

Fenix Iron Ore JV & Pallas PGE Target Exploration Update - Pharos

HIGHLIGHTS

- Iron Ridge mine site visit completed confirming stratigraphic and structural controls of high-grade iron ore
- Reprocessing of open file/multiclient magnetic data initiated to aid target definition
- Detailed open file helimag data available covering strike zone from Iron Ridge mine to Iron Ridge Extension and Ulysses targets
- Detailed airborne photography to be completed during July
- RC drill testing expected September-October subject to required approvals
- Agreed exploration programme for Pharos Iron Ore JV totals \$350,000 over six months to 31 October 2021
- Reprocessed magnetics to aid modelling of Pallas ultramafic hosted PGE target
- Follow up RC drilling at the Lantern and Cap Lamp gold targets will now be completed late July due to rig availability

Scorpion Minerals Limited (ASX: SCN) ("**the Company**" or "**SCN**") is pleased to announce an update on the exploration programme with Fenix Resources Limited (**Fenix**) (**ASX: FEX**) for the Iron Ore JV at its Pharos Project. The JV area totals around 373 km² and is immediately adjacent and contiguous to Fenix's Iron Ridge operation, with iron ore targets totalling 15 strike kilometres already identified (see ASX release dated 8 February 2021 and Figures 1, 2 and 3).

Scorpion has now completed a detailed technical evaluation that included a site visit to the Iron Ridge mine. The site visit provided further insight into the mineralisation style, potential structural controls and the regional geological setting of high-grade iron ore. In addition, the availability of detailed open file 50 metre line-spaced helimag has removed the necessity for any new surveys. Reprocessing of this and other historic magnetic data will provide enough information for planning of Reverse Circulation ("**RC**") drilling to test the prospective targets (Figures 2 & 3) for high grade iron-ore mineralisation.

Company Comment – Director Bronwyn Barnes

"Scorpion has moved quickly to determine the most efficient way forward for the Pharos Iron Ore JV exploration programme with Fenix. Detailed air photography will be completed during July and reprocessing of existing open file/multiclient magnetics has been initiated. The current programme has been designed to quickly identify RC drill targets for high grade iron ore occurrences at Pharos. Scorpion and Fenix are keen to advance exploration that can expand the iron ore potential of this exciting region."

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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Updated Exploration Activities

Planned Exploration programme and timing:

- | | |
|--|---------------------|
| 1. Airborne detailed photography | July |
| 2. Open File/Multi Client magnetic data reprocessing | July – August |
| 3. Heritage Survey and Clearance | August |
| 4. RC drill testing (~1000m programme) of targets identified | September - October |

Two target areas have been identified on the southern flank of the Weld Range at Iron Ridge Extension and Ulysses (refer Figures 2 & 3). Iron Ridge Extension has been identified through interpretation of available air magnetic surveys that have highlighted a southwestern extension of the favourable iron formation stratigraphy.

The Ulysses target has resulted from the interpretation of historic Air Core, RC and Diamond drilling targeted at gold and base metal geochemical anomalies that also intersected significant widths of weathered Banded Iron Formation beneath an area of cover to the south of the Weld Range (Figure 4).

The reprocessed historic air magnetic data will aid in detailed definition of the Iron Ridge Extension and Ulysses targets as well as providing information that will allow modelling of the Pallas ultramafic-hosted PGE target.

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

The Company continues to assess the potential of additional targets within E20/948 and E20/953, including potential for gold mineralisation associated with the Ulysses stratigraphy and intends to update the market shortly with respect to these activities.

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

25/6/2020	"Pharos Project Exploration Update"
9/7/2020	"High Grade Gold Rock Chips - Pharos Project"
13/8/2020	"Drilling to Commence – Pharos Project"
31/8/2020	"Commencement of Drilling - Pharos Project"
28/9/2020	"High Grade Gold Confirmed at Lantern - Pharos Project"
8/10/2020	"Phase 2 RC Drilling Commenced- Pharos Project"
2/11/2020	"Priority PGE Ni-Cu Targets – Pharos Tenement"
24/11/2020	Further High Grade Gold Results – Pharos Project"
08/02/2021	"Term Sheet – Iron Ore Rights at Pharos"
08/04 2021	"PGE-Ni-Cu Targets Identified at Pharos Project"
28/04/2021	"Fenix Iron Ore JV Update – Pharos"
16/06/2021	"Pallas PGE-Ni-Cu Target – Pharos"
23/06/2021	"Multiple Commodity Targets Identified at Pharos"

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

- ENDS -

Enquiries

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Competent Persons Statement

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.

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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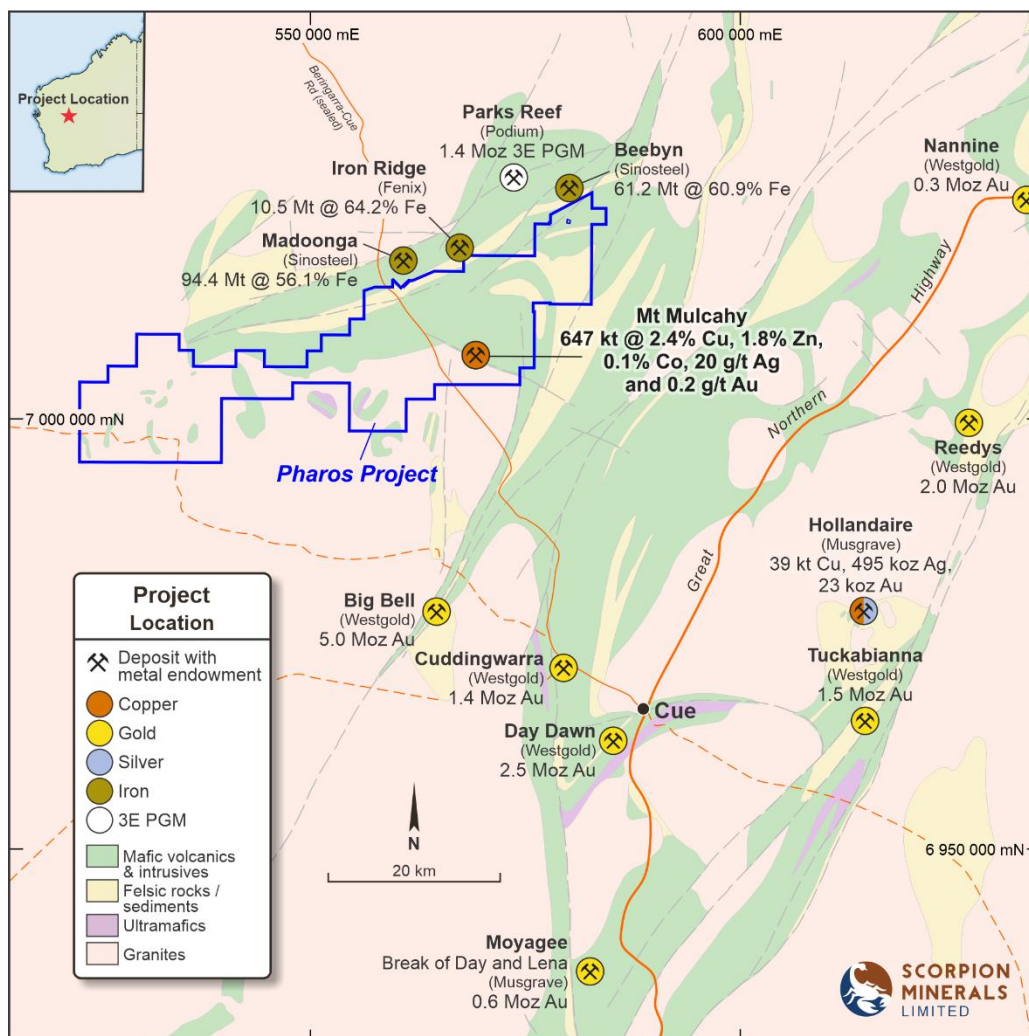


Figure 1 – Location of Pharos / Mt Mulcahy Project in Murchison area, WA, highlighting regional mineral endowment

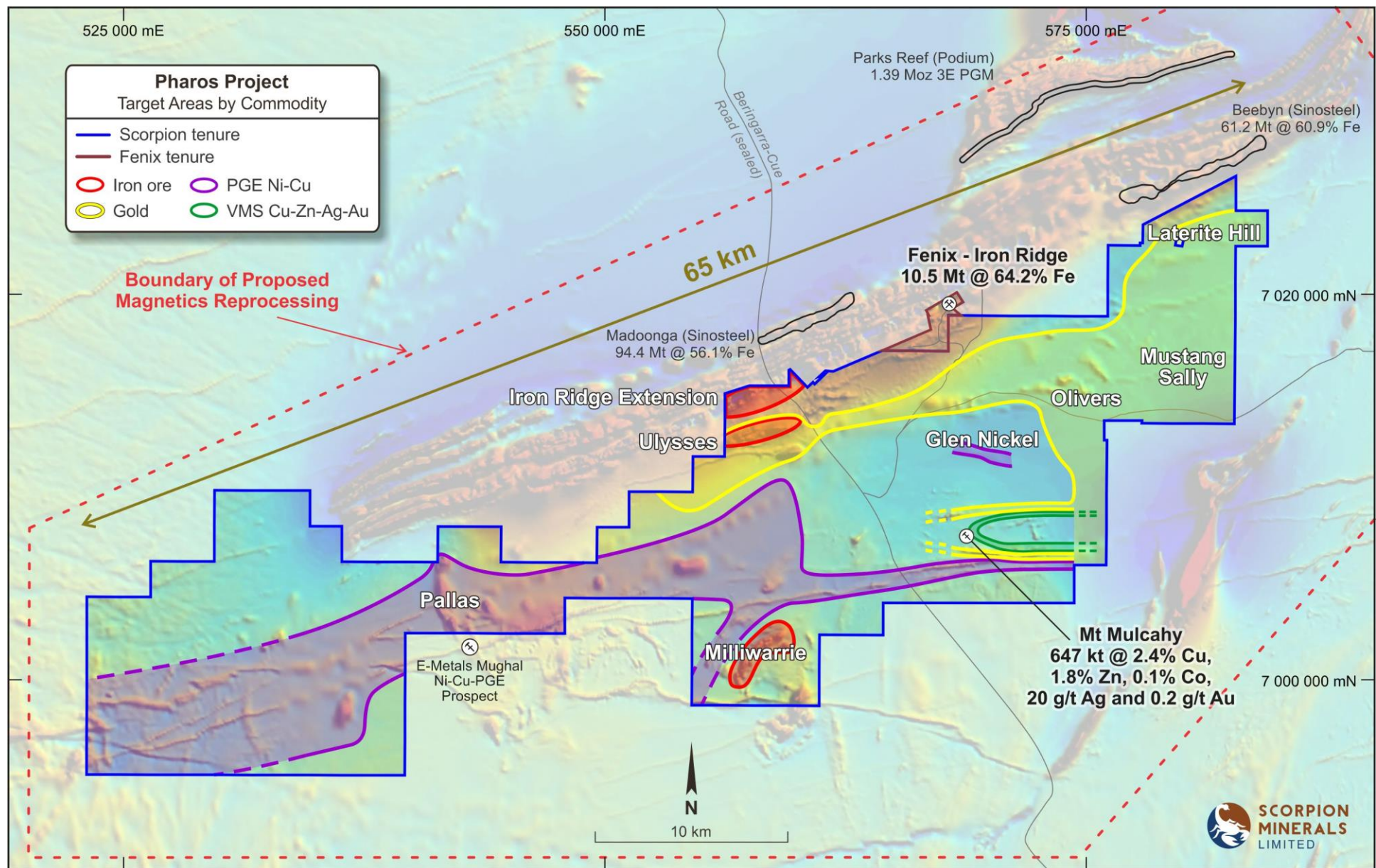


Figure 2 – Area of Reprocessed Open File/Multi Client Magnetics and commodity Targets - Pharos

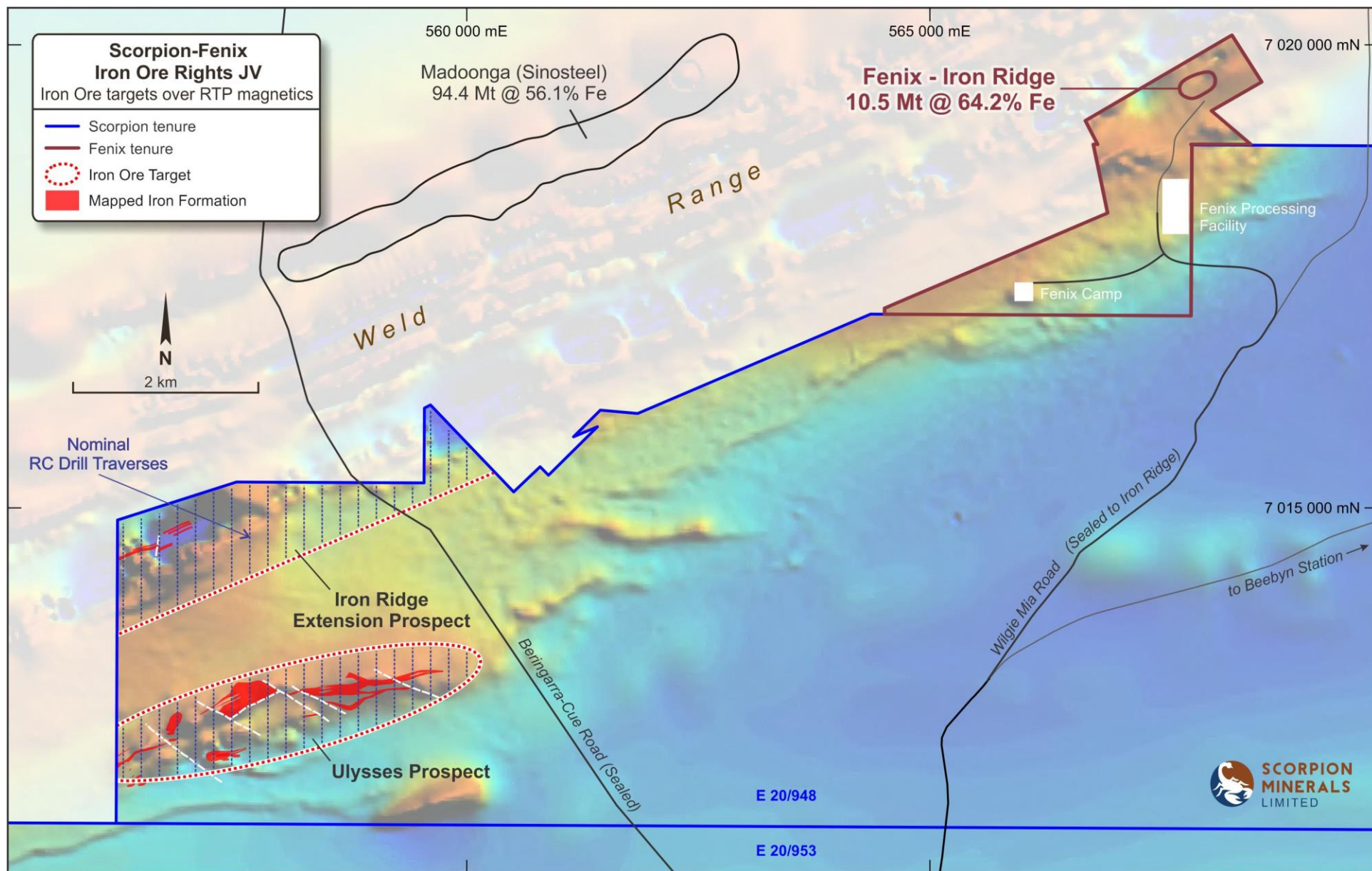


Figure 3 – Weld Range Iron ore targets showing nominal 200m-spaced RC drilling traverses at “Iron Ridge Extension” and “Ulysses” Prospects