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**SCORPION ANNOUNCES EXECUTION OF DEFINITIVE AGREEMENT FOR
ACQUISITION OF BLOCKSTRAIN TECHNOLOGY CORP.**

January 18, 2018 - Vancouver, BC - Scorpion Resources Inc. (NEX:SR.H) (“**Scorpion**” or the “**Company**”) announces, that further to its news release of December 19, 2017, it has entered into a definitive share exchange agreement dated January 16, 2018 (the “**Agreement**”) with BlockStrain Technology Corp. (“**BlockStrain**”), a private company incorporated in the Province of British Columbia, and each of the shareholders of BlockStrain (the “**Vendors**”), pursuant to which the Company has agreed to acquire all of the issued and outstanding securities of BlockStrain (the “**Transaction**”). The Transaction will constitute a “reverse takeover” of Scorpion by BlockStrain and Scorpion’s Qualifying Transaction (as defined in the policies of the TSX Venture Exchange (the “**TSXV**”).

Pursuant to the terms of the Agreement, the Company will issue an aggregate of 38,350,000 post-split (as further described below) common shares (each, a “**Scorpion Share**”), pro rata, to the Vendors at a deemed price of \$0.30 per Scorpion Share.

Terms of the Transaction

It is anticipated that the completion of the Transaction will involve, among other things, the following steps:

- Scorpion completing a 2 for 1 forward split of the Scorpion Shares;
- the Vendors receiving one Scorpion Share for each common share of BlockStrain held;
- Scorpion completing a private placement of subscription receipts for aggregate gross proceeds of up to \$10,000,000 at a price of \$0.30 per subscription receipt (the “**Concurrent Financing**”); and
- Scorpion adopting a stock option plan, with the number of options available for grant under the plan to be determined in accordance with the policies of the TSXV.

As at the date hereof, there are 3,427,191 Scorpion Shares (on a pre-split basis) and 38,350,000 BlockStrain Shares issued and outstanding, on an undiluted basis. The Scorpion Shares issued to the Vendors as consideration for the Transaction are expected to be subject to a hold period expiring four months and one day after the closing of the Transaction and such other escrow or pooling restrictions as may be applicable under the policies of the TSXV. It is not expected that shareholder approval will be required for the Transaction under the policies of the TSXV.

Completion of the Transaction will be subject to certain conditions, including:

- completion of satisfactory due diligence by each of the parties;
- Scorpion and BlockStrain obtaining the consent of any parties from whom consent to the consummation of the Transaction is required, including the TSXV and other applicable regulatory authorities;
- approval of the board of directors of each of Scorpion and BlockStrain being obtained;
- no legal proceedings pending or threatened to enjoin, restrict or prohibit the Transaction;
- completion of the Concurrent Financing;
- no material adverse change having occurred in connection with the business or capital structure of either of the parties; and
- other conditions customary in transactions similar to the Transaction.

The Transaction will be completed pursuant to available exemptions under applicable legislation. Closing of the proposed Transaction is expected to be on or before April 30, 2018.

The proceeds of the Concurrent Financing are expected to be used for technology development and licensing, corporate and business development, blockchain and smart contract development, Smart Hub API Development, and for general working capital purposes. Finder's fees may be paid in connection with the Concurrent Financing.

About BlockStrain

BlockStrain is developing a comprehensive, community-driven cannabis genetics registration and licensing archive platform, dedicated to making it safe and conformable for breeders and growers, large and small, to protect and release their varieties into the public domain, while also being compensated and rewarded. BlockStrain has accomplished this by utilizing blockchain and cryptocurrency features to create an ecosystem that encourages contribution of genetics and intellectual property, coupled with the security, authenticity and verification methods that modern distributed ledger technology provides.

BlockStrain combines traditional cannabis culture with modern crypto-technology to deliver a truly intelligent platform powered by the people. By being open and available to everyone, the platform is expected to help shape the future adoption and authenticity of the cannabis industry. Through use of a secure API network, BlockStrain makes it easy for testing providers, grow facilities, app and software developers, research groups and major supply chain platforms to build applications and solutions, thereby helping fuel technology and innovation for the cannabis industry as a whole.

With compliance and regulation being a critical priority for industry participants, BlockStrain is also expected to enable regulatory standards to be adhered to, while providing real-time

visibility and collaboration of industry operations directly to agencies assigned to enforce and regulate cannabis activity nationwide. BlockStrain uses powerful supply chain and IoT technology to allow for the tracking of cannabis movement from genetics to sale, while providing for the scalability of what is expected to become a globally traded product. BlockStrain was incorporated on November 22, 2017 under the laws of the Province of British Columbia. Cameron Chell, of Venice, California, is the sole director and officer of BlockStrain. Its principal operations are currently conducted in Canada. To date, BlockStrain has not generated any revenues from its business.

The Company also announces the resignation of Joshua Bleak as a director of the Company, effective immediately.

The TSXV has in no way passed on the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

ON BEHALF OF THE BOARD OF DIRECTORS OF SCORPION RESOURCES INC.

“Quinn Field-Dyde”

Quinn Field-Dyde
Chief Executive Officer

For further information, contact 604.283.1722.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the proposed Transaction and BlockStrain’s future business plans. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Forward looking statements in this news release include statements relating to the Transaction; terms of the Transaction; the expected benefits of, and impact on, the cannabis industry as a result of BlockStrain’s technology; and other statements regarding the business of BlockStrain. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including the risk that the TSXV may not approve the Transaction; that the Transaction may not be completed for any other reason; or that factors may occur which impede or prevent BlockStrain’s future business and development plans. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits Scorpion will obtain from them. Readers are urged

to consider these factors carefully in evaluating the forward-looking statements contained in this news release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. These forward-looking statements are made as of the date hereof and Scorpion disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.