Scorpion Resources Inc.

Interim Financial Statements

Nine Months Ended December 31, 2014

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	December 31, 2014	March 31, 2014
ASSETS			
Current assets			
Cash		$ 45,725	$ 133,902
		45,725	133,902
Non-current assets			
Exploration and evaluation asset	4	52,450	52,450
TOTAL ASSETS		**$ 98,175**	**$ 186,352**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	5	$ 83,235	$ 70,938
TOTAL LIABILIITES		**83,235**	**70,938**
SHAREHOLDERS' EQUITY			
Share capital	6	373,043	373,043
Stock option reserve	6	45,351	61,446
Deficit		(403,454)	(319,075)
TOTAL EQUITY		**14,940**	**115,414**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 98,175**	**$ 186,352**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors:

[signed]:"John Eckersley"
Director

[signed]:"Laara Shaffer"
Director

Scorpion Resources Inc.
Statements of comprehensive loss
(Expressed in Canadian dollars – unaudited)

		Three month Period ended		Nine month Period ended	
	Notes	**December 31, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
Expenses					
Administration	7	$ -	$ -	$ 2,625	$ -
Business Development		-	-	222	151
Exploration expenses	4,7	14	17,354	49,902	156,382
Foreign exchange loss(Gain)		1,013	(221)	1,967	1,238
Office and miscellaneous		59	106	876	659
Professional fees		29,976	22,315	37,366	25,848
Transfer agent & filing fees		2,242	10,049	7,516	18,198
Net and comprehensive loss		**$ (33,304)**	**$ (49,603)**	**$ (100,474)**	**$ (202,476)**
Loss per share – basic and diluted	**6**	**$ (0.01)**	**$ (0.02)**	**$ (0.03)**	**$ (0.07)**
Weighted average number of shares outstanding – basic and diluted		**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**

Scorpion Resources Inc.
Statement of changes in equity
(Expressed in Canadian dollars – unaudited)

		Share capital		Reserves		
	Notes	Number of shares	Amount	Stock option reserve	Deficit	Total
Balance at March 31, 2013		**6,100,000**	**$ 373,043**	**$ 61,446**	**$ (134,507)**	**$ 299,982**
Net and comprehensive loss		-	-	-	(100,423)	(100,423)
Balance at December 31, 2013		**6,100,000**	**$ 373,043**	**$ 61,446**	**$ (234,930)**	**$ 199,559**
Balance at March 31, 2014		**6,100,000**	**$ 373,043**	**$ 61,446**	**$ (319,075)**	**$ 115,414**
Net and comprehensive loss		-	-	-	(100,474)	(100,474)
Shares cancelled	6	(1,250,000)	-	-	-	-
Options expired	6	-	-	(16,095)	16,095	-
Balance at December 31, 2014		**4,850,000**	**$ 373,043**	**$ 45,351**	**$ (403,454)**	**$ 14,940**

(Expressed in Canadian dollars – unaudited)

	Nine month period ended December 31, 2014	Nine month period ended December 31, 2013
Operating activities		
Net loss for the period	$ (100,474)	$ (202,476)
Changes in non-cash working capital items:		
Trade payables and accrued liabilities	12,297	25,606
Net cash flows from (used in) operating activities	(88,177)	(176,870)
Financing activities		
Proceeds on issuance of common shares	-	-
Net cash flows from financing activities	-	-
Decrease in cash	(88,177)	(176,870)
Cash, beginning	133,902	321,283
Cash, ending	**$ 45,725**	**$ 144,413**

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 would be subject to shareholder and regulatory approval (Note 4). The Company's shares were listed on the Exchange on September 7, 2012. Until completion of the Qualifying Transaction, the Company would not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

On September 9, 2014 the Exchange informed the Company that it has halted the Company's securities from trading for failure to complete the Qualifying Transaction prior to the suspension deadline of September 8, 2014. The halt was changed to a suspension effective September 11, 2014. The Company was placed on notice to delist and to avoid delisting the Company was required to satisfy either of the following requirements, prior to the delisting deadline of December 8, 2014:

1.1 Completion of a Qualifying Transaction acceptable for the Exchange or

1.2 Transfer to NEX subject to NEX acceptance rules.

On December 10, 2014 the Company announced that it had applied for a transfer of its listing from the Exchange to the NEX board of the Exchange ("NEX"). The Company obtained the requisite shareholder approval for the transfer to NEX at the annual general meeting of its shareholders held on September 12, 2014. In connection with the transfer to NEX, an aggregate 1,250,000 seed shares of the Company held in escrow by certain non-arm's length parties have been cancelled in accordance with the Exchange policy.

The Exchange has accepted the application and will issue an Exchange bulletin soon after the dissemination of this news release. The Company's listing will transfer to NEX under the trading symbol SR.H and the Company's tier classification will change from Tier 2 to NEX.

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 unaudited 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 will 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.

2. Significant accounting policies

These financial statements were authorized for issue on February 25, 2015 by the directors of the Company.

2. Significant accounting policies (cont'd)

Statement of compliance with International Financial Reporting Standards

Statement of compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards board ("IASB"). These unaudited interim condensed financial statements follow the same accounting policies and methods of application as the most recent audited annual financial Statements of the Company. These unaudited condensed interim financial statements do not contain all the information and disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended March 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of preparation

These unaudited condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional and presentation currency. All information presented herein is unaudited.

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 Company 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, 2014.

Comparative figures

Certain comparative figures may have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

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.

3. Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after April 1, 2014 or later periods.
The following standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 "Financial Instruments" (New; to replace IAS 39 and IFRIC 9); and
b) Amendments to IAS 32 "Financial Instruments: Presentation" (Amended).

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Proposed Qualifying Transaction

CWT Property

The Property consists of mining claims permits situated in Pima County, Arizona.

Summary of the Transaction

Pursuant to an agreement dated August 27, 2013 and amended on May 21, 2014 and amended on August 28, 2014, the Company can earn up to an undivided 80% interest in and to the CWT Property upon the following terms:

1. The Company shall earn a 50% interest by making the following payments and expenditures:
    a. US$50,000 in cash upon signing the Agreement (Paid);
    b. 1,000,000 common shares of the capital stock of the Company upon regulatory approval;
    c. US$75,000 cash and 1,000,000 common shares on or before the first anniversary of regulatory approval;
    d. US$100,000 and 1,000,000 common shares on or before the second anniversary of regulatory approval;
    e. US$150,000 and 1,000,000 common shares on or before the third anniversary of regulatory approval;
    f. US$250,000 and 1,000,000 common shares on or before the fourth anniversary of regulatory approval;
    g. On or before the date that is four years from regulatory approval the Company shall incur exploration expenditures of at least US$500,000 on the CWT Property.

2. The Company shall earn an additional 10% interest in the CWT Property upon completion and regulatory approval of a NI 43-101 compliant resource report prepared according to the standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM").
3. The Company shall earn an additional 10% interest in the CWT Property upon completion and regulatory approval of a Preliminary Economic Assessment prepared according to CIM standards.
4. The Company shall earn an additional 5% interest in the CWT Property upon completion and regulatory approval of a Pre-feasibility Study prepared according to CIM standards.
5. The Company shall earn an additional 5% interest in the CWT Property upon completion and regulatory approval of a Bankable Feasibility Study prepared according to CIM standards.

The Proposed Transaction is subject to the approval of the Exchange and to other standard closing conditions, including satisfactory due diligence review of the CWT Property by the Company, approval of the board of directors of the Company, and the completion of a financing on terms satisfactory to the Company, in its sole discretion, as may be necessary in order to meet the minimum listing requirements of the Exchange.

On September 9, 2014 the Exchange informed the Company that it has halted the Company's securities from trading for failure to complete the Qualifying Transaction prior to the suspension deadline of September 8, 2014. The halt was changed to a suspension effective September 11, 2014. The Company was placed on notice to delist and to avoid delisting the Company was required to satisfy either of the following requirements, prior to the delisting deadline of December 8, 2014:

4.6.1 Completion of a Qualifying Transaction acceptable for the Exchange or
4.6.2 Transfer to NEX subject to NEX acceptance rules.

(Expressed in Canadian dollars - unaudited)

4. Proposed Qualifying Transaction (Cont'd)

CWT Property (Cont'd)

Summary of the Transaction (cont'd)

On December 10, 2014 the Company announced that it had applied for a transfer of its listing from the Exchange to the NEX board of the Exchange ("NEX"). The Company obtained the requisite shareholder approval for the transfer to NEX at the annual general meeting of its shareholders held on September 12, 2014. In connection with the transfer to NEX, an aggregate 1,250,000 seed shares of the Company held in escrow by certain non-arm's length parties have been cancelled in accordance with the Exchange policy.

The Exchange has accepted the application and will issue an Exchange bulletin soon after the dissemination of this news release. The Company's listing will transfer to NEX under the trading symbol SR.H and the Company's tier classification will change from Tier 2 to NEX.

Acquisition costs incurred are as follows:

	December 31, 2014	March 31, 2014
Acquisition	$ 52,450	$ 52,450

Exploration expenses incurred are as follows:

	December 31, 2014	December 31, 2013
Geological consulting and survey	$ 14,893	$ 53,933
License and filing	35,009	25,420
Other	-	77,029
	$ 49,902	$ 156,382

5. Trade payables and accrued liabilities

	December 31, 2014	March 31, 2014
Trade payables	$ 52,235	$ 49,438
Accrued liabilities	31,000	21,500
	$ 83,235	$ 70,938

6. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2014 there were 4,850,000 issued and fully paid common shares (March 31, 2014 – 6,100,000).

Private placements

For the period ended December 31, 2014:

No shares were issued during the period.

(Expressed in Canadian dollars - unaudited)

6. Share capital (cont'd)

For the period ended December 31, 2014: (cont'd)

On December 3, 2014, in connection with the transfer to NEX, an aggregate 1,250,000 seed shares of the Company held in escrow by certain non-arm's length parties have been cancelled in accordance with the Exchange policy.

For the year ended March 31, 2014:

No shares were issued during the year.

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. On December 10, 2014 the Company announced that it had applied for a transfer of its listing from the Exchange to the NEX board of the Exchange ("NEX"). The Company obtained the requisite shareholder approval for the transfer to NEX at the annual general meeting of its shareholders held on September 12, 2014. In connection with the transfer to NEX, an aggregate 1,250,000 seed shares of the Company held in escrow by certain non-arm's length parties have been cancelled in accordance with the Exchange policy.

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:

185,000	Shares to be released after final exchange bulletin;
277,500	Shares to be released 6 months following the final exchange bulletin;
277,500	Shares to be released 12 months following the final exchange bulletin;
277,500	Shares to be released 18 months following the final exchange bulletin;
277,500	Shares to be released 24 months following the final exchange bulletin;
277,500	Shares to be released 30 months following the final exchange bulletin;
277,500	Shares to be released 36 months following the final exchange bulletin;
1,850,000	Total

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine month period ended December 31, 2014 was based on the loss attributable to common shareholders of $100,474 (2013 – $202,476) and the weighted average number of common shares outstanding of 3,000,000 (2013 – 3,000,000).

Diluted loss per share did not include the effect of 600,000 stock options as the effect would be anti-dilutive.

(Expressed in Canadian dollars - unaudited)

6. 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 December 31, 2014:

No incentive stock options were issued during the period.

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

	Number of Options	**Weighted average exercise price - $ -**
Balance, March 31, 2014	900,000	0.10
Expired	(300,000)	-
Balance, December 31, 2014	600,000	0.10

At December 31, 2014 the following share purchase options were outstanding:

Number of Options	**Exercise Price - $ -**	**Weighted average Exercise contractual Life (Years)**	**Expiry Date**
600,000	0.10	2.69	September 07, 2017
600,000		2.69	

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.

(Expressed in Canadian dollars - unaudited)

6. Related party transactions and balances

a) Related party balances

As at December 31, 2014, an amount of $28 (2013 – $Nil) was owed to related parties. This amount is unsecured, non-interest bearing and has no fixed terms of repayment.

b) Related party transactions

Key management compensation

	December 31, 2014	March 31, 2014
Company controlled by an officer and director		
– Administration fee	$ 2,625	$ -
Company controlled by an officer		
– Consulting property transaction		
– included in exploration expenses	$ 10,500	$ -

7. Income tax

The Company made no provision for income tax liability for the nine month period ending December 31, 2014, as no liability is anticipated.

8. 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:

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 another party to incur a financial loss. The Company's exposure to credit risk is its cash. 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. The Company's credit risk is assessed as low.

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

(Expressed in Canadian dollars - unaudited)

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. 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 December 31, 2014:

	Within one year	Between one and five years	More than five years
Trade payables	$ 52,235	$ -	$ -
	$ 52,235	$ -	$ -

The following is an analysis of the contractual maturities of the Group's non-derivative financial liabilities as at March 31, 2013:

	Within one year	Between one and five years	More than five years
Trade payables	$ 49,438	$ -	$ -
	$ 49,438	$ -	$ -

9. **Financial instruments and risks** (cont'd)

Classification of financial instruments

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

	December 31, 2014	March 31, 2014
Cash	$ 45,725	$ 133,902
	$ 45,725	$ 133,902

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

	December 31, 2014	March 31, 2014
Non-derivative financial liabilities:		
Trade payables	$ 52,235	$ 49,438
	$ 52,235	$ 49,438

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.

As at December 31, 2014, the Company's financial assets measured at fair value include cash, which is determined based on Level 1.

10. 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.

11. Subsequent events

There are no material subsequent events to report on.