

SCORPION SIGNS MOU WITH SUNWODA AT YOUANMI

- Scorpion has executed an MOU with Sunwoda Electronic Co. Ltd ("Sunwoda") for potential investment and fast track development of Youanmi Lithium Project ("Youanmi")
- Sunwoda is a global industry leader in the design and manufacturing of lithium-ion batteries
- Agreement provides framework for project level investment, future off-take agreements, and accelerated development of Youanmi
- Recent drilling has confirmed high-grade lithium mineralisation up to 2.84% Li₂O intersected in stacked LCT pegmatites Ongoing discussions continue with additional interested parties for Scorpion projects

Scorpion Minerals Limited (ASX: SCN) ("Scorpion" or "Company") is pleased to advise that it has signed a Memorandum of Understanding (MOU) with Sunwoda Electronic Co. Ltd ("Sunwoda") to advance discussions for potential investment, off-take agreements and development opportunities.

Scorpion and its strategic adviser - Airguide Advisors Pte Ltd ("Airguide") held meetings recently to discuss the fast-tracking on SCN's 100% owned Youanmi lithium project. SCN's executive team are well known to key Chinese lithium industry participants.

As part of this process, the Company has extended invitations to Sunwoda to visit its operations in Australia for formal discussions and to facilitate a prospective deal to unlock the potential of the Youanmi Lithium Project. Sunwoda is (<http://en.sunwoda.com>) – a Shenzhen listed (Guangdong Province) based conglomerate with a market capitalisation of around CNY 29.44 billion. Shenzhen stock ticker 300207.SZ

Scorpion and Sunwoda will now progress with further meetings with an aim to formalise an investment proposition for investment, off-take and further development opportunities.

A summary of the material terms of the MOU are set out in Annexure A. **Scorpion's Chief Executive Officer, Michael Fotios commented** "We are delighted with Sunwoda's interest to potentially fast-track Youanmi development and support our comprehensive strategy of unlocking value for shareholders. Having sound interest from a company such as Sunwoda validates the tremendous opportunity and upside that sits within Scorpion's asset base."

Discussions with other parties are also continuing in parallel with SCN's negotiations with Sunwoda. Scorpion notes that any meetings or considerations regarding any potential transactions are preliminary and there is no certainty that any binding agreement will be reached. The Company will update shareholders upon any further developments in this regard.

BOARD OF DIRECTORS

Ms Bronwyn Barnes
Non-Executive Chairman

Ms Kate Stoney
*Executive Director -
Finance, Joint Company
Secretary*

Mr Michael Kitney
Non-Executive Director

MANAGEMENT

Mr Michael Fotios
Chief Executive Officer

Mr Michael Langford
Chief Investment Officer

Mr Josh Merriman
Joint Company Secretary

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About Sunwoda Electronic Co. Ltd

Founded in 1997, Sunwoda Electronic Co. Ltd. is the global industry leader in lithium-ion battery industry. It was listed on the Growth Enterprise Market of Shenzhen Stock Exchange in 2011 (stock code: 300207), and successfully issued GDRs on SIX Swiss Exchange in 2022. With the mission of "Innovation drives the progress of new energy world", Sunwoda is committed to contributing to the realisation of carbon peaking and carbon neutrality goals. Sunwoda's businesses have evolved into six (6) segments: 3C battery, EV battery, energy service, smart hardware, intelligent manufacturing, and industrial internet, and testing service. Based in Shenzhen and serving the world, Sunwoda owns several production bases in Guangdong, Jiangsu, Zhejiang, Shandong, Jiangxi, Sichuan, Hubei provinces of China and New Delhi, India, and has established branches in the USA, France, Israel, South Korea, Japan, Vietnam and other countries.

Sunwoda began to formally deploy its EV battery business in 2008. Taking electric vehicle battery systems (cell, module, BMS and PACK) as the core of product, the upstream extends to key links such as mineral raw materials and battery anode and cathode materials, while the downstream extends to electric vehicles, energy storage stations and power battery echelon utilisation, forming a business blueprint for the integration of entire industry chain.

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

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Enquiries

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Annexure A

A summary of the material terms of the MOU are set out below:

- The MOU will be valid for 12 months from the date of the MOU, unless the parties agree in writing to extend the MOU or enter into a new agreement outlining the terms of the parties' future cooperation.
- The purpose of the MOU is to enable the parties to identify, discuss and pursue mutually beneficial business opportunities, specifically:
 - potential investment in SCN's project;
 - potential future off-take agreements for lithium concentrate produced by SCN; or
 - strategic cooperation between the parties to accelerate mine development.
- The parties agree that the confidential information exchanged is secret, confidential and valuable to the disclosing party, and agree to keep the confidential information confidential.
- Nothing in the MOU prevents either Party from conducting its ordinary business as usual or to require any Party to involve the other Party in any bid or contract of that Party.
- Following termination of the MOU, for a two year period, each Party agrees that it will not directly or indirectly entice, solicit or endeavour to entice or solicit away from the other Party the business of any person, firm or company who during the period of one year preceding the date of termination of the MOU was a client of the other Party and with whom they had a significant contract with during the period of the MOU.

The MOU otherwise contains terms that are considered standard for agreements of this nature.