

## ***Scorpion Signs Strategic MOU with GreatPower Nickel & Cobalt Materials to Advance WA Lithium Business***

### **Significant Chinese Partner to Provide Staged Development Funding:**

- Scorpion to partner with Chinese battery materials manufacturer GreatPower Nickel and Cobalt Materials to advance lithium opportunities in WA
- USD10M to be advanced over two stages to establish and/or acquire a WA lithium asset; and then advance to a decision to mine
  - *Stage 1 funding of USD2M will be provided to Scorpion upfront to deliver a JORC compliant resource estimate of 10MT at 1.0% Li<sub>2</sub>O*
  - *Stage 2 funding of an additional USD8M will be provided to advance feasibility and mine development studies*
- GreatPower to facilitate mine development funding once statutory mining approvals are issued and will receive up to 90% offtake rights
- GreatPower has also expressed interest in building a solar power plant to service the lithium mine development and operations
- Partnership recognises Scorpion's expertise in lithium project acquisition, exploration and development at a time when the lithium demand is on the rise
- GreatPower's Chairman is scheduled to visit WA in early December
- Scorpion to advance its lithium activities in parallel with gold exploration activities at its Pharos and Kirkalocka projects in the Murchison region of WA

Scorpion Minerals Limited (ASX:SCN) ("**Scorpion**", "**SCN**" or "**the Company**") is pleased to advise that it has entered a Memorandum of Understanding ("**MOU**") with GreatPower Nickel and Cobalt Materials Co. Ltd ("**GreatPower**") to advance lithium opportunities in Western Australia.

Under the terms of the MOU, GreatPower will provide Scorpion with staged funding to advance a lithium project through to resource definition and production. The staged funding includes:

- I. USD2M upfront to advance a lithium project to a JORC compliant resource estimate of 10MT at 1.0% Li<sub>2</sub>O
- II. USD8M upon definition of the JORC complaint resource of 10MT at 1.0% Li<sub>2</sub>O
- III. GreatPower to organise mine development funding once statutory mining approvals are issued

**Commenting on this strategic agreement, CEO Michael Fotios said:** *"Scorpion is delighted to be partnering with GreatPower – an extremely well credentialed and experienced energy storage manufacturer in China. The fact that we have attracted the interest of such a significant Chinese player, speaks volumes to the underlying quality of our lithium assets in WA, and the capabilities of our management team to advance these assets through to production."*

**SCORPION  
MINERALS LTD**

#### **BOARD OF DIRECTORS**

Mr Michael Kitney  
*Non-Executive Chairman*

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

Mr Peter Koller  
*Non-Executive Director*

#### **MANAGEMENT**

Mr Michael Fotios  
*Chief Executive Officer*

Mr Josh Merriman  
*Joint Company Secretary*

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*Importantly, the upfront funding support provided by GreatPower will give Scorpion the bandwidth to aggressively advance its current lithium assets, whilst also pursuing new project opportunities; several of which are already on the company's radar. We look forward to providing regular updates on this partnership as it progresses."*

**Commenting on this strategic agreement, DongQiang (Aaron) Cao, Chairman of Directors at GreatPower Nickel and Cobalt said:** *"This MOU marks the cornerstone of the company's strategic move toward collaboration and development of upstream lithium resources. Aiming at achieving sustainable energy and ESG goals, in accordance with GreatPower's global strategy on digital energy integration. This mutual beneficial relationship will realise the synergy of cross-border industry collaboration with Scorpion Minerals."*

#### **GreatPower Nickel and Cobalt Materials Co. Ltd**

GreatPower was established in 2006, employs over 400 people and has an annual revenue of over 4B RMB (USD560M). GreatPower has established a proven track record over 20 years of producing and delivering upstream raw materials products including metal cobalt, nickel sulphate, and other battery materials including EV battery recycling ([www.greatpowercn.com/en/](http://www.greatpowercn.com/en/)).

GreatPower has six plants across China, for global and domestic clients including LG Energy Solutions (LGES), CATL, BMW and Samsung. LGES holds a 4.02% shareholding in GreatPower. Current production is 15,000t cobalt products and 56,000t nickel products along with 5,000t lithium carbonate and 15,000t of crude nickel and cobalt hydroxide from recycled batteries. GreatPower is developing capacity to produce up to 10,000t lithium manganese oxide cathode material and 20,000t of lithium manganese iron phosphate.

#### **MOU Summary: Key Material terms**

Whilst the MOU is not legally binding on the Parties, the mutual intention of the Parties is to provide Scorpion with staged funding to advance a lithium project through to resource definition and production and the MOU is of key strategic importance to Scorpion and its current and future operations:

- the purpose of the MOU is for the Parties to collaborate in respect of advancing lithium opportunities in Western Australia, including but not limited to Scorpion's existing assets;
- the term of the MOU is for a 12 month period (unless an extension is mutually agreed);
- subject to the Parties entering into a formal binding agreement:
  - *GreatPower provides USD 2M to SCN, which may be converted at 15% discount to the 30-day VWAP to SCN shares, on the issuance of the Western Australian Government mining approval. GreatPower to receive 25% offtake rights to the Lithium Project;*
  - *GreatPower to provide USD 8M in funding, upon completion of the JORC Report showing a total resource estimate of greater than 10MT at 1.0% Li<sub>2</sub>O, where conversion to SCN shares is at 15% discount to the 30-day VWAP on the issuance of the Western Australian Government mining approval. GreatPower to receive a further 25% offtake rights to the Lithium Project;*
  - *GreatPower to organize funding for mine development once Western Australian Government mine approvals are granted. GreatPower to receive a further 40% offtake rights to the Lithium Project.*
- Any issues of securities by Scorpion would be subject to the Company achieving the relevant milestone and obtaining the necessary prior shareholder and regulatory approvals.

The MOU contains other terms which are considered standard for agreements of this nature.

Note funding is only converted to equity on the issuance of statutory mining approvals. Scorpion will make the decision to mine and manage the preparation and submission of the statutory mining proposal along with any other approvals required.

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

**-ENDS-**

**Enquiries**

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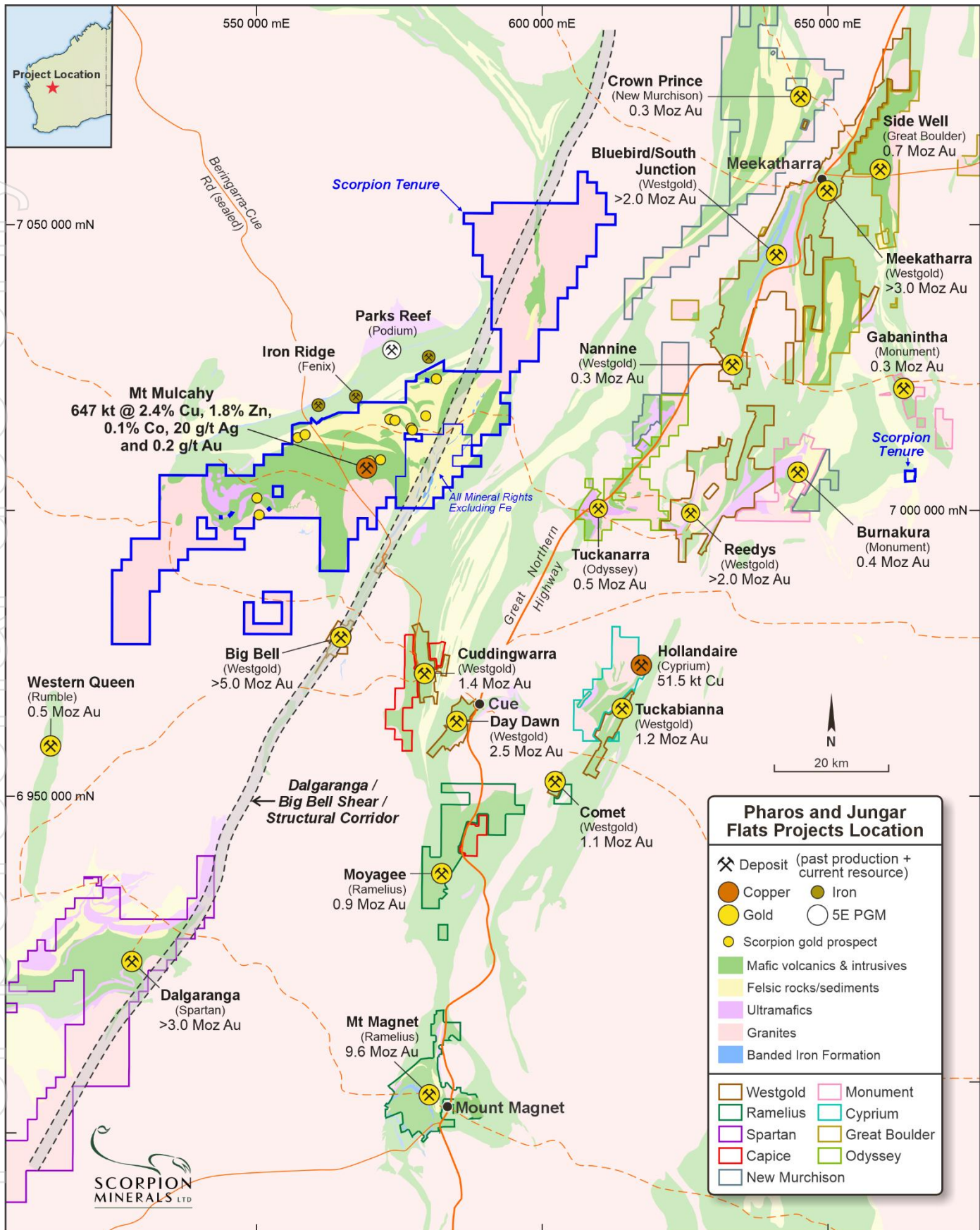


Figure 1: SCN's Pharos and Jungar Flats Projects with existing major deposits and neighbouring tenures

## About Scorpion Minerals Limited

Scorpion Minerals Limited (ASX:SCN) is an Australian mineral exploration and resource development company with a focus on creating wealth for shareholders through the discovery of world-class deposits, over a diversified range of minerals. Our current efforts are centred on our Pharos Project located in the Murchison Province of Western Australia.

### The Pharos Project

The Pharos Project consists of 924 square kilometres of granted tenure, located approximately 50 km northwest of the small mining town of Cue in the Murchison Mineral Field. The project is easily accessible from the Great Northern Highway by the sealed Jack Hills Mine access road and then by unsealed tracks. Scorpion holds a 100% interest in the project.

The project is prospective for gold, lithium, PGE-Ni-Cu, iron ore, and VMS hosted Cu-Zn-Ag Au mineralisation, and contains the Mt Mulcahy deposit. The 'South Limb Pod' zone of mineralisation at Mt Mulcahy contains 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 Table 3).

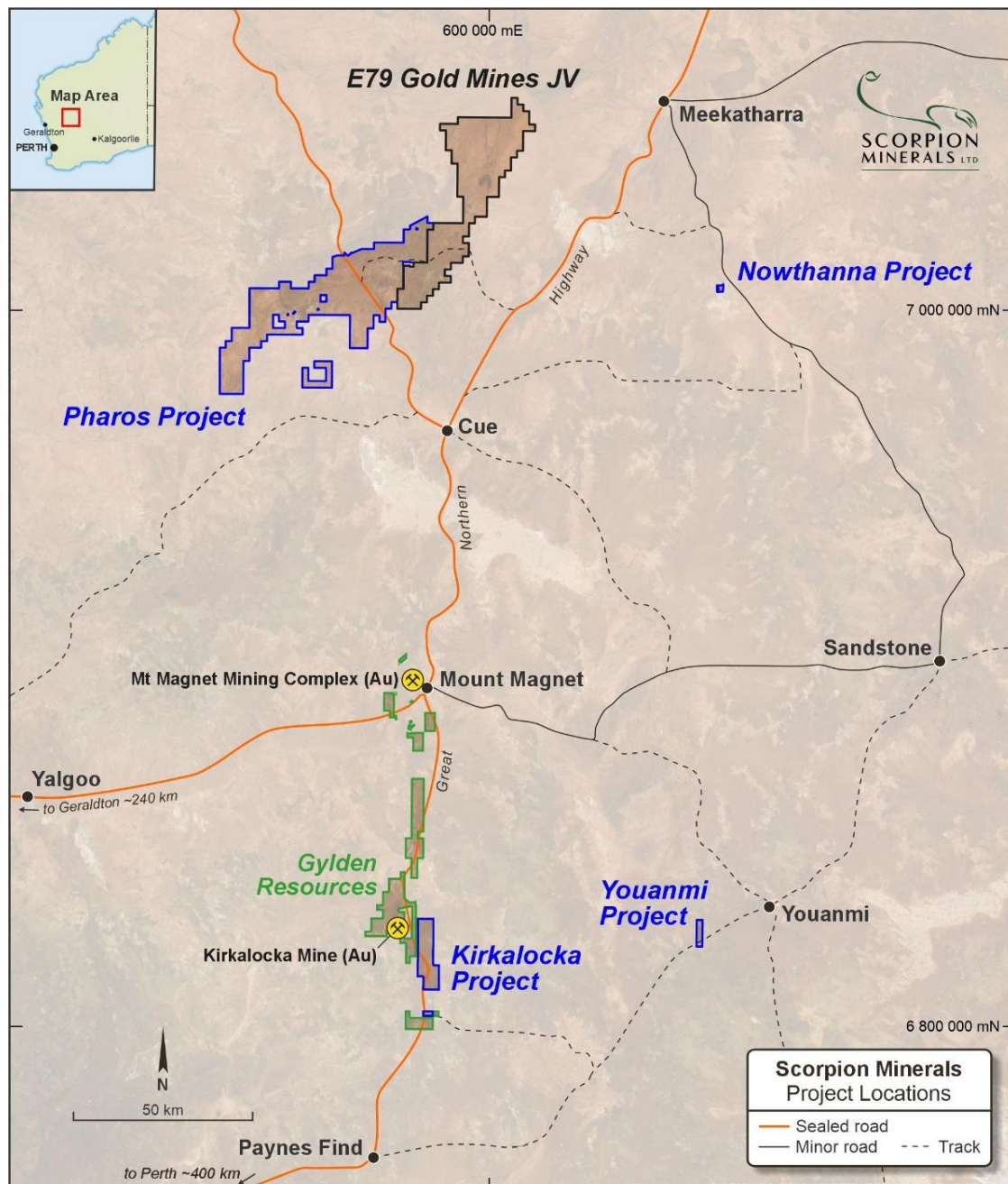


Figure 2: Murchison tenement location plan