Scorpion Resources Inc.

Interim Financial Statements

Three Months Ended June 30, 2013

(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.

Scorpion Resources Inc.
Statements of financial position
(Expressed in Canadian Dollars - unaudited)

	Notes		June 30, 2013		March 31, 2013
ASSETS					
Current assets					
Cash		$	305,229	$	321,283
TOTAL ASSETS		**$**	**305,229**	**$**	**321,283**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	3	$	24,350	$	21,301
TOTAL LIABILITIES			24,350		21,301
SHAREHOLDERS' EQUITY					
Share capital	4		373,043		373,043
Stock option reserve	5		61,446		61,446
Deficit			(153,610)		(134,507)
TOTAL EQUITY			280,879		299,982
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**305,229**	**$**	**321,283**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors:

"John Eckersley"
Director

"Laara Shaffer"
Director

(Expressed in Canadian Dollars - unaudited)

			Three month periods ended		
			June 30, 2013		**June 30, 2012**
Expenses					
Foreign exchange loss		$	410	$	-
Office and miscellaneous			72		-
Professional fees			3,500		-
Property investigation			13,965		-
Transfer agent and filing fees			1,156		7,753
Net and comprehensive loss		**$**	**(19,103)**	**$**	**(7,753)**
Loss per share – basic and diluted	4	**$**	**(0.01)**	**$**	**(0.00)**

Scorpion Resources Inc.
Statement of changes in equity
(Expressed in Canadian Dollars - unaudited)

	Share capital				
	Number of shares	Amount	Stock option reserve	Deficit	Total
Balance at March 31, 2012	**3,100,000**	**$ 155,000**	**$ -**	**$ (5,030)**	**$ 149,970**
Net and comprehensive loss for the period	-	-	-	(7,753)	(7,753)
Balance at June 30, 2012	**3,100,000**	**155,000**	**-**	**(12,783)**	**142,217**
Balance at March 31, 2013	**6,100,000**	**$ 373,043**	**$ 61,446**	**$ (134,507)**	**$ 299,982**
Net and comprehensive loss for the period	-	-	-	(19,103)	(19,103)
Balance at June 30, 2013	**6,100,000**	**$ 373,043**	**$ 61,446**	**$ (153,610)**	**$ 280,879**

Scorpion Resources Inc.
Statements of cash flows
(Expressed in Canadian Dollars - unaudited)

	Three month periods ended	
	June 30, 2013	**June 30, 2012**
Operating activities		
Net loss	$ (19,103)	$ (7,753)
Changes in non-cash working capital items:		
Trade payables and accrued liabilities	3,049	-
Net cash flows used in operating activities	(16,054)	(7,753)
Decrease in cash	(16,054)	(7,753)
Cash, beginning	321,283	138,770
Cash, ending	**$ 305,229**	**$ 131,017**

1. Nature and continuance of operations

Scorpion Resources Inc. (the "Company") was incorporated under the British Columbia 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.

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.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. 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. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with funds on hand, loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. Significant accounting policies

The condensed interim financial statements were approved and authorized for issue, by the board of directors of the Company, on August ●●, 2013.

Statement of compliance with International Financial Reporting Standards

The condensed interim 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") and including interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as applicable to the preparation of interim financial statements..

Basis of preparation

These condensed interim financial statements have been prepared on an accrual basis and are based on historical cost, modified where applicable. The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's annual financial statements for the year ended March 31, 2013.

(Expressed in Canadian Dollars - unaudited)

2. Significant accounting policies (cont'd)

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make 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 recoverability of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to a significant uncertainty.

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 dividing 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

The Company operates a stock option plan. 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 instruments 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 recorded to the option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. 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.

3. Trade payables and accrued liabilities

	June 30, 2013	**March 31, 2013**
Trade payables	$ 9,850	$ 9,301
Accrued liabilities	14,500	12,000
	$ 24,350	$ 21,301

(Expressed in Canadian Dollars - unaudited)

4. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2013 there were 6,100,000 issued and fully paid common shares (March 31, 2013 – 6,100,000).

Private placements

For the period ended June 30, 2013:

During the period ending June 30, 2013 the Company did not issue any shares.

For the year ended March 31, 2013:

Effective September 7, 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 $300,000. In connection with the public offering, the Company incurred $81,957 in share issuance costs, which included 300,000 agents' options exercisable at $0.10 for two years, with a fair value of $16,095.

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 a 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 period ended June 30, 2013 was based on the loss attributable to common shareholders of $19,103 and the weighted average number of common shares outstanding of 3,000,000.

Diluted loss per share did not include the effect of 900,000 stock options as the effect would be anti-dilutive and 3,100,000 common shares held in escrow.

(Expressed in Canadian Dollars - unaudited)

4. Share capital (cont'd)

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.

For the period ended June 30, 2013:

During the period ending June 30, 2013 the Company did not issue any shares.

For the year ended March 31, 2013:

On September 7, 2012, the Company granted 300,000 incentive stock options to the agent of the IPO exercisable at a price of $0.10 for a 2 year term. The fair value was determined using the Black-Scholes Option Pricing Model using the following assumptions: 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 issuance costs and recorded in the stock option reserve.

On July 17, 2012, the Company granted 600,000 incentive stock options to directors and officers exercisable at a price of $0.10 for a 5 year term from the date that the Company's shares are listed for trading on the Exchange. The fair value was determined using the Black-Scholes Option Pricing Model using the following assumptions: 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, March 31, 2013 and June 30, 2013	900,000	0.10

At June 30, 2013 the following share purchase options were outstanding:

Number of Options	**Exercise Price - $ -**	**Weighted average Exercise contractual Life (Years)**	**Expiry Date**
300,000	0.10	0.40	September 7, 2014
600,000	0.10	2.79	September 7, 2017
900,000		3.19	

5. 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.

6. Related party transactions

There were no transactions with related parties during the period and there is no amounts payable to or due from related parties as at June 30, 2013 or June 30, 2012.

7. 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.

8. Subsequent events

There are no material subsequent events to report on.