

\$2 Million Funding Secured for Old Prospect Development Andel Resources Option and Right to Mine Agreements

- **Option to enter into Right to Mine agreement signed with Andel Resources Pty Ltd, a related party of Gylden Resources, the owners of the Kirkalocka Processing Plant and surrounding Kirkalocka Gold Project where Old Prospect's material will be processed**
- **\$2M option fee payable within 21 days for 12 month option term**
- **Kirkalocka Processing Plant located only 200 km from Old Prospect tenements – accessible for the most part (180km) by sealed road**
- **Favourable terms for both parties: Right to Mine terms include funding of all mining, haulage and processing activities by Andel on a 50/50 profit share basis**
- **Scorpion now substantially funded to first production**
- **Old Prospect mining studies to commence including updated scoping study**
- **Site activities, infill/extensional RC and Diamond drilling to commence near-term**

Scorpion Minerals Limited (ASX:SCN) ("**Scorpion**", "**SCN**" or "**the Company**") is pleased to advise that it has entered into a binding option agreement (**Option Agreement**) with Andel Resources Pty Ltd (**Andel**) in relation to the Old Prospect tenements (**Tenements**) located within the Company's *Pharos Gold Project*, northwest of Cue in the Murchison region of Western Australia ("**Pharos**") (Figures 1 and 3).

Scorpion is delighted to have secured this binding agreement with a respected and well-funded party with existing mining, transport and processing infrastructure and a strong balance sheet. Andel is a related party of Gylden Resources Pty Ltd (**Gylden**), the current owners of the Kirkalocka Processing Plant and surrounding Kirkalocka Gold Project, located approximately 70km south of Mount Magnet in Western Australia and only 200km from the tenements. Andel and Gylden are owned by an affiliate of global investment firm Värde Partners (see ASX release dated 29 October 2025).

The Option Agreement grants Andel (or its nominee) the exclusive right to enter into a Right-to-Mine agreement (**RTM Agreement**) under which Andel will procure, manage and fund the provision of services to mine, process and transport gold bearing ore extracted from the Tenements (**RTM Option**).

Pharos and the adjacent Jungar Flats JV Project (1600km²) cover the northern extent of the highly prospective Big Bell–Dalgara shear corridor (Figure 1).

Commenting on the Andel Agreements, CEO Michael Fotios said: "This binding option agreement with Andel is a major milestone for Scorpion and the catalyst to rapidly transform the Company from explorer to miner with the support of an experienced and well-funded party. We are energised to advance a comprehensive work program at Old Prospect that targets both near-term value and long-term resource growth. Planned activities include infill and extension RC drilling along the Old Prospect–Middle Bore trend, targeted diamond drilling to test down-plunge mineralisation and retrieve geotechnical and metallurgical samples, and follow-up with ~1,500m of regional RC drilling. Complementary studies and enabling work, open-pit optimisation, mining studies and lodgement of a mining proposal, detailed geological mapping, a 50m-line spaced airborne magnetic survey and integrated lithostructural interpretation, will underpin resource definition and de-risk our development pathway."

**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

SCORPION MINERALS LIMITED

ABN 40 115 535 030
Level 2, 50 Kings Park Rd
West Perth WA 6005

T: +61 8 6241 1877
F: +61 8 6241 1811

www.scorpionminerals.com.au

Summary of Transaction Terms

A summary of the key terms of the Option Agreement is as follows:

- i. **(Option Fee):** in consideration for granting the RTM Option, Andel agrees to pay Scorpion an option fee of \$2,000,000 within 21 business days of the Execution Date;
- ii. **(Option Period):** the RTM Option is to be granted for a period of one year from the Execution Date, unless mutually extended by the parties;
- iii. **(SCN Options):** on payment of the Option Fee, Scorpion must issue to Andel (or its nominees) the following options to subscribe for shares in the Company:
 - a. **(Tranche 1 Options):** 10,000,000 unlisted options, exercisable at \$0.05 per option and expiring 6 months from the date of issue;
 - b. **(Tranche 2 Options):** 10,000,000 unlisted options, exercisable at \$0.05 per option and expiring 12 months from the date of issue; and
 - c. **(Tranche 3 Options):** 10,000,000 unlisted options, exercisable at \$0.05 per option and expiring 24 months from the date of issue;
- iv. **(Conditions Precedent):** exercise of the RTM Option is subject to satisfaction/waiver of the following conditions precedent within the Option Period:
 - a. Completion of legal and technical due diligence by Andel in relation to the Tenements;
 - b. Granting of a mining lease over the ground contained within the area that comprises the RTM Agreement; and
 - c. The parties obtaining all other necessary third-party consents and approvals.
- v. **(Option Exercise):** subject to payment of the Option Fee and satisfaction (or waiver) of the Conditions Precedent, Andel may exercise the RTM Option by executing the RTM Agreement and no further consideration is payable by Andel to Scorpion to exercise the RTM Option.

The Option Fee is non-refundable except in circumstances where SCN breaches its obligations under the agreement or SCN's specific actions or omissions cause a failure to satisfy a Condition Precedent. The Option Agreement contains other terms which are considered standard for agreements of this nature. The allotment of the SCN Options will be made using the Company's existing placement capacity under ASX Listing Rule 7.1.

Summary of RTM Terms

While the RTM Agreement has not been fully executed and will only be executed and become legally binding should Andel proceed with the Option Exercise, the terms of the RTM Agreement have been mutually agreed by Scorpion and Andel as part of the Option Agreement. The RTM Agreement envisages the provision of toll milling services by Gylden and the provision of mining services by SMS (WA) Holdings Pty Ltd (**SMS**), another related party of Andel.

The agreed terms of the RTM Agreement are summarised below:

- i. **(Right to Mine):** Scorpion will grant to Andel the sole and exclusive right to carry out the Mining Activities on the Tenements for the Term, subject to the Conditions and other terms of the RTM Agreement;
- ii. **(Term):** unless terminated earlier, the RTM Agreement expires on the earlier of:
 - a. The date that is 4 years and 9 months from the date of execution, and
 - b. The date on which an applicable Mine Plan expires and no additional Mine Plan has been provided by Andel.

- For personal use only
- i. **(Conditions):** the Right to Mine shall be granted subject to the satisfaction (or waiver) of the below conditions precedent during a period of 12 months from the date of the Option Agreement:
 - a. Receipt of all approvals required by Andel under the *Foreign Acquisitions and Takeovers Act 1975* to enter into the Specific Security Agreement;
 - b. Execution of the Project Agreements (noted below); and
 - c. Execution of the Ancillary Agreements (noted below);
 - ii. **(Project Agreements):** as soon as practicable after execution, Andel will provide to Scorpion a draft Mining Services Agreement prepared by SMS and a draft Toll Milling Agreement prepared by Gylden. However, subject to procurement of alternative proposals by Scorpion during a period of 20 business days following receipt of the draft agreements, both parties may agree to adopt alternative third-party proposals that will maximise the returns to each party;
 - iii. **(Ancillary Agreements):** Andel and Scorpion must use all reasonable endeavours to negotiate and agree a Specific Security Agreement and Mine Management Services Agreement, and Andel must negotiate and enter into binding agreements with third parties for transportation services, gold refining, and other services necessary for the Mining Activities;
 - iv. **(Mine Plan):** all Mining Activities shall be conducted in accordance with a Mine Plan prepared by Andel, with the Initial Mine Plan commencing upon satisfaction (or waiver) of the Conditions and each Mine Plan applying for one calendar year unless otherwise agreed by the Parties;
 - v. **(Campaign):** the provision of toll milling services in relation to the treatment of 150,000 tonnes of Gold-Bearing Ore under the Toll Milling Agreement;
 - vi. **(Toll Milling Capacity):** Andel must procure Gylden to make available sufficient toll milling capacity at the Kirkalocka Processing Plant to allow for processing of:
 - a. 1 Campaign during the 2027 calendar year; and
 - b. 4 Campaigns during the 2028 calendar year;
 - vii. **(Funding):** Andel must perform the Mining Activities at its sole cost and expense and must pay all amounts due and payable under the Project Agreements and Ancillary Agreements;
 - viii. **(Gold Profits):** following the payment of all state royalties and reimbursement to Andel for the Funding and any other direct and indirect costs incurred in connection with the Mining Activities, any funds received by Andel from the sale of Gold-Bearing Ore shall be distributed within 5 business days on the basis below:
 - a. 40% of the Gold Profits are paid to Scorpion;
 - b. 40% of the Gold Profits are paid to Andel; and
 - c. 20% of the Gold Profits are retained for the earlier of the period that is 6 months from completion of each Campaign and 5 business days from the completion of the subsequent Campaign and then distributed equally between the parties.

Scorpion is responsible for maintaining the Tenements in full force and in good standing under the RTM Agreement. The RTM Agreement otherwise contains terms which are considered standard for agreements of this nature.

Planned Exploration/Development Activities

Exploration work will continue over the coming months across Scorpion's Murchison tenements; the key areas of focus will include:

- *Updated Old prospect open pit optimisation*
- *Infill and extension RC drilling at Old Prospect to Middle Bore trend*
- *Mining studies and lodgement of a mining proposal*
- *Diamond drilling testing mineralisation down plunge at depth and collect material for geotechnical/metallurgical assessment/test work.*
- *Follow-up RC drilling of selected regional targets – approx. 1500 metres*
- *Detailed (1:5000 scale) geological mapping*

- 50m line spaced Airborne Magnetic Survey
- Detailed lithostructural Interpretation utilising detailed mapping and air magnetics

Technical information included in this announcement regarding gold exploration at Pharos has previously been provided to the market in releases dated:

07/11/2019	Option to Acquire Gold and Base Metal Projects
15/01/2020	Pharos Gold and Base Metal Project Update
23/01/2020	Grant of Pharos project Tenement
13/02/2020	New Gold Targets Discovered at Pharos Project
12/03/2020	Tenement Acquisitions Build Pharos Project
25/06/2020	Pharos Project Exploration Update
09/07/2020	High Grade Gold Rock Chips - Pharos Project
13/08/2020	Drilling to Commence – Pharos Project
31/08/2020	Commencement of Drilling - Pharos Project
28/09/2020	High Grade Gold Confirmed at Lantern - Pharos Project
24/11/2020	Further High-Grade Gold Results – Pharos Project
23/06/2021	Multiple Commodity Targets Identified at Pharos
12/08/2021	RC Drilling Commences at Pharos Gold Targets
23/08/2021	Completion of Drilling at Pharos Gold Targets
20/10/2021	New Shallow High-Grade Gold Zone Confirmed at Cap Lamp
06/12/2021	Scorpion increase Murchison Footprint
07/02/2022	Scorpion Acquires Poona Project
11/02/2022	Poona Tech Review Highlights Multiple PGE-Ni-Cu & Au Targets
13/04/2022	Investor Presentation
09/11/2023	Investor Presentation
25/07/2024	Specimen Gold Discovered at Olivers Patch
30/08/2024	Pharos High-Grade Gold Target Review Underway
11/09/2024	Specimen Gold Distribution Confirmed at Olivers Patch
14/02/2025	Murchison Gold JV
14/02/2025	Presentation – Murchison Gold Strategy
18/03/2025	RC Drilling to Commence at Pharos Gold Project
08/04/2025	Murchison Gold Targets
03/06/2025	Pre-drilling Exploration Work Complete
03/07/2025	Drilling Rig Mobilised to Pharos Gold Project
24/07/2025	RC Drilling Completed – Pharos Gold Project
21/08/2025	Exploration Update – Pharos Gold Project Murchison
29/10/2025	Shallow High-Grade at Pharos and Strategic Partnership
23/12/2025	Strategic Ground Acquisition at Pharos Gold project
20/04/2026	Mining Lease Application – Old Prospect Gold Tenements
29/04/2026	EIS Application Granted – Regional Magnetic Survey
06/05/2026	New Gold Exploration Target Old Prospect – Pharos Project, Murchison WA

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

-ENDS-

Enquiries

For more information, please contact:

Michael Fotios
Chief Executive Officer
T +61 8 6241 1877
info@scorpionminerals.com.au

Sam Burns
Six Degrees Investor Relations
T +61 (0) 400 164 067

For personal use only

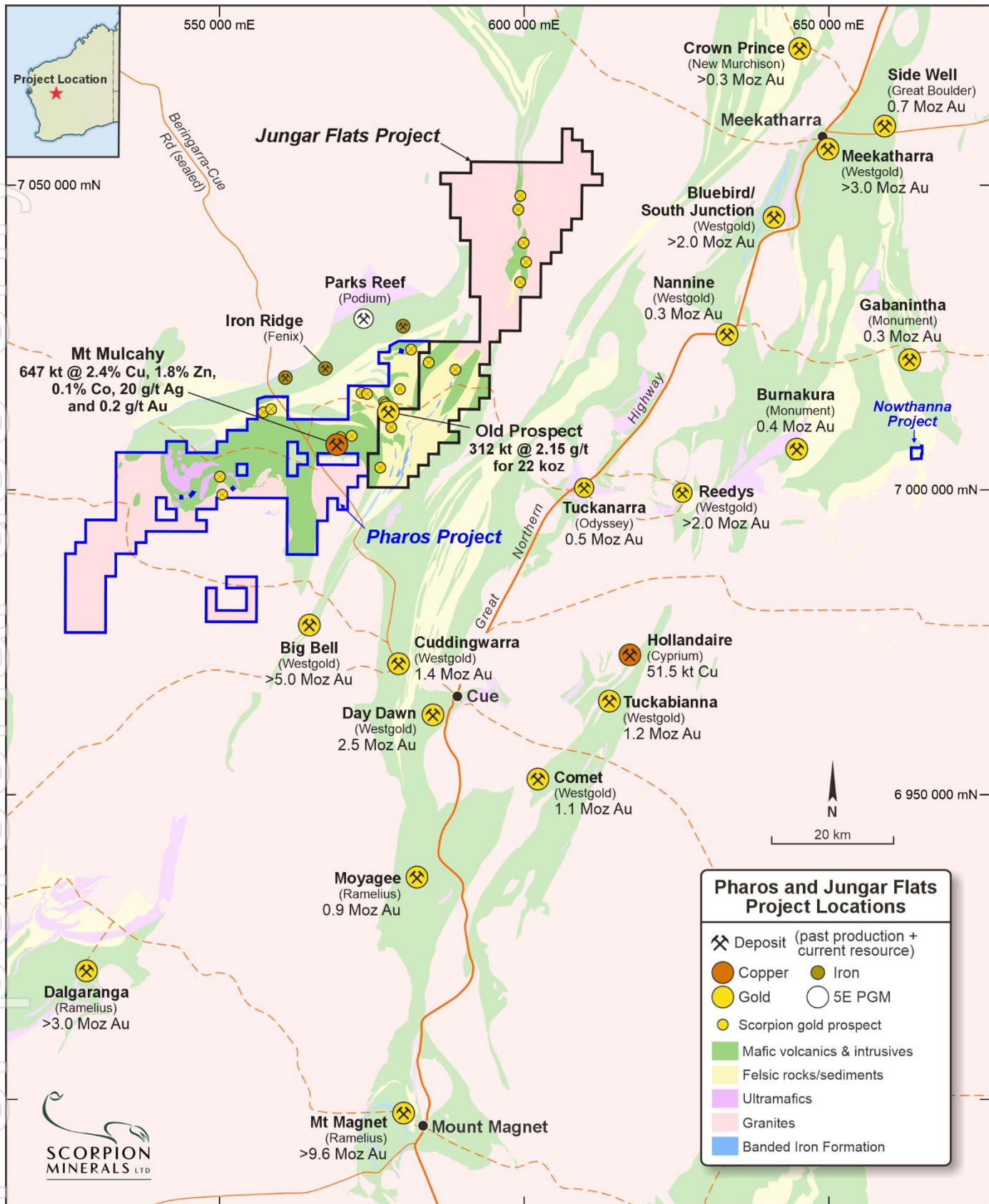


Figure 1: SCN's Pharos and Jungar Flats Projects with existing major deposits and neighbouring tenures showing location of Old Prospect tenements

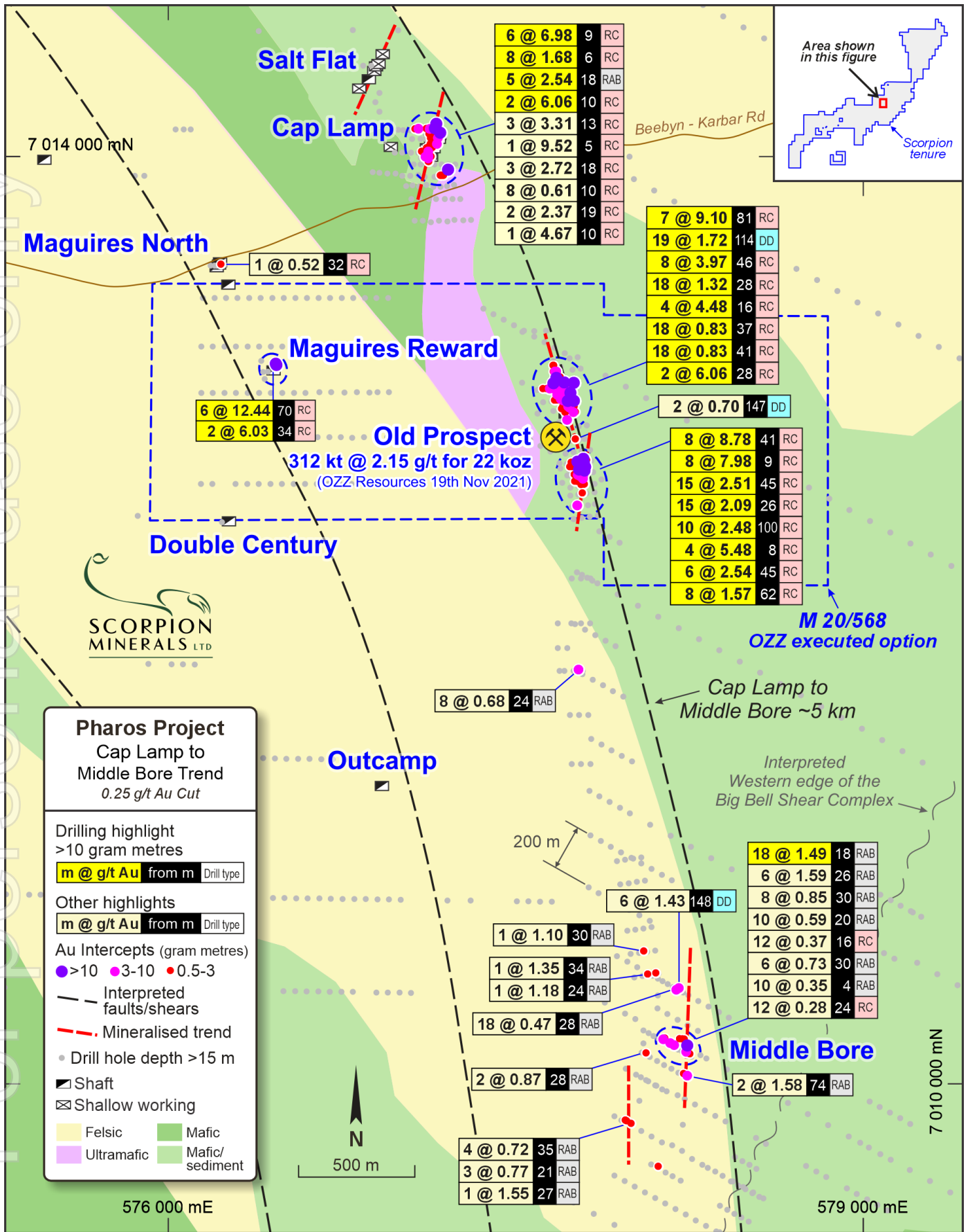


Figure 2: Cap Lamp to Middle Bore Overview highlighting Old Prospect RC drilling results within 5km long structural corridor

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 approximately 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 Old Prospect gold deposit and Mt Mulcahy copper deposit. The 'Old Prospect North' and 'Old Prospect South' zones of mineralisation contain a combined JORC 2012 Indicated and Inferred Mineral Resource Estimate of 312,395 tonnes @ 2.15 g/t Au for 21,632 oz Au (refer Table 1). 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 2).

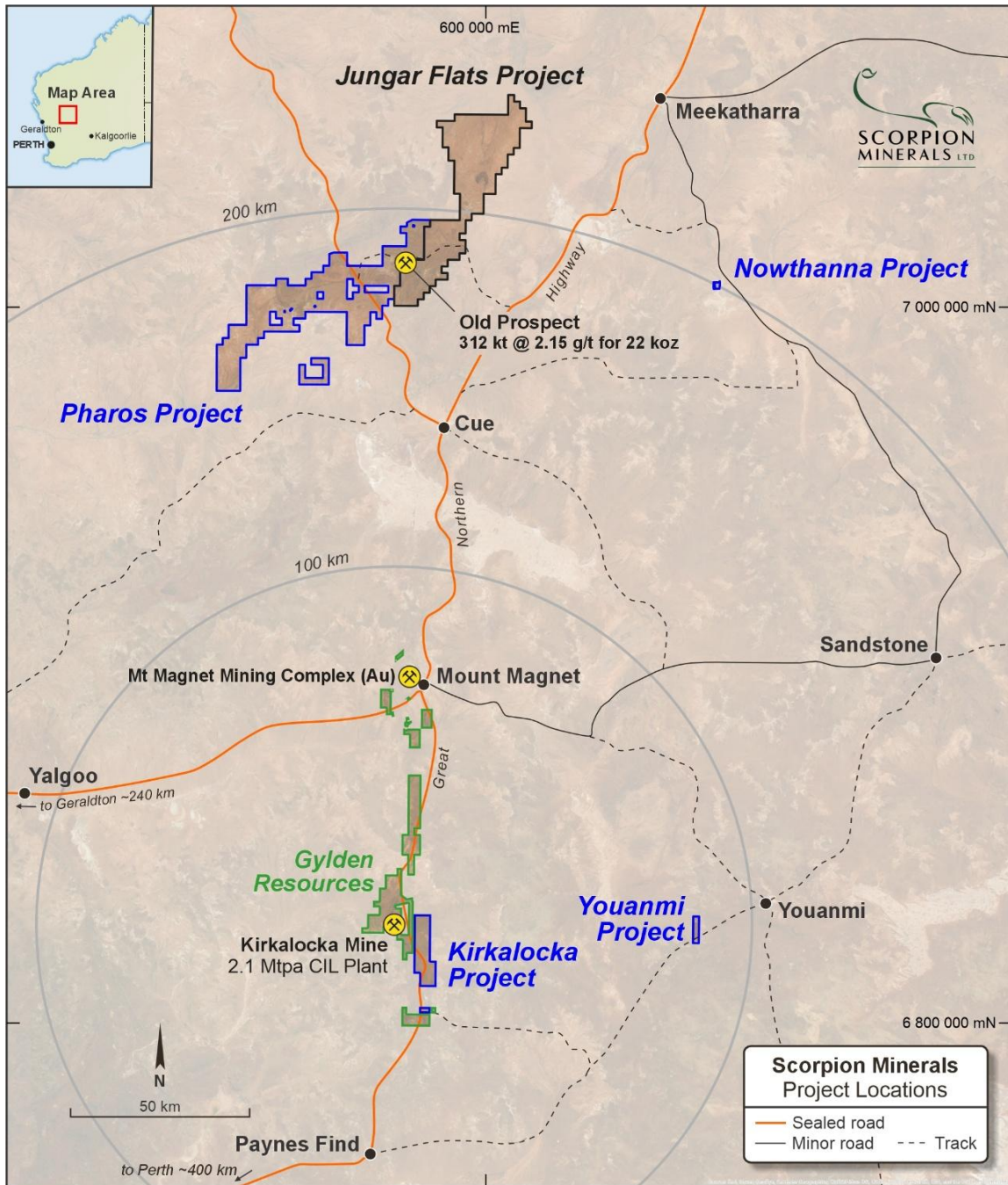


Figure 3: Murchison tenement location plan

Table 1: Current Mineral Resource Estimate, Old Prospect

Mineral Resource Estimate – Old Prospect North and Old Prospect South				
Location	Category	Tonnes (t)	Gold Grade (g/t)	Gold Ounces (oz)
Old Prospect North	Indicated	149,879	1.91	9,214
	Inferred	62,637	2.46	4,961
	Total	212,516	2.07	14,175
Old Prospect South	Indicated	79,429	2.50	6,385
	Inferred	20,234	1.65	1,075
	Total	99,663	2.33	7,459
Total	Indicated	229,308	2.12	15,599
	Inferred	82,871	2.27	6,036
	Total	312,395	2.15	21,632

Refer OZZ ASX release 19 November 2021 and SCN ASX release 23 December 2025 for full details

Table 2: Current Mineral Resource Estimate, Mt Mulcahy

Mineral Resource Estimate – South Limb Pod (Mt Mulcahy)											
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

Refer SCN ASX release 25 September 2014 for full details, including a list of significant drill intersections for the deposit

Competent Persons Statement 1

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 Michael Fotios, who is a member of the Australian Institute of Mining and Metallurgy. Mr Fotios is a 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 Fotios consents to the inclusion of the information in the form and context in which it appears.

Competent Persons Statement 2

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 Fotios. This information was originally issued in the Company's ASX announcement "Maiden Copper-Zinc Resource at Mt Mulcahy", released to the ASX on 25 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

Scorpion Minerals 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 Scorpion Minerals Limited, 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.