 - (A) \$50,000 payable upon the definition of an inferred mineral resources of not less than 200,000 tonnes of Li2O or equivalent at 1% on either Tenement (Performance Milestone One); and
 - (B) \$50,000 payable upon the definition of a probable mineral ore reserve of not less than 200,000 tonnes of Li2O or equivalent at 1% on either Tenement (Performance Milestone Two).

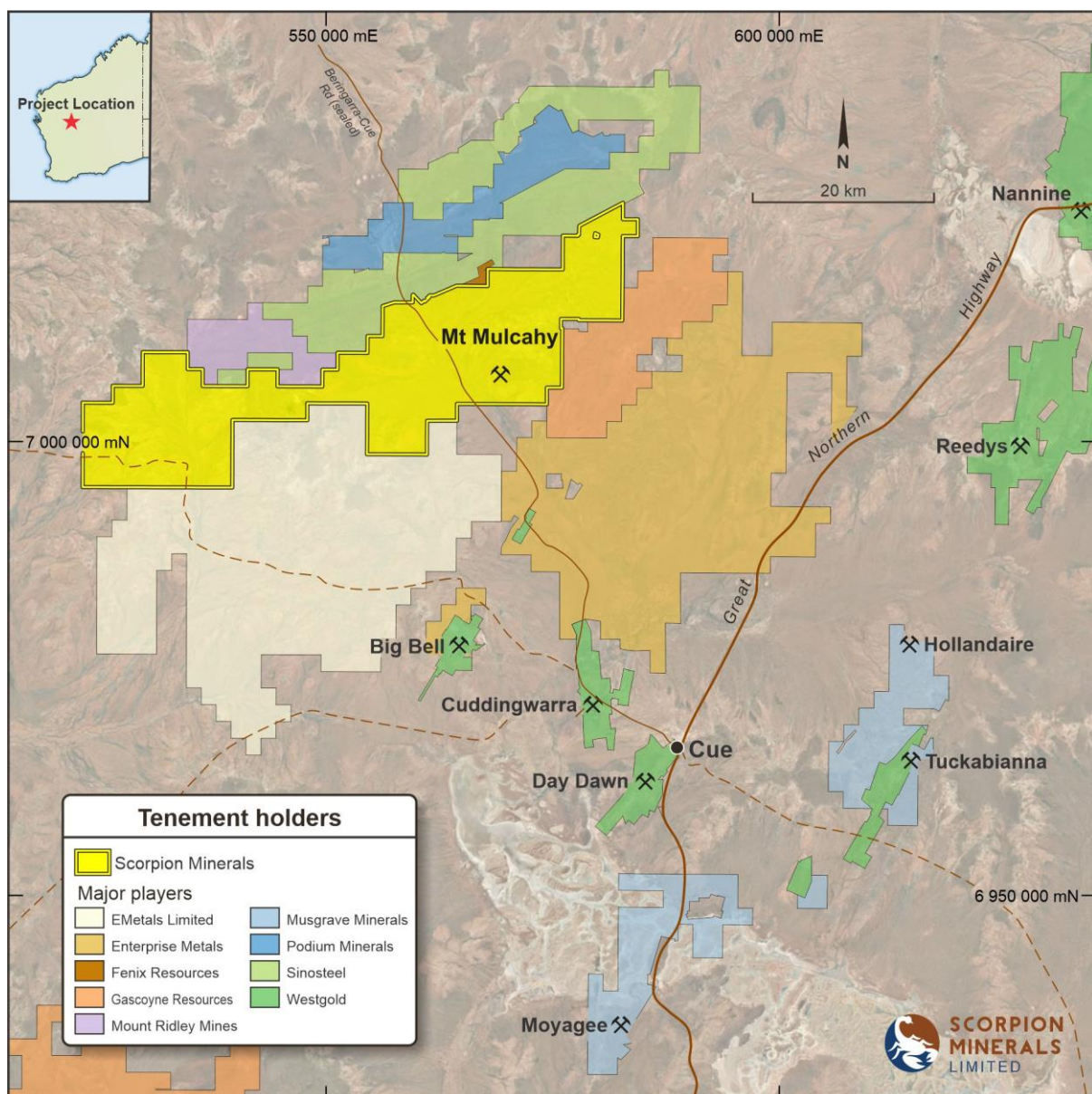


Figure 1: Major Tenement Holders in Murchison Region

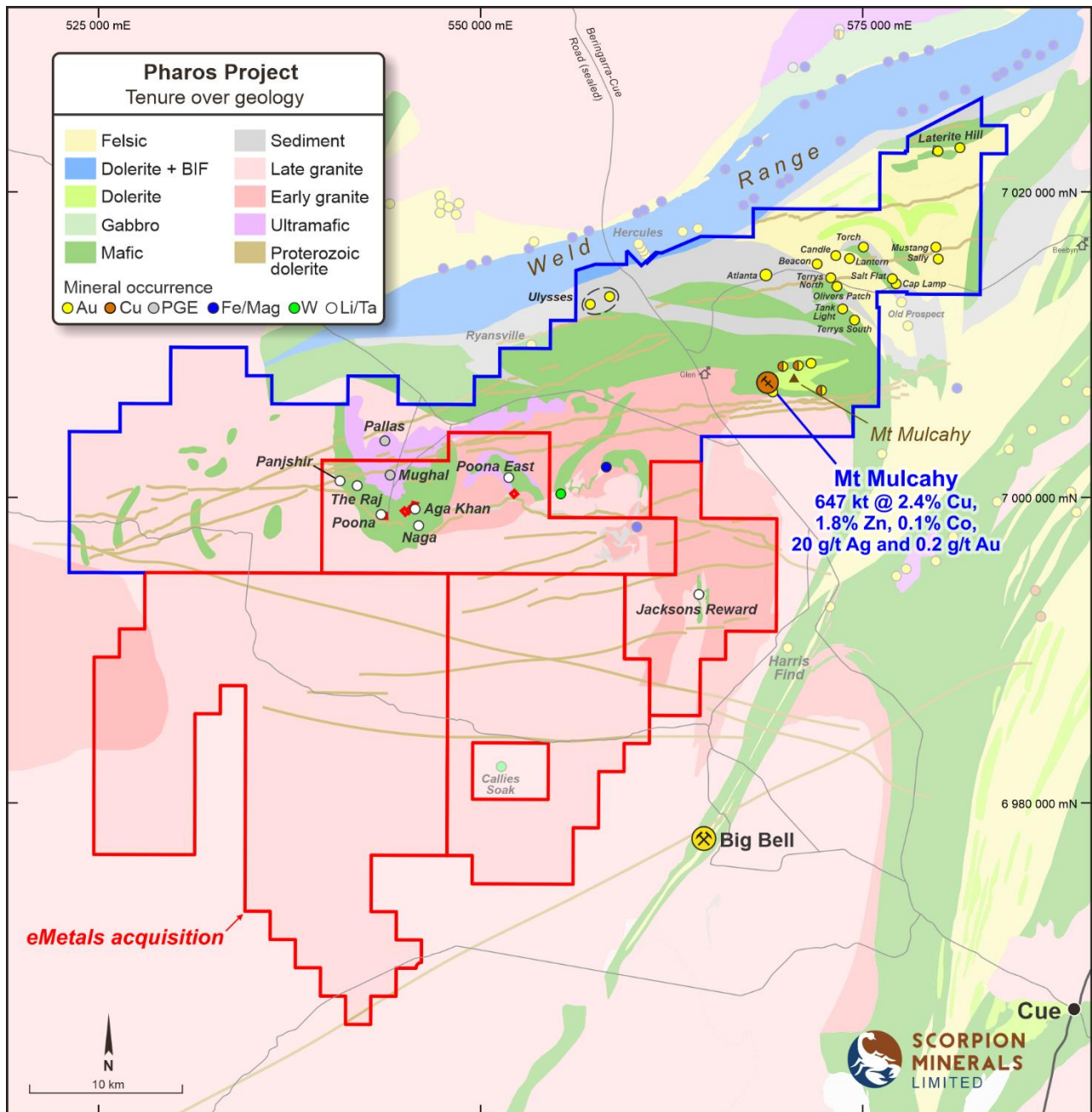


Figure 2: Location of Poona Project tenements with named mineral prospects

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

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Enquiries

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About Scorpion Minerals Limited

Scorpion Minerals Limited (ASX: SCN) is a WA based mineral exploration company focused on gold base metals and iron ore. Scorpion's focus is the 100% owned Pharos project that covers 1,544km² and is located 60 km northwest of Cue in the Murchison Mineral Field, Western Australia. The Pharos project is prospective for gold, iron ore, PGE-Ni-Cu and VMS hosted Cu-Zn-Ag Au mineralisation.

The strategic location of the Pharos tenements is further enhanced by exploration success in the region (Figure 2) for iron ore (Fenix Resources) copper (Cyprium), PGE-Ni-Cu (Podium and eMetals) and gold (Musgrave Minerals). Pharos project area appears to host a multitude of commodities targets that require detailed evaluation.

Scorpion has completed resource definition drilling at the Mount Mulcahy copper-zinc volcanic-hosted massive sulphide (VMS) deposit, a zone of mineralisation with a JORC 2012 Measured, Indicated and Inferred Resource of 647,000 tonnes @ 2.4% copper, 1.8% zinc, 0.1% cobalt and 20g/t at the 'South Limb Pod' (SLP).

In addition, 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