



SCORPION MINERALS LIMITED

ASX ANNOUNCEMENT

30 April 2019

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 March 2019

Scorpion Minerals Limited ("Company") (ASX: SCN) provides the following review of activities for the quarter ended 31st March 2019.

SCORPION METALS LIMITED

Dablo Pd-Pt-Au-Ni-Cu Project, Burkina Faso

The Company (through an agreement entered into by its wholly owned subsidiary and Newgenco Exploration (West Africa) Pty Ltd (NEWA)), has rights to acquire up to a 70% joint venture interest in the Dablo exploration project located in Burkina Faso, Africa, (refer Figure 1).

On the 23rd October 2018 (refer ASX:PUN release "Dablo Project Update"), the Company announced results from a 3000 m RC drilling programme completed at Dablo PGE-Au-Ni-Cu project earlier in the year (refer PUN:ASX announcements 12th June 2018 and 18th June 2018), where holes tested extensions to previous drilling and undrilled regional targets.

Highlights (refer Figures 3, 4) announced included two regional PGE-Au-Ni-Cu discoveries made south of Dablo North, at Tangaseiga and La Forge.

- Better results from drilling included: (3E = Pd+Pt+Au):
 - Dablo North: **29m @ 3.97 g/t 3E, 0.64% Ni, 0.24% Cu from 32m**
 - Tangaseiga: **24m @ 1.74 g/t 3E, 0.37% Ni, 0.08% Cu from 8m**
 - La Forge: **12m @ 3.00 g/t 3E, 0.50% Ni, 0.09% Cu from 66m**

Potential epigenetic orogenic high-grade gold mineralisation was discovered north of northern ultramafic contact at Dablo North:

- **2m @ 13.75 g/t Au from 88 m**

Results confirmed the potential for multiple zones of PGE-Au-Ni-Cu and lode Au mineralisation along the identified 6km strike of the Dablo Ultramafic-Mafic Intrusive Complex, with an additional 24km of interpreted corridor remains to be tested.

As noted in the Company's previous quarterly activities report, on 31 December 2018, the Burkina Faso Government declared a state of emergency in a number of provinces in northern and eastern Burkina Faso along the Mali, Niger, Togo and Benin borders close to the Dablo project area. As a result of the State of Emergency, no work is currently being undertaken in the field and planned work activity on the project is on hold until the situation stabilises. The Company has been seeking to work with NEWA in good faith to agree the terms of a standstill agreement until the security situation improves. Notwithstanding, the Company has received correspondence from NEWA advising that the exclusivity period to negotiate formal arrangements in relation to the Dablo project has come to an end. The Company is considering its position (including, without limitation, possible legal remedies that may be available to it) and will continue to keep the market informed of developments.

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Director

Mr Craig Hall
Non-Executive Director

Ms Carol New
*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

Project Acquisition

Given the current security situation in Burkina Faso and the inability to progress activities at Dablo to date, the Company has commenced a process to secure an additional project. The focus is on mineral exploration projects in Australia that have a compatibility with the Mt Mulchay project. A number of projects have been identified and active discussions with parties are in progress. The Company will update the market on these discussions in due course.

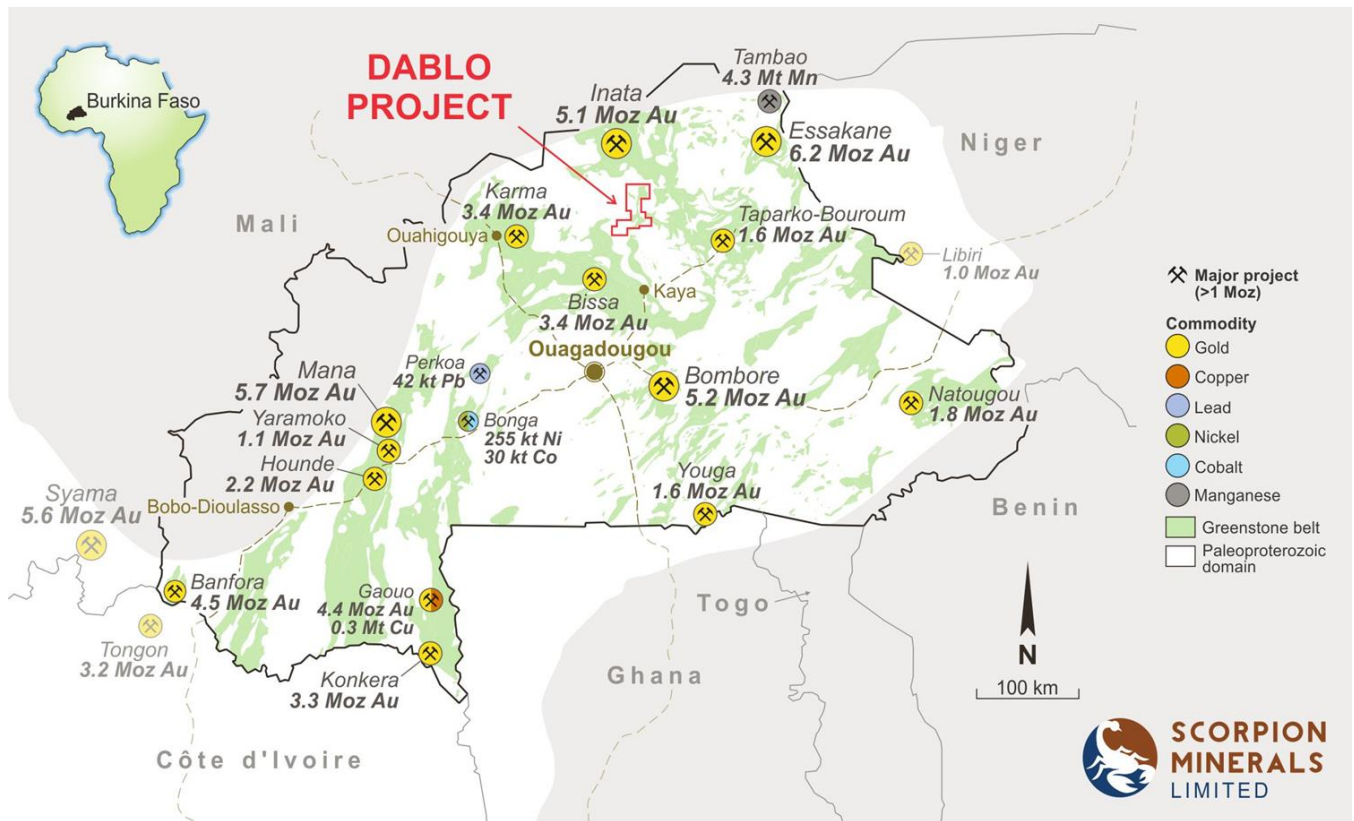


Figure 1: Dablo Project Location, highlighting significant regional mineral projects

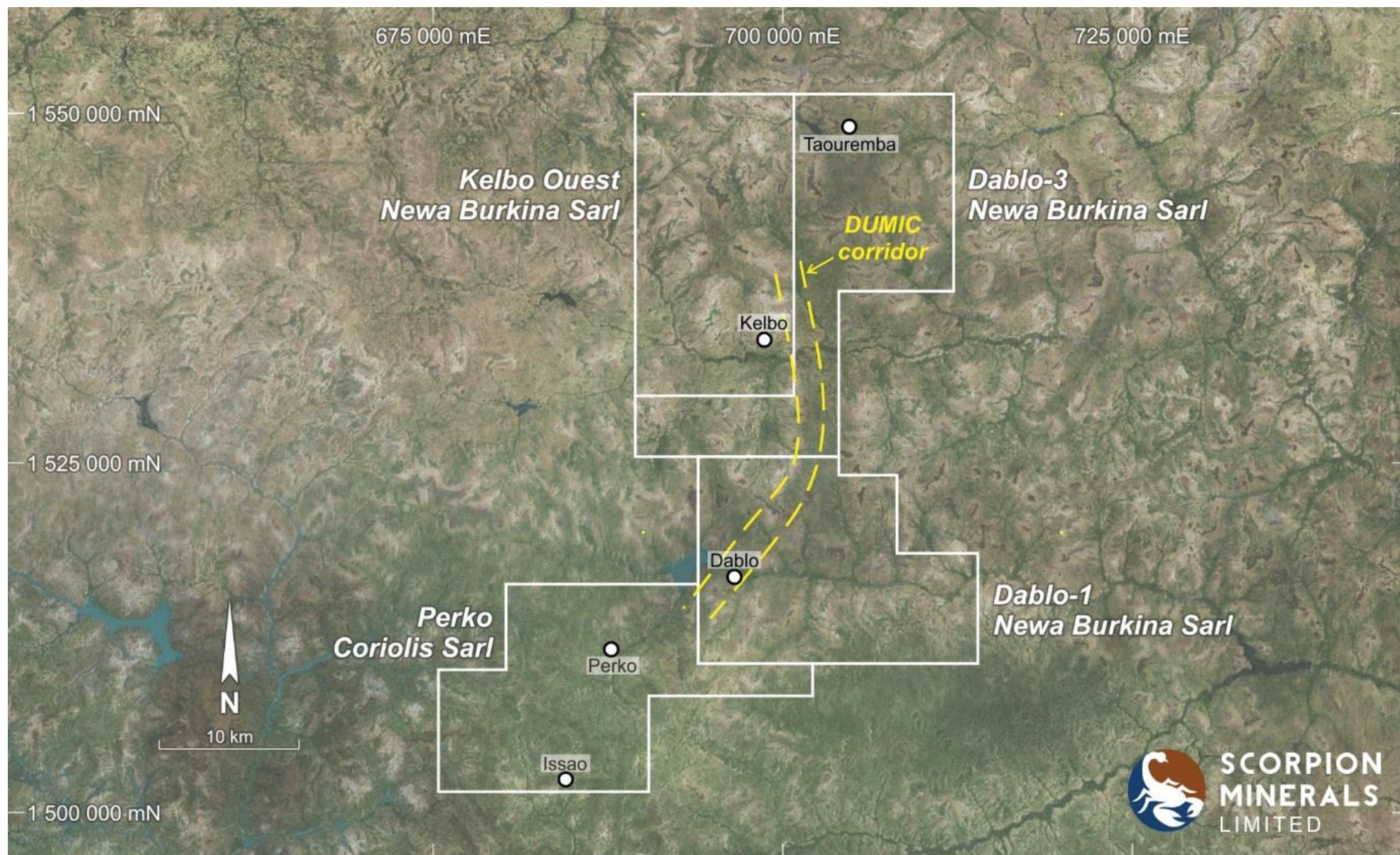


Figure 2: Dablo Project Tenure, highlighting DUMIC (Dablo UltraMafic Intrusive Complex) corridor.

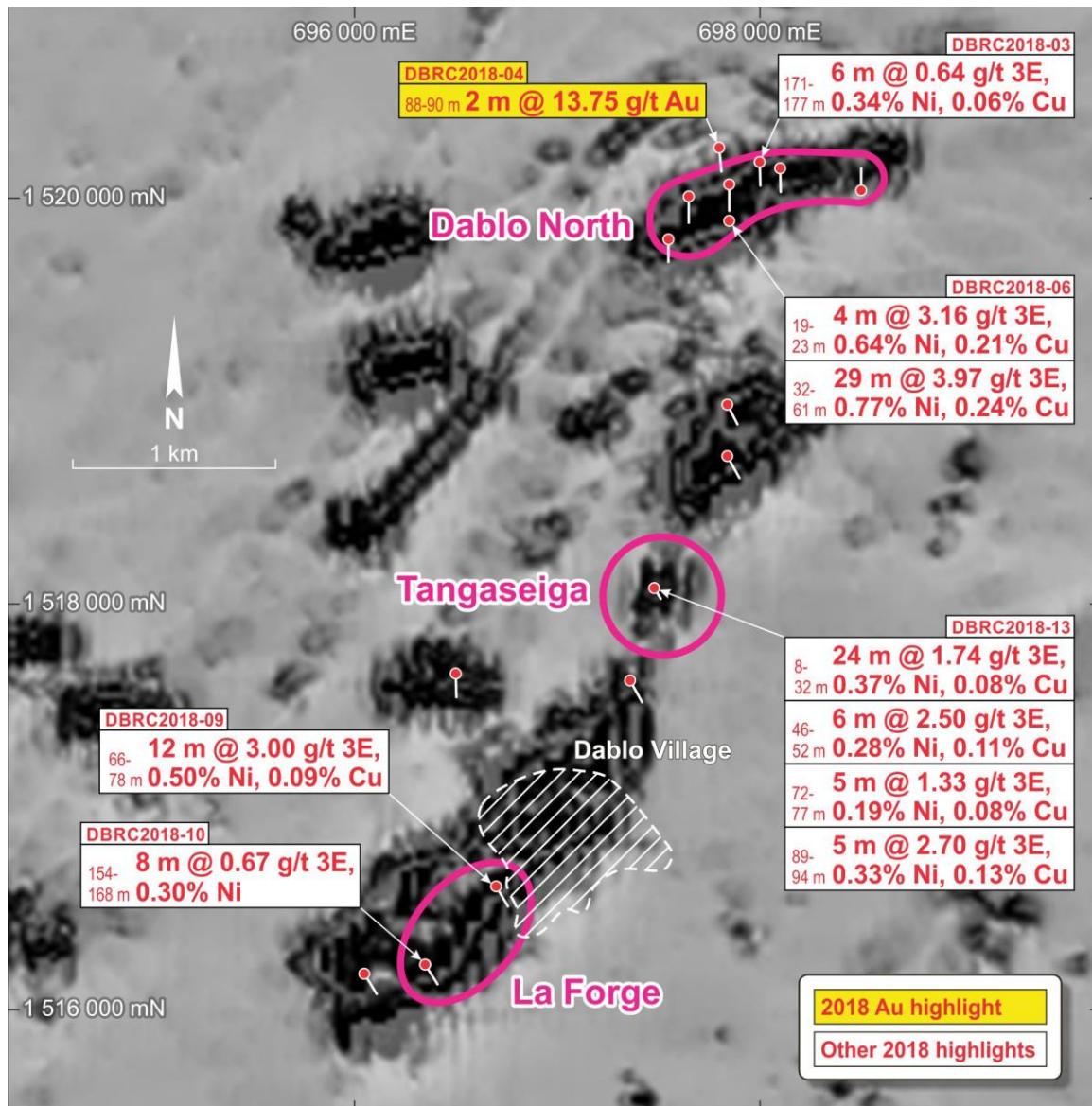


Figure 3: Significant results (white for multi-element intersect, yellow for gold only) from 2018 RC drill campaign, highlighting discovery holes at two new mineralised prospects, and a newly discovered orogenic gold prospect. Background image is greyscale magnetic first vertical derivative.

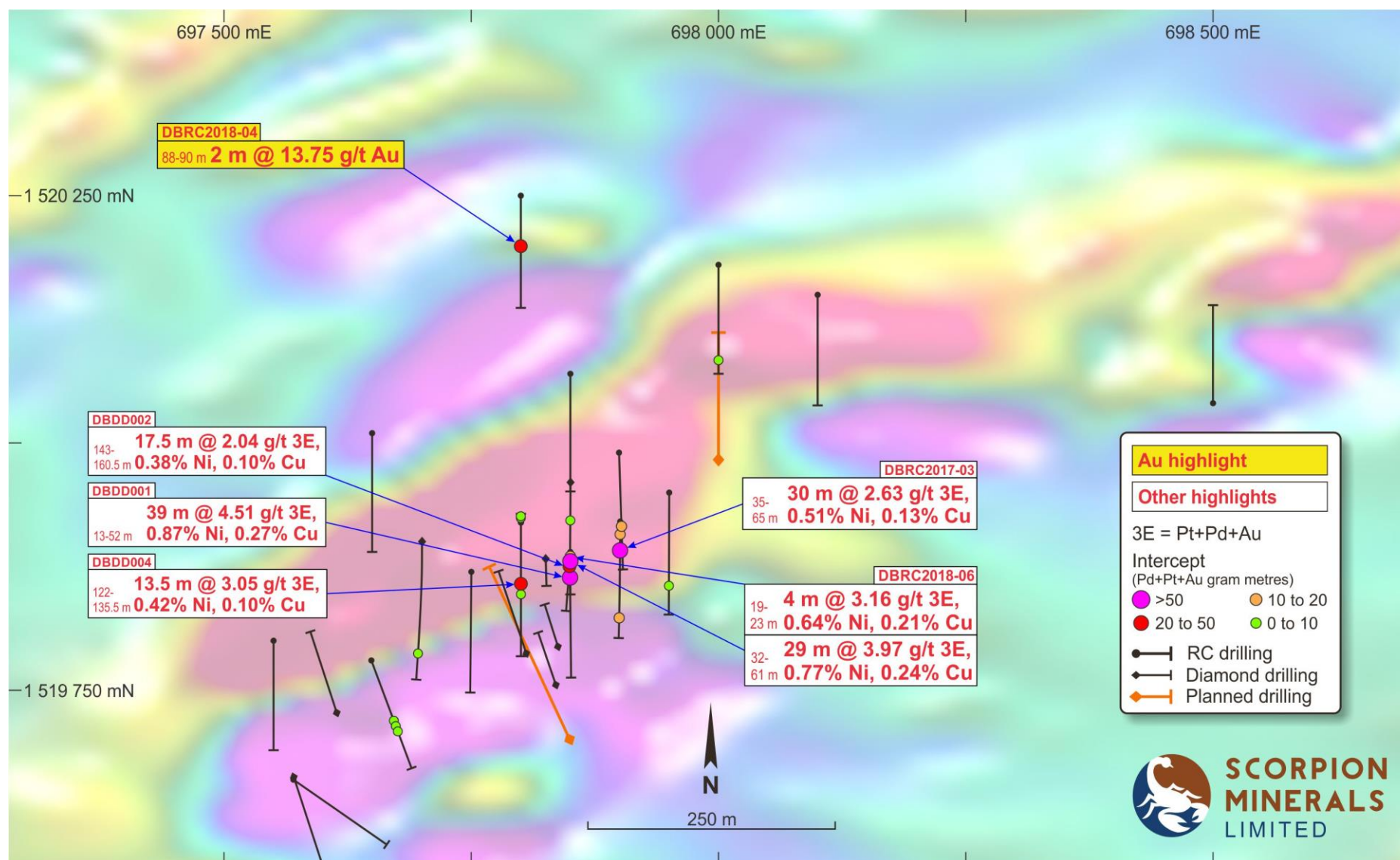


Figure 4: Dablo North significant results at from 2018 RC drill campaign. Colour background image is 1VDRTP magnetic imagery

MT MULCAHY COPPER PROJECT

Murchison, WA

Geology Discussion

The Mt Mulcahy project in Western Australia (Refer Figure 5) 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) at the 'South Limb Pod' (SLP).

The folded horizon hosting this mineralisation forms a regional keel, where the surface expression can be traced for a distance of at least 12 kilometres along strike, and excellent potential exists for additional mineralisation to be discovered along this prospective horizon (refer Figure 8).

Table 3: Current Mineral Resource Estimate, Mt Mulcahy Project

Mt Mulcahy South Limb Pod Mineral Resource Estimate as at 30 th September 2018											
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

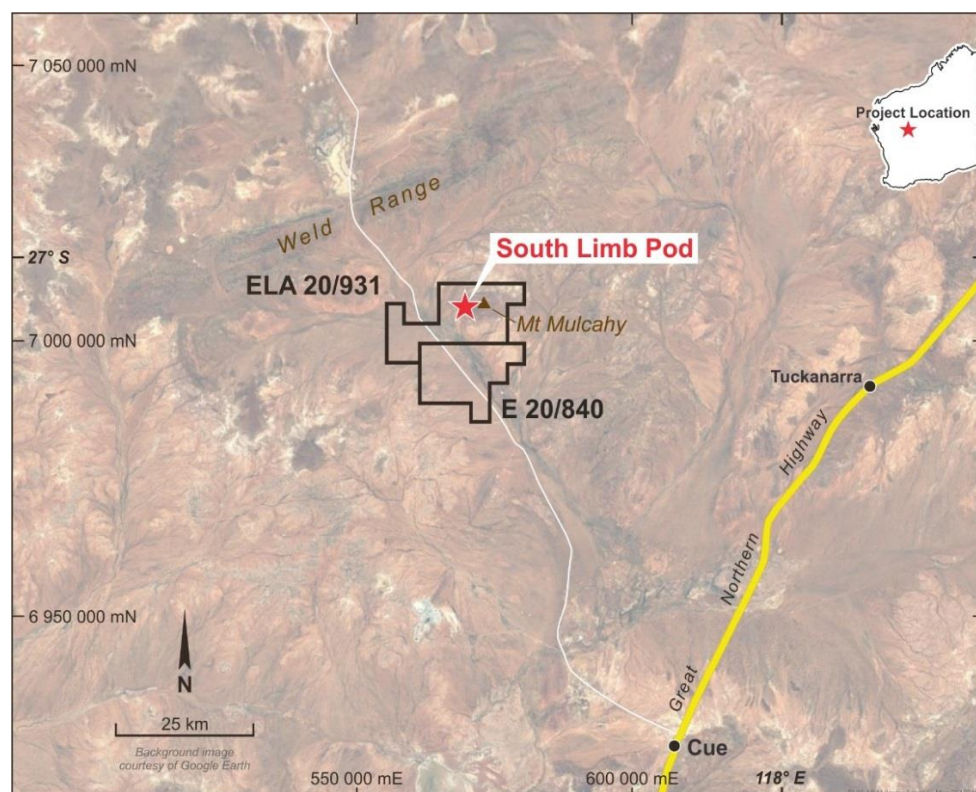


Figure 5: Scorpion Minerals Mt Mulcahy location map.

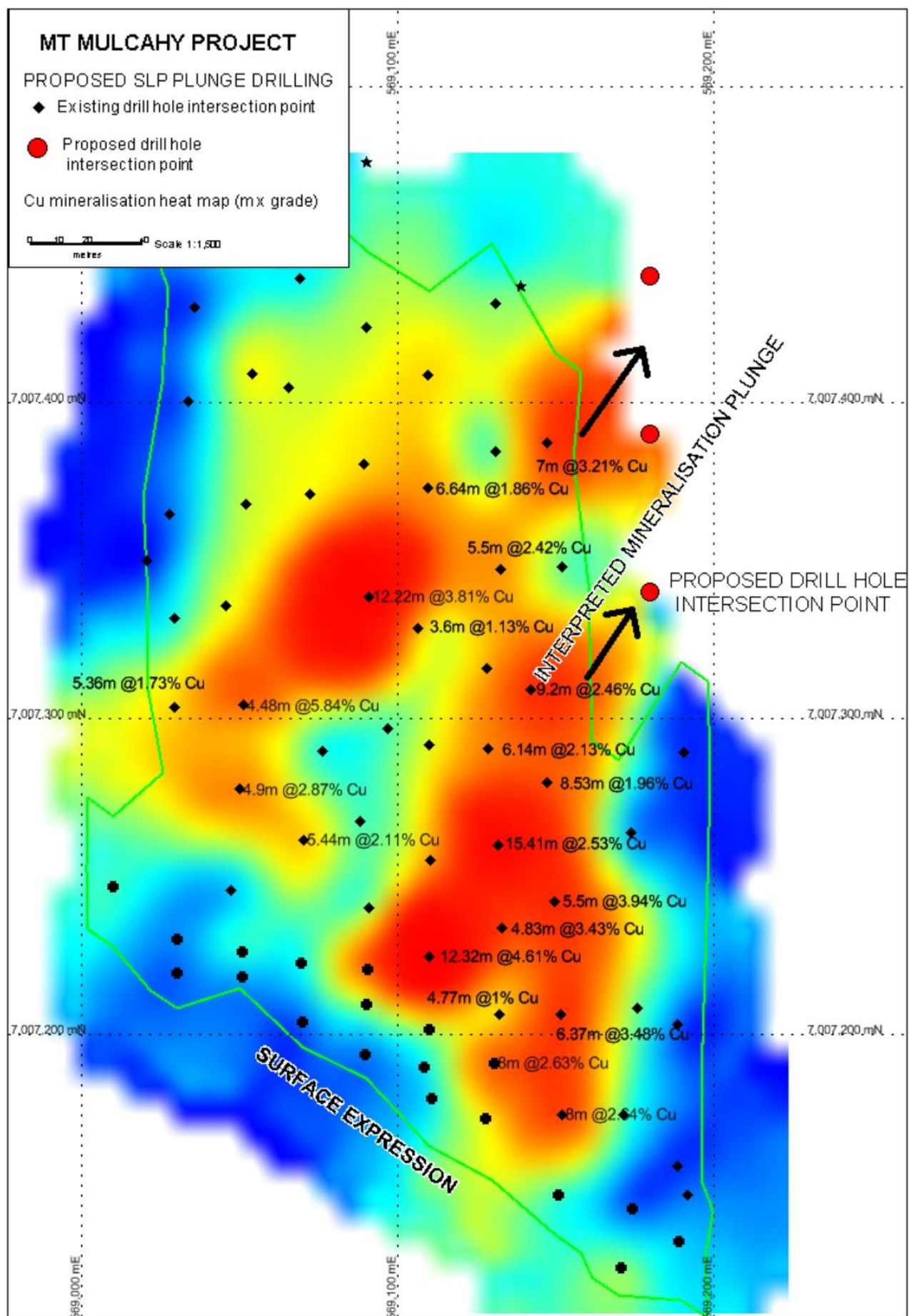


Figure 6: Plan of proposed SLP down plunge drilling.

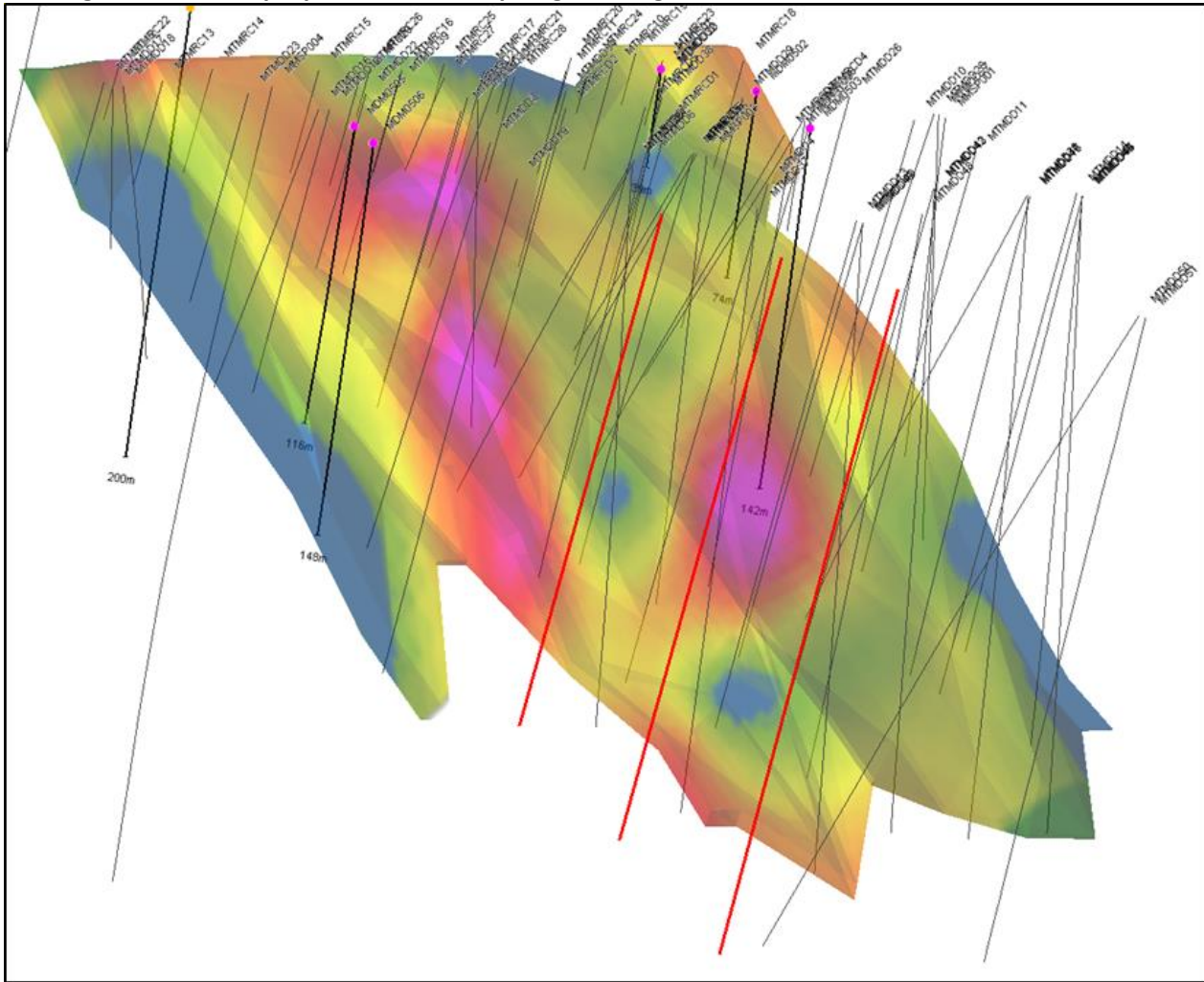


Figure 7: Oblique section of proposed SLP down plunge drilling (red traces), viewed from North East. Previous drilling defining the current resource denoted by grey or black traces.

Geology Activities

The Company is still awaiting the grant of ELA 20/931, and is finalising heritage agreements with the respective Native Title Claimant Group. Planned drilling of down-plunge extensional holes (refer Figures 6, 7) to the current resource at the SLP awaits the grant of the new licence.

The Company is also progressing its applications (P51/3016-17) in the Nowthanna area, also finalising heritage agreements with the respective Native Title Claimant Group. The project is some 50km south of Meekatharra, and contains stratigraphy which the Company believes has the potential to host VMS mineralisation.

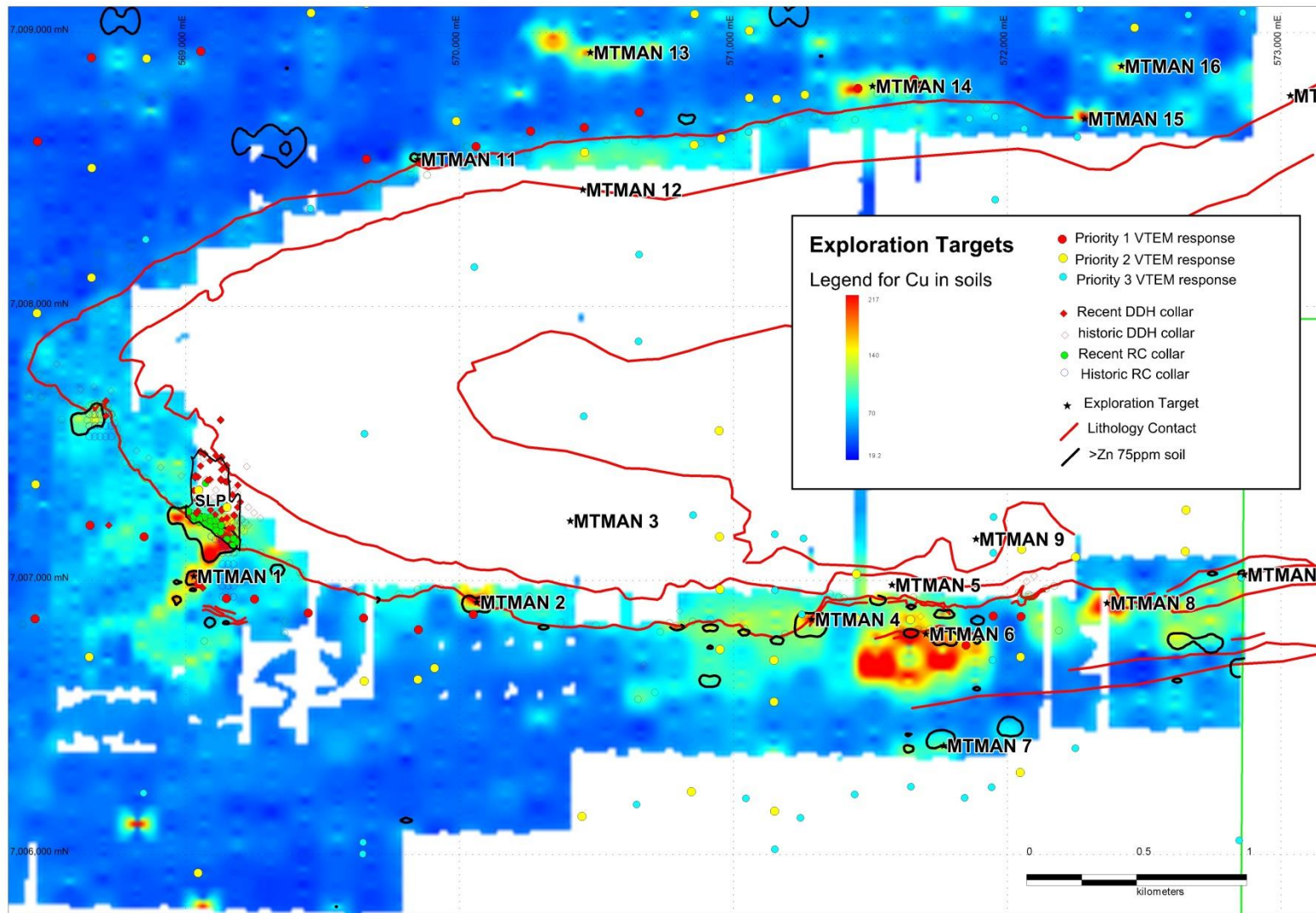


Figure 8: Mt Mulcahy priority exploration areas (MTMAN designation), in relation to South Limb Pod (SLP), shown with soil geochemistry, VTEM anomalies, and lithology contacts.

CORPORATE

During the quarter, Ms Carol New was appointed as Company Secretary following the resignation of Mr Brendon Morton. Ms New and Mr Craig Hall were appointed as non-executive directors following the resignations of Mr Grant Osborne and Mr Neil Porter.

- ENDS -

Enquiries

Ms Bronwyn Barnes
Non-Executive Director
T: +61 8 6241 1877

Competent Persons Statement 1

The information in this report that relates to the geology and Exploration Results relating to the Dablo Project in Burkina Faso is based on, and fairly reflects information compiled by Mr Grant Osborne, whom is a member of the Australian Institute of Geoscientists. Mr Osborne is a consultant to Pegasus Metals 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'. Mr Osborne consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Competent Persons Statement 2

The information in this report that relates to the Exploration Results and Mineral Resources at the Mt Mulcahy Project is based on information reviewed by Mr Craig Hall, whom is a member of the Australian Institute of Geoscientists. Mr Hall is a contractor to Pegasus Metals 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 data 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 Pegasus Metals 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

Pegasus Metals 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 Pegasus Metals Ltd, 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
E20/931	WA	Application	100	Pegasus Metals Ltd
E20/840	WA	Granted	100	Pegasus Metals Ltd
P51/3016	WA	Application	100	Pegasus Metals Ltd
P51/3017	WA	Application	100	Pegasus Metals Ltd

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

Nil

- *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*

15% of Dablo 1,2,3,4- Burkina Faso.

- *The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter*

Nil

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Scorpion Minerals Limited

ABN

40 115 535 030

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(4)	(4)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(19)	(163)
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 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(23)	(167)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10) - refund	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	18	18
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	7
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	18	25
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	16	128
3.6	Repayment of borrowings	-	-
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	16	128
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3	28
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(23)	(167)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	18	25
4.4	Net cash from / (used in) financing activities (item 3.10 above)	16	128
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	14	14

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	14	3
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)	14	3

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
2,000	1,457
-	-
-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	120
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	160

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.

Sign here 
(Director/~~Company secretary~~)

Date: 30 April 2019

Print name: Bronwyn Barnes

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.