



# Completion of Placement to Accelerate Exploration

## HIGHLIGHTS

- Total financial commitments received for \$1,284,750
- Placement of \$902,250 to new and existing sophisticated investors
- Drill for equity agreement secured for an additional \$112,500
- Debt to equity conversion of \$270,000 to follow
- New funds to accelerate exploration at exciting gold and Ni-Cu-PGE targets at Pharos
- Additional work planned for the Mt Mulcahy Copper-Zinc Deposit
- Mt Mulcahy hosts a JORC 2012 Resource of 647kt @ 2.4% copper, 1.8% zinc, 0.1% cobalt and 20g/t Ag

Scorpion Minerals Limited (ASX: SCN) (“the Company” or “SCN”) is pleased to advise that it has received firm commitments from new and existing sophisticated investors to raise \$902,250 before costs (“placement”). In addition, the Company has agreed to a drill for equity arrangement to a value of \$112,500 and the lender has elected to convert a portion of outstanding debt to equity to a value of \$270,000. The total value of these financial commitments total \$1,284,750.

Under the terms of the placement, SCN will issue a total of 12,030,000 new fully paid ordinary shares in the Company at an issue price of \$0.075. The placement price represents a discount of 0.13% to the last closing price of 7.6c and a 10% discount to the 15-day VWAP of 8.3 cents per share. The allotment of the new shares is not subject to shareholder approval and will fall within the Company’s existing placement capacity. Settlement of the new shares is expected on or around Wednesday 4<sup>th</sup> August 2021.

Funds raised from the placement will be used to advance exploration across the of Scorpion’s high-quality targets within the Company’s Pharos Project, located about 60km northwest of Cue in the Murchison Mineral Field, Western Australia.

### Drill for Equity

SCN has agreed to issue an additional 1,500,000 million 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.

#### BOARD OF DIRECTORS

Ms Bronwyn Barnes  
*Non-Executive Director*

Mr Craig Hall  
*Non-Executive Director*

Ms Kate Stoney  
*Non-Executive Director,  
Company Secretary*

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## **Conversion of Debt**

As previously reported (ASX release: 8 June 2021), 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 placement a total of 3,600,000 new fully paid ordinary shares in the Company will be issued to the lenders to extinguish \$270,000 of the outstanding loan balance. 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.

## **Company Comment – Director Bronwyn Barnes**

*“We are delighted with the level of support received for this placement, both from shareholders and from our drill for equity partner, iDrilling. In addition, the paydown of debt through an issue of shares enables us to continue to manage the corporate structure of Scorpion for the benefit of shareholders.*

*With sufficient funds to now progress planned activities across our suite of advanced, high-quality targets at Pharos, Scorpion will be focusing on its high priority gold and Ni-Cu-PGE targets as well as further activity at Mt Mulcahy. With a rising copper price, Mt Mulcahy is a priority target as it contains a JORC 2012 compliant resource of 647,000t @ 2.4% copper, 1.8% zinc, 0.1% cobalt and 20g/t Ag. I look forward to updating the market on our progress during the coming quarter.”*

## **Pharos Project Planned Exploration Activities**

The following activities are planned to take place at Pharos for the remainder of the calendar year. The multi-commodity targets are 100% owned by Scorpion and are in addition to the iron ore targets that are the subject of an option agreement with Fenix Resources Ltd (ASX: FEX). The Company will provide further updates on the proposed JV in due course.

- |  |                     |
|--|---------------------|
| 1. Airborne detailed photography                             | July                |
| 2. Heritage Survey and Clearance                             | August              |
| 3. Airborne and/or ground EM surveys                         | August - September  |
| 4. RC drill testing (~1000m programme) of targets identified | September – October |
| 5. Diamond drilling Mt Mulcahy (~800m)                       | Q4 2021             |

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

25/6/2020	<i>“Pharos Project Exploration Update”</i>
9/7/2020	<i>“High Grade Gold Rock Chips - Pharos Project”</i>
13/8/2020	<i>“Drilling to Commence – Pharos Project”</i>
31/8/2020	<i>“Commencement of Drilling - Pharos Project”</i>
28/9/2020	<i>“High Grade Gold Confirmed at Lantern - Pharos Project”</i>
8/10/2020	<i>“Phase 2 RC Drilling Commenced- Pharos Project”</i>
2/11/2020	<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>
16/06/2021	<i>“Pallas PGE-Ni-Cu Target – Pharos”</i>
23/06/2021	<i>“Multiple Commodity Targets Identified at Pharos”</i>

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

- ENDS -

### ***Enquiries***

**Bronwyn Barnes**

**Non-Executive Director**

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### **About Scorpion Minerals**

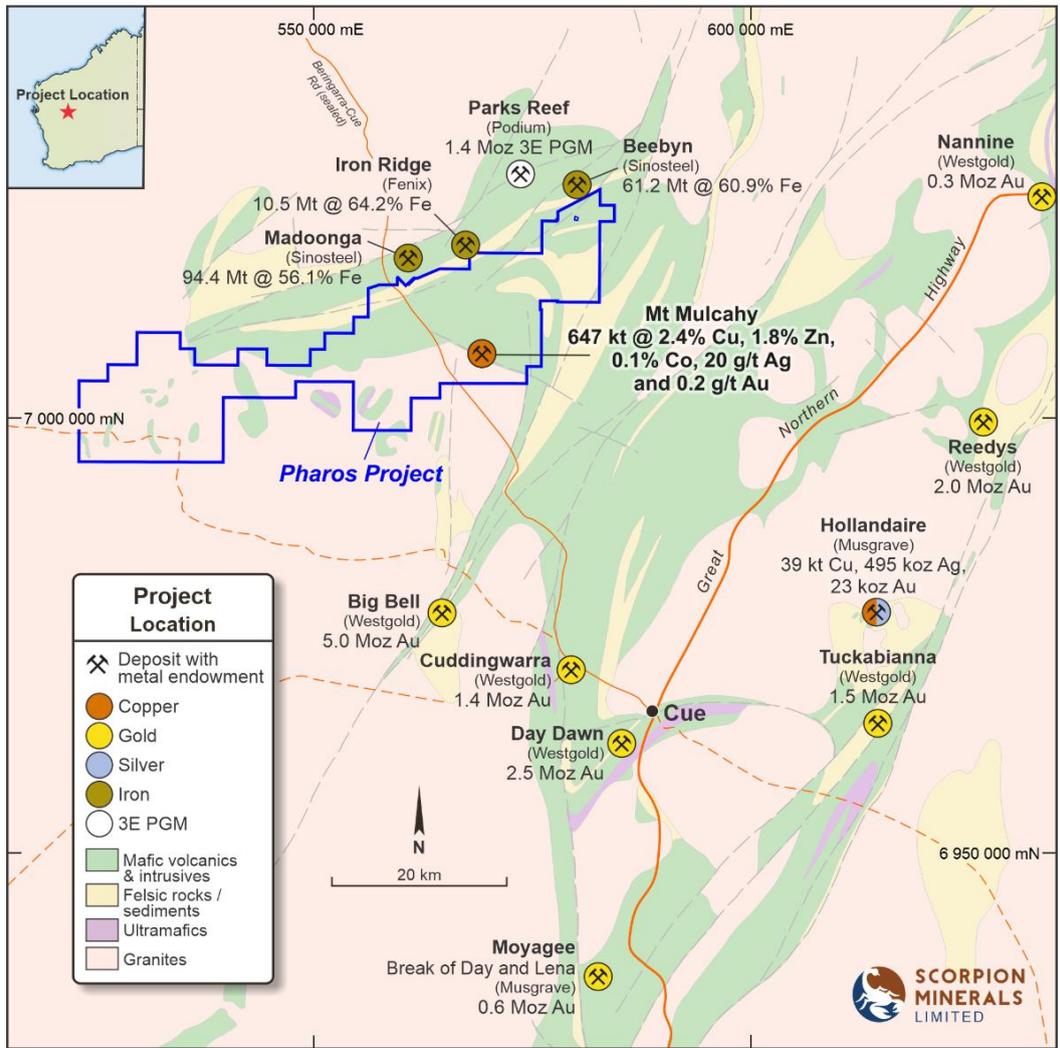
**Scorpion Minerals Limited** (ASX: SCN) is a WA based mineral exploration company focused on gold base metals and iron ore.

Scorpion's focus is the 100% owned Pharos project that covers 640km<sup>2</sup> and is located 60 km northwest of Cue in the Murchison Mineral Field, Western Australia. The Pharos project ism 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, refer Figure 5). 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



**Figure 1 – SCN's ground position Pharos Project in the Central Murchison Region, WA**