

SCORPION RESOURCES INC.

**MANAGEMENT DISCUSSION & ANALYSIS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

Expressed in Canadian Dollars

Date Submitted: November 28, 2012

DATE

This MD&A includes material occurring up to and including November 27, 2012.

Management's Discussion and Analysis of Financial Position and Results of Operations

The following information, prepared as of November 27, 2012, should be read in conjunction with the unaudited condensed interim financial Statements of Scorpion Resources Inc. ("Scorpion" or the "Company") for the period ended September 30, 2012 and the audited annual financial statements for the period ended March 31, 2012. All amounts are expressed in Canadian dollars unless otherwise stated.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

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.

Overall Performance

During the six month period, the Company raised gross cash in the amount of \$300,000 from the initial public offering. Administration expenses amounted to \$64,269, including non-cash Stock-based compensation of \$45,351. An amount of \$4,031 cash was spent in financing changes in working capital.

Business of the Company

The Company was incorporated under the Canada Business Corporations Act on October 19, 2011.

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.

Discussion of Operations

Results of operations

Net loss in the current six month period was \$64,269 compared to \$5,030 in the prior year from incorporation on 19 October 2011 to 31 March 2012, reflecting an increase of \$59,239. The costs relate to the Company’s incurring non-cash stock based compensation of \$45,351 as well as increased legal fees for establishing itself in the marketplace. Other increased costs relate to filing fees. Significant line item changes were as follows:

- Non-cash Stock – based compensation of \$45,351 compared to \$nil in the startup period.
- Transfer agent and filing fees of \$8,646 compared to \$30 in the startup period.
- Professional fees of \$9,733 compared to \$nil in the startup period.

Summary of Quarterly Results – Since Incorporation

| Three months ended | September 30, 2012 | June 30, 2012 | Period from Incorporation to March 31, 2012 |
|---|--------------------|---------------|---|
| Total Revenue | \$Nil | \$Nil | \$Nil |
| Net (loss) before tax | (56,516) | (7,753) | (5,030) |
| Net income (loss) per share (Basic and Diluted) | (0.02) | (0.00) | (0.00) |

Discussion

The Company has no revenues, therefore increased activity and operations causes an increase in losses. Non-cash adjustments to stock-based compensation reflected as increased expenses during the quarter ending September 30, 2012.

Other than costs already discussed, management does not believe that meaningful information about the Company’s operations can be derived in more detail, from an analysis of quarterly fluctuations, as being presented herein.

Liquidity and capital resources

At September 30, 2012 the Company had working capital of \$328,249 which management considers to be sufficient to continue operations for the coming year. 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. Operations of the Company are funded primarily by the issue of share capital. The continued operation of the Company is dependent on its ability to receive continued financial support from related parties, issue sufficient public equity, or generate profitable operations in the future.

Current assets being \$333,218 consists of cash. Current liabilities being \$4,969 consists of trade payables and accrued liabilities. As of September 30, 2012 the Company had an accumulated deficit of \$69,299 (March 31, 2012 - \$5,030).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

Related Party Transactions

For the period ended September 30, 2012, the Company issued stock-based compensation of \$45,351 to directors and officers of the Company as an incentive to improve performance and in an attempt to preserve cash for the Company.

Proposed Transactions

The Company has no proposed transactions as of the date of this MD&A.

Critical Accounting Estimates

The Company does not make any critical accounting estimates other the estimated value of stock-based compensation and other share-based payments.

Changes in Internal Controls over Financial Reporting

There were no changes in internal controls over financial reporting during the period.

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.

- ***New 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.

Financial Instruments

Fair value

The fair value of the Company’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.

Cash and cash equivalents are classified as level 1.

Foreign exchange 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.

Commodity 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.

Risk Factors

More detail on risk factors can be found in the Company's interim financial statements for the period ended September 30, 2012.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors. This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

The external auditors, Dale Matheson Carr-Hilton LaBonte LLP will audit the Company's annual financial statements with their report indicating the scope of their audit and their opinion on the financial statements.

Disclosure of Outstanding Share Data

As at November 27, 2012, the Company had the following number of securities outstanding:

| | |
|----------------------------------|-----------|
| Common shares | 6,100,000 |
| Stock options | 900,000 |
| Fully diluted shares outstanding | 7,000,000 |

SUBSEQUENT EVENTS

There are no material subsequent events to report on.

ADDITIONAL INFORMATION

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.