To the Shareholders of Shamrock Enterprises Inc.

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Shamrock Resources Inc. (the "Company") and compares its financial results for the year ended May 31, 2016 to the previous year. The MD&A should be read in conjunction with the financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to Note 3 of the May 31, 2016 financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollar.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

This MD&A is current as at September 28, 2016.

Additional information relating to the Company can be located on the SEDAR website at www.sedar.com.

OVERVIEW

Shamrock Enterprises Inc. ("Shamrock" or the "Company") was incorporated in British Columbia on April 17, 2008 pursuant to the provisions of the Business Corporations Act (British Columbia) and is a reporting company in British Columbia, Alberta and Ontario. The Company is a Vancouver-based mineral exploration company engaged in the acquisition and exploration of a precious and base metals project known as the Fireweed Property (the "Property") in northwest British Columbia, Canada. The Company's fiscal year end is May 31.

The British Columbia Securities Commission issued a receipt for the Company's final IPO prospectus on September 15, 2010. On November 10, 2010, the Company completed its Initial Public Offering of securities and commenced trading on the Canadian Securities Exchange ("CSE") under stock symbol SRS.

HIGHLIGHTS FOR THE YEAR ENDED MAY 31, 2016

On August 17, 2015 the Company negotiated an additional extension to its property option agreement with Regulus Resources Inc. ("Regulus") in regard to the Fireweed Property, located in the Omineca Mining Division, Babine Lake Area, Smithers, B.C. The Company and Regulus agreed to further extend the cash payment and minimum work expenditure commitments due on August 17, 2015, to November

17, 2015 in order to enable to the parties to work towards amending the terms of the original Fireweed Letter of Understanding dated February 17, 2010, to be reflective of current market conditions. The Property owner agreed that no further remuneration was required at that time and that the remaining commitments for the Fireweed Project as set out in the Letter of Understanding as amended January 18, 2013 and November 25, 2013 remained in force.

On February 1, 2016, a further amendment was executed. The amendment's terms are incorporated in the **Option Earn-In** section below and key changes are summarized as follows:

- Total work expenditures required to maintain and exercise the Option decreased from $2,550,000 to be completed by February 17, 2016 to $2,350,000 to be completed by December 17, 2020
- The Company has a firm commitment to spend $100,000 on a 1,500 foot drilling program on the Property by December 17, 2016
- If the Company fails to complete the required work expenditure in any one year, it may elect to maintain the Option by paying any expenditure shortfall to Regulus by the last day of that year
- Any work expenditures in excess of the specified annual requirements will be credited to the expenditure requirement in the following year
- Total cash payments required to maintain and exercise the Option decreased from $650,000 to be completed by February 17, 2016 to $500,000 to be completed by December 17, 2019
- Total shares of the Company to be issued to Regulus to maintain and exercise the Option increased from 1,000,000 (completed in fiscal 2014) to 2,000,000 to be completed by December 17, 2020
- Upon completion of the work expenditures, cash payments and share issuances described above, the Company may exercise its Option and the parties shall be deemed to have entered into a joint venture for the further exploration and development of the Property and any operation of the Property as a mine
- The interest in the Property which the Company may acquire was adjusted from 70% to 50%, still subject to an underlying capped 2% net smelter royalty to a third party
- In consideration for the amendment, the Company issued 500,000 shares of its common stock to Regulus on February 3, 2016.

FIREWEED PROPERTY – BRITISH COLUMBIA

The Property includes 8 Mineral claims totalling 2,411 Hectares (24.11 square kilometers) as illustrated in the accompanying claim sketch below. The Fireweed property is owned outright by Regulus Resources Ltd. (previously named Pachamama Resources Ltd.) (the "Optionor"), a TSXV listed junior public company.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company investigated title to mineral properties optioned or otherwise, and to the best of its knowledge, the vendor's title to all of its properties are in good standing as of the date of this MD&A.

Fireweed Developments

The Company released assay results from its Phase I drill program as summarized in its February 1, 2011 news release and Phase II drill results were announced on April 8, 2012 news release. The Company has also completed a 43-101 compliant technical report including the assessment report from Phase I and Phase II and a recommendation for Phase III diamond drilling program.

The Company has made payments totaling $200,000 and issued 1,000,000 shares in accordance with the Letter of Understanding with the Optionor (as amended), and has spent $946,083 in cash exploration expenditures for its Fireweed property to May 31, 2016 (May 31, 2015 - $946,083). A further 700,000 shares were issued to Regulus in return for the extensions granted on January 18, 2013 (100,000), November 25, 2015 (100,000) and February 1, 2016 (500,000).

Outlook for the Upcoming Year

The Company raised $104,000 in a private placement in July, 2016. Subject to successfully completing a flow through portion of the private placement, of which $60,000 has been raised to date, the Company plans to carry out a revised drill program on the Fireweed Property and will not complete the Phase III work commitment recommended by the 43-101 technical report. As a result of management's success in negotiating a revised amendment to the Shamrock option agreement on February 1, 2016 and due to current market conditions, the Company plans to drill test a large magnetic high signature in the south zone of the Fireweed project, which management feels has been largely overlooked to date and has excellent exploration potential.

The Company continues to investigate the opportunity for a small scale production (75,000 tonnes per year) scenario for the Fireweed property. Due diligence and research concerning the viability and cost estimates relating to placing the property into production are ongoing. This includes research and cost estimation for environmental studies, decline location, decline construction, contract mining, transportation, contract milling costs etc.

Detailed claims sketch of the Property:

Location of the Property in British Columbia, Canada:

Melvin P. Dickson, P.Eng., is the Qualified Person as defined by National Instrument 43-101. Mr. Dickson is a director for the Company and has reviewed and approved the technical information contained in this MD&A.

Option Earn-In

On February 17, 2010 ("Effective Date"), the Company entered into an option agreement (the "Option") with Regulus Resources Inc.("Regulus") (formerly Pachamama Resources Ltd.) to acquire an initial 50% interest, with an option to earn up to 70% in 8 mineral property claims located in the Omineca Mining Division near Smithers, in British Columbia, Canada (the "Property"). On January 18, 2013, the Option was re-negotiated to extend the expenditure commitment due dates and cash payment. This extension was further re-negotiated on November 25, 2013, revising the commitments as disclosed below. Under the terms of the Option extension, the Company issued an additional 100,000 shares with a fair value of $7,000 for the January 18, 2013 extension and issued an additional 100,000 shares valued at $4,000 for the November 25, 2013 extension.

On February 11, 2015 and again on August 17, 2015, the Company negotiated additional extensions to its Option whereby the cash payment and minimum work expenditure commitments due on February 17, 2015 and later, on August 17, 2015, were to instead, become due on November 17, 2015.

On February 1, 2016, a further amendment was executed whereby the interest in the Property which the Company may acquire was adjusted to 50%, subject to an underlying capped 2% net smelter royalty to a third party. In consideration for the amendment, the Company issued 500,000 shares of its common stock to Regulus on February 3, 2016. The shares were valued at $2,500 based on current market value on the date of issue.

The Company has committed to spend $100,000 on a drilling program on the Property by December 17, 2016. If the Company fails to complete the required work expenditure in any one year, it may elect to maintain the Option by paying any expenditure shortfall to Regulus by the last day of that year. Any work expenditures in excess of the specified annual requirements will be credited to the expenditure requirement in the following year.

The Company is also committed to making land tenure payments to keep the Property in good standing during the term of the Option.

The following is a schedule of work expenditure commitments based on the February 1, 2016 agreement:

Year Ended On	Annual Work Expenditure	Cumulative Total
	$	$
February 17, 2010 (completed fiscal 2011)	200,000	200,000
February 17, 2011 (completed fiscal 2012)	450,000	650,000
August 17, 2014 (completed fiscal 2015)	200,000	850,000
December 17, 2016	100,000	950,000
December 17, 2017	200,000	1,150,000
December 17, 2018	300,000	1,450,000
December 17, 2019	400,000	1,850,000
December 17, 2020	500,000	2,350,000
Total	2,350,000	

In addition to the work expenditures, Shamrock must also make the following cash payments to Regulus to maintain and exercise the Option, based on the February 1, 2016 agreement:

Due Date	**Cash Payments**
	$
February 17, 2010 (paid fiscal 2011)	50,000
February 17, 2011 (paid fiscal 2011)	50,000
February 17, 2012 (paid fiscal 2012)	100,000
December 17, 2018	100,000
December 17, 2019	200,000
Total	500,000

The Company has committed to spend $100,000 on a drilling program on the Property by December 17, 2016. If the Company fails to complete the required work expenditure in any one year, it may elect to maintain the Option by paying any expenditure shortfall to Regulus by the last day of that year. Any work expenditures in excess of the specified annual requirements will be credited to the expenditure requirement in the following year.

In addition to the work expenditures and cash payments, the Company must also issue and deliver the following shares of its capital stock to Regulus to maintain and exercise the Option:

Due Date	**Share Issuances**
Within 5 business days of listing of the Company's shares on the Canadian National Stock Exchange (issued fiscal 2011)	100,000
February 17, 2011 (issued fiscal 2011)	200,000
February 17, 2012 (issued fiscal 2012)	200,000
February 17, 2013 (issued fiscal 2013)	250,000
February 17, 2014 (issued fiscal 2014)	250,000
December 17, 2016	100,000
December 17, 2017	100,000
December 17, 2018	200,000
December 17, 2019	200,000
December 17, 2020	400,000
Total	2,000,000

Upon completion of the work expenditures, cash payments and share issuances described above, the Company may exercise its Option and the parties shall be deemed to have entered into a joint venture for the further exploration and development of the Property and any operation of the Property as a mine. The parties will use commercially reasonable efforts, in good faith, to negotiate and enter into a formal joint venture agreement within 6 months of the exercise of the Option. The Company may elect to exercise the Option by completing the work expenditures and making the cash payments and share issuances described above at any time prior to November 17, 2020.

RESULTS OF OPERATIONS

Three Months Ended May 31, 2016 and 2015

The Company had net income of $53,079 for the current three month period compared to a loss of $30,829 for the prior year's fourth quarter.

	For the Three Months Ended May 31		Increase (Decrease)	
	2016	**2015**	**Amount**	**Percentage**
	$	$		
EXPENSES				
Loan interest	3,620	-	3,620	-
Management fees	-	(684)	684	(100%)
Office and general	(265)	(156)	(109)	70%
Professional fees	53,560	27,841	25,719	92%
Regulatory and filing	2,178	4,209	(2,031)	(48%)
Share-based compensation	(3,431)	(381)	(3,050)	801%
Operating Loss before Other Income	55,662	30,829	24,833	81%
Other Income				
Management fees forgiven	53,741	-	53,741	-
Professional fees forgiven	55,000	-	55,000	-
	108,741	-	108,741	-
Net Income (Loss) for the quarter	53,079	(30,829)	83,908	(272%)

- The most significant changes resulted from an agreement with the CEO and the acting CFO, through which they forgave 55% of accrued amounts due to them as of February 29, 2016. Management fees totaling $53,741 and Professional fees totaling $55,000 were reversed in the quarter and recorded as Other Income.
- The impact of the Professional fees reversal in the quarter was partially offset due to a catch-up of fees for 2016 totaling $24,000 being accrued in Q4, with no such adjustment in Q4 of 2015.
- Loan interest expense was incurred for the first time, starting in 2016.
- The difference in Share-based compensation expense between the quarters is in line with the difference for the full year 2016 compared to 2015, as the adjustment to full year actual cost was booked in the fourth quarter of both years.

Years Ended May 31, 2016 and 2015

The Company had net income of $23,786 in 2016, compared to a loss of $203,634 for the prior year.

	For the Years Ended May 31		Increase (Decrease)	
	2016	**2015**	**Amount**	**Percentage**
	$	$		
EXPENSES				
Investor relations	-	2,815	(2,815)	(100%)
Loan interest	3,620	-	3,620	-
Management fees	-	36,057	(36,057)	(100%)
Office and general	1,506	19,191	(17,685)	(92%)
Professional fees	57,140	114,624	(57,484)	(50%)
Regulatory and filing	16,769	21,479	(4,710)	(22%)
Share-based compensation	5,920	9,468	(3,548)	(37%)
Operating Loss Before Other Income	84,955	203,634	(118,679)	(58%)
Other Income				
Management fees forgiven	53,741	-	53,741	-
Professional fees forgiven	55,000	-	55,000	-
	108,741	-	108,741	-
Net Income (Loss) for the Year	23,786	(203,634)	227,420	(112%)

- During 2016, the Company continued its efforts to conserve working capital in the face of the capital markets slowdown in mineral property exploration financings. The results of those efforts can be seen in all expense categories, except Loan interest, which was incurred for the first time in 2016.
- As noted above for the fourth quarter, the most significant change resulted from an agreement with the CEO and the acting CFO to forgive certain accrued amounts due to them from the Company totaling approximately $109,000, being $55,000 in Professional fees and approximately $54,000 in Management fees. Those amounts were recorded as Other Income.
- No Management fees were accrued in 2016, compared to a 2015 accrual of $39,000.
- The CEO's consulting fees accrued in Professional fees were $30,000 lower in 2016 than in 2015. Additionally, there were no 2016 equivalents for the following expenses incurred as part of Professional fees in 2015: approximately $3,000 of legal fees expense, approximately $13,000 in third party consulting fees and approximately $11,000 in consulting fees to a company controlled by the Corporate Secretary.
- Share-based compensation expense decreased year over year as a result of all options that were issued prior to 2015 having been fully amortized by May 31, 2015.

SELECTED QUARTERLY INFORMATION

Financial results:	May 31 2016	Feb. 29 2016	Nov. 30 2015	Aug. 31 2015	May 31 2015	Feb. 28 2015	Nov. 30 2014	Aug. 31 2014
	$	$	$	$	$	$	$	$
Net income (loss)	53,079	(9,887)	(12,015)	(7,391)	(30,830)	(29,246)	(65,012)	(78,546)
Basic and diluted income(loss) per share	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Expected Volatility in Results of Operations

An analysis of the quarterly results over the last eight quarters shows a substantial variance which can be attributed to the Company incurring varying professional, and office and general costs period over period. The Company's operations consist of evaluating, acquiring and exploring mineral properties for the purpose of discovering economically recoverable reserves. In addition, the Company is actively seeking equity financing to fund the current mineral property option commitments. The Company will continue to incur period expenditures towards these goals. The timing and impact of such period expenditures cannot be accurately predicted due to the volatile nature of the company's business operations.

SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS

	May 31, 2016	May 31, 2015	May 31, 2014
	$	**$**	**$**
Income Statement			
Net income (loss)	**23,786**	**(203,634)**	**(286,992)**
Loss per share (basic and diluted)	**(0.00)**	**(0.01)**	**(0.02)**
Balance Sheet			
Total resource properties	**1,122,083**	**1,119,583**	**1,108,507**
Total assets	**1,133,723**	**1,136,855**	**1,164,466**
Total long-term liabilities	**-**	**-**	**-**

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the exploration stage and therefore has no cash flow from operations. Its only sources of funds since incorporation have been from loans and the sale of shares. From the date of incorporation on April 17, 2008 to May 31, 2016, the Company raised gross proceeds of $2,519,725 from the sale of shares for cash through the issuance of 17,528,166 shares.

On July 30, 2015, the Company completed a private placement of 1,336,866 Units at $0.03 per Unit for gross proceeds of $40,106. Each Unit comprised one common share without par value in the capital of the Company and one common share purchase warrant. Each such warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of $0.05 per share in the first year, and an exercise price of $0.07 per share in the second year. The Company issued 25,860 warrants as a finder's fee in connection with the private placement, having the same terms and conditions as the Unit warrants.

As at May 31, 2016 current assets were $4,640 (May 31, 2015 - $10,272) and current liabilities were $233,014 (May 31, 2015 - $307,687) resulting in a negative working capital of $228,374 (May 31, 2015 – negative $297,415). In 2016, the equity markets continued to experience a slowdown in financings for mineral property exploration projects. As a result of this, there was a downward pressure on the Company's liquid assets.

As at May 31, 2016 the Company had total assets of $1,133,723 (May 31, 2015 - $1,136,855) comprised of: are cash of $984 (May 31, 2015 - $1,301); sales tax receivable , being GST input tax credits, of $3,656 (May 31, 2015 - $8,971); restricted investment of $7,000 (May 31, 2015 - $7,000); and mineral property interest of $1,122,083 (May 31, 2015 - $1,119,583) for the Fireweed Property.

Cash flow used in operations ($51,152) decreased over the prior year ($62,978) due mainly to management's continuing efforts to preserve working capital during the continuing slowdown in the equity markets.

SELECTED SHARE CAPITAL DATA

Share Capital Structure

As at **September 28, 2016** the Company's share capital structure is as follows:

Security	Amount
Common shares issued	24,428,166
Stock options	1,600,000
Warrants	6,855,226
Total	**32,883,392**

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

		May 31,2016	May 31,2015
		$	$
FVTPL financial assets	a	**984**	1,301
Other receivables	b	**3,656**	8,971
Other financial liabilities	c	**233,014**	307,687

a. Comprised of cash
b. Comprised of refundable sales tax credits paid for purchases
c. Comprised of accounts payable, accrued liabilities, loans payable, and due to related parties.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. Cash is carried at fair value using a level 1 fair value measurement. The fair values of accounts payable, accrued liabilities and due to related parties approximate their carrying values due to the short-term nature of these instruments.

Management of Industry and Financial Risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and HST recoverable. Risk associated with cash is managed through the use of major Canadian bank. The Company's HST recoverable is due from the Government of Canada; therefore, the credit risk exposure is low.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's cash. The Company's cash is held in corporate bank accounts available on demand.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars; therefore, currency risk is minimal.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Price Risk
The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to finance due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

RELATED PARTY TRANSACTIONS

The value of transactions and outstanding balances relating to key officers and directors and entities over which they have control or significant influence were as follows:

The Company incurred $Nil (Year ended May 31, 2015 - $39,000) in management fees, $Nil (Year ended May 31, 2015 - $6,500) in costs related to office space and storage provided, and $Nil (Year ended May 31, 2015 - $1,875) in field costs from a director and acting CFO. By mutual agreement, $53,741 owed to the director was forgiven and canceled as of February 29, 2016. That amount was credited to Other Income. As at May 31, 2016, the Company owed the director $43,969 (May 31, 2015 - $97,710) plus a further $23,520 (May 31, 2015 - $21,000) for loan advances and accrued interest.

The Company incurred $3,000 (Year ended May 31, 2015 - $11,000) in professional fees from a company controlled by an officer, for corporate secretarial services performed. As at May 31, 2016, the Company owed the officer's company $44,365 (May 31, 2015 - $44,365).

The Company incurred $42,000 (Year ended May 31, 2015 - $72,000) in professional fees for business development and management services and $Nil (Year ended May 31, 2015 - $1,875) in field costs from a company controlled by a director and CEO. By mutual agreement, $55,000 owed to the officer's company was forgiven and canceled as of February 29, 2016. That amount was credited to Other Income. As at May 31, 2016, the Company owed the director's company $55,250 (May 31, 2015 - $94,975).

The Company incurred $Nil (Year ended May 31, 2015 - $3,000) in geologist fees provided by a director of the Company. As at May 31, 2016, the Company owed the director $3,000 (May 31, 2015 - $3,000).

SUBSEQUENT EVENTS

On June 22, 2016, 450,000 stock options were granted to directors and officers of the Company, exercisable at $0.05 per share. The options have a five year expiry date from date of grant. Also on June 22, 2016, 100,000 stock options were granted to a consultant of the Company, exercisable at $0.05 per share. All of the options have a five year expiry date from date of grant.

On June 28, 2016, the Company completed a private placement of 5,200,000 Units at $0.02 per Unit for gross proceeds of $104,000. Each Unit comprised one common share without par value in the capital of the Company and one common share purchase warrant. Each such warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of $0.05 per share in the first year, and an exercise price of $0.08 per share in the second year. The Company issued 292,500 warrants as a finder's fee in connection with the private placement, having the same terms and conditions as the share purchase warrants.

In addition, the Company received $60,000 to the date of this report in partial completion of its sale of the flow-through units portion of the private placement, at $0.04 per unit, with each flow-through unit consisting of one flow-through common share and one share purchase warrant. Each warrant is exercisable to acquire one common share at $0.07 per share in the first year and at $0.09 per share in the second year from the date of issuance.

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

Exploration and evaluation expenditures
The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

Basis of measurement
These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared, except

for cash flow information, using the accrual basis of accounting. These financial statements are presented in Canadian dollars which is the functional currency of the Company, unless otherwise noted.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at the date of this MD&A.

RISK AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business.

Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in precious metal prices, market sentiment, and interest rates.

b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management has been successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.

c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

d) The operations of the Company may require licenses and permits from various governmental authorities in Canada. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits in the future.

e) There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

OTHER INFORMATION

Additional information on the Company is available at the Company's website www.shamrockresources.com or on SEDAR at www.sedar.com.

CORPORATE INFORMATION

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