Scorpion Resources Inc.

Interim Financial Statements

Six Months Ended September 30, 2012

Expressed in Canadian Dollars

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

(Expressed in Canadian dollars – unaudited)

	Notes	September 30, 2012	March 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents	4	$ 333,218	$ 138,770
		333,218	138,770
Non-current assets			
Deferred charges		-	16,200
		-	16,200
TOTAL ASSETS		**$ 333,218**	**$ 154,970**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	5	$ 4,969	$ 5,000
TOTAL LIABILIITES		**4,969**	**5,000**
SHAREHOLDERS' EQUITY			
Share capital	6	336,102	155,000
Reserves		61,446	-
Deficit		(69,299)	(5,030)
TOTAL EQUITY		**328,249**	**149,970**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 333,218**	**$ 154,970**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors:

[signed]:"John Eckersley"
Director

[signed]:"Laara Shaffer"
Director

(Expressed in Canadian dollars – unaudited)

	Notes	Three Month Period ended September 30, 2012	Six month Period ended September 30,2012	Period from Incorporation on October 19, 2011 to March 31, 2012
Expenses				
Business development		$ 532	$ 532	$ -
Office and miscellaneous		7	7	-
Professional fees		9,733	9,733	5,000
Stock-based compensation		45,351	45,351	-
Transfer agent & filing fees		893	8,646	30
Net loss and comprehensive loss for the period		**$ (56,516)**	**$ (64,269)**	**$ (5,030)**
Loss per share – basic and diluted	8	**$ (0.02)**	**$ (0.02)**	**$ (0.00)**

Scorpion Resources Inc.
Consolidated statements of changes in shareholders' equity
(Expressed in Canadian dollars – unaudited)

	Share capital		Reserves		
	Number of shares	Amount	Stock option reserve	Deficit	Total
Balance at October 19, 2011 (Incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Comprehensive Loss:					
Loss for the period	-	-	-	(5,030)	(5,030)
Total comprehensive loss for the period	-	-	-	(5,030)	(5,030)
Transactions with owners, in their capacity as owners, and other transfers:					
Shares issued for cash – private placement	3,100,000	155,000	-	-	155,000
Balance at March 31, 20102	**3,100,000**	**$ 155,000**	**$ -**	**$ (5,030)**	**$ 149,970**
Comprehensive Loss:					
Loss for the period	-	-	-	(64,269)	(64,269)
Total comprehensive loss for the period	-	-	-	(64,269)	(64,269)
Transactions with owners, in their capacity as owners, and other transfers:					
Shares issued for cash – Initial Public Offering	3,000,000	300,000	-	-	300,000
Share issue costs - cash	-	(102,803)	-	-	(102,803)
Share issue costs – share purchase options	-	(16,095)	16,095	-	-
Stock-based compensation	-	-	45,351	-	45,351
Total transactions with owners and other transfers	3,000,000	181,102	61,446	-	242,548
Balance at September 30, 2012	**6,100,000**	**$ 336,102**	**$ 61,446**	**$ (69,299)**	**$ 328,249**

(Expressed in Canadian dollars – unaudited)

	Six month period ended September 30, 2012	Period from Incorporation on October 19, 2011 to March 31, 2012
Operating activities		
Loss for the period	$ (64,269)	$ (5,030)
Adjustments for non-cash items:		
Accrued liabilities	4,000	5,000
Stock-based compensation	45,351	-
	(14,918)	(30)
Changes in non-cash working capital items:		
Trade payables and accrued liabilities	(4,031)	-
Net cash flows from (used in) operating activities	(18,949)	(30)
Financing activities		
Proceeds on issuance of common shares	300,000	155,000
Share issuance costs	(102,803)	-
Deferred financing costs	16,200	(16,200)
Net cash flows from (used in) financing activities	213,397	138,800
Increase (decrease) in cash and cash equivalents	194,448	138,770
Cash and cash equivalents, beginning	138,770	-
Cash and cash equivalents, ending	**$ 333,218**	**$ 138,770**

1. Nature and continuance of operations

Scorpion Resources Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act on October 19, 2012. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange. As a CPC, the Company's principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange ("Qualifying Transaction"). A CPC has 24 months from when the shares are listed on the Exchange to complete a Qualifying Transaction. Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it, particularly in the current economic environment. Furthermore, there is no assurance that the business will be profitable. Those factors raise doubt as to the Company's ability to continue as a going concern.

The head office and principal address is 608, 1199 West Pender Street, Vancouver, B.C. V6E 2R1 and the records and registered office is located at 1500, 1055 West Georgia Street, Vancouver, B.C. V6E 4N7

2. Significant accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

The financial statements were approved and authorized for issue, by the board of directors of the Company, on November 27, 2012.

Statement of compliance with International Financial Reporting Standards

The consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2012.

Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of stock-based compensation, and the recognition of a deferred income tax asset.

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any assets classified as fair value through profit or loss other than cash.

Financial instruments

(i) Non-derivative financial assets (continued)

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Financial instruments

(i) *Non-derivative financial assets*

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) *Non-derivative financial liabilities*

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company's non-derivative financial liabilities consist of accounts payable.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Financial instruments

(iii) *Share capital*

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

Comprehensive loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in profit or loss. The Company does not have items representing comprehensive income or loss.

3. Accounting standards issued by not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2012, and have not been applied in preparing these financial statements.

New standard IFRS 9 "Financial Instruments"

Partial replacement of IAS 39, "Financial Instruments: Recognition and Measurement". The new standard is effective for periods beginning on or after January 1, 2013.

(Expressed in Canadian dollars - unaudited)

Standard IFRS 13, "Fair Value Measurement"

IFRS 13 replaces the fair value measurement guidance currently dispersed across different IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements. The new standard is effective for periods beginning on or after January 1, 2013.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements. Other standards with future effective dates are not expected to have an impact on the Company's financial statements.

4. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	September 30, 2012	March 31, 2012
Cash at bank	$ 333,218	$ 138,770
	-	-
	$ 333,218	$ 138,770

5. Trade payables and accrued liabilities

	September 30, 2012	March 31, 2012
Trade payables	$ 969	$ -
Amounts due to related parties (Note 16)	-	-
Accrued liabilities	4,000	5,000
Flow-through tax liability	-	-
	$ 4,969	$ 5,000

6. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2012 there were 6,100,000 issued and fully paid common shares (March 31, 2012 – 3,100,000).

For the period ended September 30, 2012:

Effective September 07, 2012, the Company completed its initial public offering consisting of 3,000,000 common shares at a price of $0.10 per share for gross proceeds of $3,000,000. In connection with the public offering, the Company paid $40,027 in legal fees and $57,295 in broker's commissions and corporate finance fees, which consisted of $41,200 cash and 300,000 agents' options at $0.10 for two years, with a fair value of $16,095. In addition, $21,576 was incurred in other share issuance costs.

(Expressed in Canadian dollars - unaudited)

For the period from incorporation on October 19, 2011 to March 31, 2012:

Private placements

During the period ended March 31, 2012, the Company issued 3,100,000 common shares at $0.05 per share for proceeds of $155,000. The 3,100,000 common shares are held in escrow until completion of the Company's Qualifying Transaction and the issuance of the Final Exchange Bulletin (as such terms are defined in the TSX Venture Exchange policies), at which time the shares will be released in stages.

Restricted Share Capital:

Effective July 11, 2012, an amount of 3,100,000 common shares were voluntary placed in escrow pursuant to an escrow agreement. The Escrow Agent will release any securities upon receiving notice of completion of the qualifying transaction. The escrow shares will be released in stages, as follows:

310,000	Shares to be released after final exchange bulletin;
465,000	Shares to be released 6 months following the final exchange bulletin;
465,000	Shares to be released 12 months following the final exchange bulletin;
465,000	Shares to be released 18 months following the final exchange bulletin;
465,000	Shares to be released 24 months following the final exchange bulletin;
465,000	Shares to be released 30 months following the final exchange bulletin;
465,000	Shares to be released 36 months following the final exchange bulletin;
3,100,000	Total

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six month period ended September 30, 2012 was based on the loss attributable to common shareholders of $64,269 and the weighted average number of common shares outstanding of 3,477,049.

Diluted loss per share did not include the effect of 900,000 stock options as the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

(Expressed in Canadian dollars - unaudited)

For the period ended September 30, 2012:

On September 07, 2012, the Company granted 300,000 incentive stock options to the broker of the IPO at a price of $0.10 for a 2 year term. The following assumptions were used for the Black-Scholes valuation of these stock options granted: Expected dividend yield – 0; Expected stock price volatility – 103%; Risk-free interest rate – 1.09%; Expected life of options – 2 years. The fair value was determined to be $16,095 and was charged to share issue cost expense and recorded in the stock option reserve.

On July 17, 2012, the Company granted 600,000 incentive stock options to directors and officers at a price of $0.10 for a 5 year term. The stock options are exercisable at $0.10 expiring five years from the date that the Company's shares are listed for trading on the TSX Venture Exchange. The following assumptions were used for the Black-Scholes valuation of these stock options granted: Expected dividend yield – 0; expected stock price volatility – 103%; Risk-free interest rate – 1.23%; Expected life of options – 5 years. The fair value was determined to be $45,351 and was charged to stock based compensation expense and recorded in the stock option reserve.

The following table summarizes the continuity of the Company's stock options:

	Number of Options	Weighted average exercise price - $ -
Balance, March 31, 2012	-	-
Granted	900,000	0.10
Balance, September 30, 2012	900,000	0.10

Stock options

At September 30, 2012 the following share purchase options were outstanding:

Number of Options	Exercise Price - $ -	Weighted average Exercise contractual Life (Years)	Expiry Date
300,000	0.10	4.9	September 07, 2014
600,000	0.10	1.94	September 07, 2017
900,000		3.94	

The weighted average grant date fair value of options granted during the six month period ended September 30, 2012 was $0.07. The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	Six month period ended

	September 30, 2012
Expected life of options	2 - 5 years
Annualized volatility	103%
Risk-free interest rate	1.09% - 1.23%
Dividend rate	0%

6. Reserves

Stock option reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

7. Financial instruments and risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Financial instruments and risks (cont'd)

Fair values

The fair values of cash and amounts receivable approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data. As at September 30, 2012, the fair value of financial instruments includes cash determined based on Level 1 inputs, consisting of quoted prices in active markets for identical assets. The Company is not exposed to active market risk as it does not have any assets or liabilities that are affected by changes in market rates.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and amounts receivable. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies.

(Expressed in Canadian dollars - unaudited)

Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has no assets or liabilities denominated in foreign currencies; therefore, is not exposed to foreign exchange risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company.

The following is an analysis of the contractual maturities of the Group's non-derivative financial liabilities as at September 30, 2012:

	Within one year	Between one and five years	More than five years
Trade payables	$ 4,969	$ -	$ -
	$ 4,969	$ -	$ -

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund activities is subject to risks associated with fluctuations in the market price of commodities.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2012	March 31, 2012
Cash and cash equivalents	$ 333,218	$ 138,770
	$ 333,218	$ 138,770

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2012	March 31, 2012
Non-derivative financial liabilities:		
Trade payables	$ 4,969	$ 5,000

(Expressed in Canadian dollars - unaudited)

	$ 4,969	$ 5,000

Fair value

The fair value of the Group's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Group's financial assets measured at fair value as at September 30, 2012 and March 31, 2012:

	As at September 30, 2012		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 333,218	$ -	$ -
	$ 333,218	$ -	$ -

	As at March 31, 2012		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 138,770	$ -	$ -
	$ 138,770	$ -	$ -

8. Capital management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a qualifying transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars - unaudited)

10. Segmented information

Operating segments

The Company is still in the process of identification and evaluation of business or assets with a view to completing a potential Qualifying Transaction.

Geographic segments

At September 30, 2012 and March 31, 2012 all of the Company's assets are located in Canada.

11. Non-cash transactions

During the six month periods ended September 30, 2012, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Six month period ended September 30, 2012	Period from Incorporation on October 19, 2011 to March 31, 2012
Fair value of agent's share purchase options issued	$ 16,095	$ -

12. Subsequent events

There are no material subsequent events to report on.