

**SHAMROCK ENTERPRISES INC.  
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE PERIOD ENDED FEBRUARY 28, 2013**

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To the Shareholders of Shamrock Enterprises Inc.

This management's discussion and analysis ("MD&A") of the operating results and financial position of Shamrock Enterprises Inc. for the nine month period ended February 28, 2013 compared with the nine month period ended February 28, 2012. Together with the interim financial statements and related notes, the MD&A provides a detailed account and analysis of the Company's financial and operating performance for the period. The Company's functional and reporting currency is the Canadian dollar. Management is responsible for the interim financial statements referred to in this MD&A, and provides officers' disclosure certifications filed with securities commissions on SEDAR. The Audit Committee reviews the interim financial statements and MD&A, and recommends approval to the Company's Board of Directors.

The MD&A should be read in conjunction with the interim financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to Notes 2 and 3 of the May 31, 2012 condensed financial statements for disclosure of the Company's significant accounting policies.

### **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 April 26, 2013.

Additional information relating to the Company can be located on the SEDAR website at [www.sedar.com](http://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 National Stock Exchange ("CNSX") under stock symbol SRS.

### **QUARTERLY HIGHLIGHTS**

- Signed an Amendment Agreement on certain commitments relating to the Fireweed Property option agreement.

**FIREWEED PROPERTY – BRITISH COLUMBIA**

The Fireweed Property, a polymetallic (Ag, Zn, Pb, Cu, Au) discovery of massive sulphide and sulphide replacement type mineralization, consists of 8 Mineral claims totalling 2,411 Hectares (24.11 square kilometers), and is located near Smithers, in the Babine Lake Area, Omineca Mining Division, British Columbia, as illustrated in the accompanying claim sketch below, (the “Fireweed Property”).

**Option Agreement**

Pursuant to a Letter of Understanding dated February 17, 2010 between the Company and Pachamama Resources Ltd. (now Regulus Resources Ltd.), a TSX Venture Exchange listed junior public company, (the “Optionor”), the Company was granted an option (the “Option”) to acquire up to a 70% interest in the Fireweed Property subject to a capped 2% net smelter return royalty. On January 21, 2013, the option agreement was re-negotiated to extend the expenditure commitment due dates, and cash payment due dates for an additional one year, amending the February 17, 2013 due date to February 17, 2014, and February 17, 2014 due date to February 17, 2015. In consideration of entering into the amendment, the Company also agreed to issue an additional 100,000 shares to the Optionor. The terms of the Option are set out below:

- i) To make the following payments and share issuances to the Optionor:

<b>Date of Payment</b>	<b>Cash Payment (\$)</b>	<b>Status</b>	<b>Share Capital Payment</b>	<b>Status</b>
Upon execution of the LOU	50,000	(Paid)	None	
Within 5 business days of listing of the Company’s shares on the CNSX	None		100,000	(Issued)
1 <sup>st</sup> anniversary (February 17, 2011)	50,000	(Paid)	200,000	(Issued)
2 <sup>nd</sup> anniversary (February 17, 2012)	100,000	(Paid)	200,000	(Issued)
January 18, 2013 extension payment	Nil	N/A	100,000	(Issued)
3 <sup>rd</sup> anniversary (February 17, 2013)	Nil	N/A	250,000	(Issued)
4 <sup>th</sup> anniversary (February 17, 2014)	200,000		250,000	
5 <sup>th</sup> anniversary (February 17, 2015)	250,000		None	
<b>Total</b>	<b>650,000</b>		<b>1,100,000</b>	

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ii) Make the following Work Expenditures on the Property:

<b>Date of Expenditure Commitment</b>	<b>Work Expenditure Commitment (\$)</b>	<b>Status</b>
1st anniversary (February 17, 2011)	200,000	(Completed)
2 <sup>nd</sup> anniversary (February 17, 2012)	450,000	(Completed)
3 <sup>rd</sup> anniversary (February 17, 2013)	Nil	(Completed)
4 <sup>th</sup> anniversary (February 17, 2014)	650,000	
5 <sup>th</sup> anniversary (February 17, 2015)	1,250,000	
<b>Total</b>	<b>2,550,000</b>	

8% of exploration expenditures are credited towards the annual work expenditure commitment for administrative and overhead costs. As at February 17, 2012, \$56,259 (February 17, 2011 - \$32,077) of administrative overhead costs has been recognized as part of the Option Earn-In and is included in Accumulated Deficit.

Upon completing the above payments and work expenditures and exercising the Option to acquire a 50% interest in the Property, the Company may elect to earn an additional 10% interest in the Property for an aggregate interest of 60%. To exercise the Option to earn an additional 10% interest in the Property, the Company must complete a feasibility study within three years of exercising the Option. If the Company elects to earn the 60% interest in the Property and fails to complete the feasibility study within the three year period, its interest in the Property will be diluted to 35% and the Optionor will become the operator of the Property.

Upon earning an aggregate 60% interest in the Property, the Company may elect to earn an additional 10% interest in the Property for an aggregate interest of 70%. To exercise the Option to earn an additional 10% interest in the Property, the Company must advance the project to production within 3 years of earning the 60% interest in the Property by incurring the following annual construction expenditures:

<b>Date of Expenditure Commitment</b>	<b>Amount of Capital Expenditure</b>
1 <sup>st</sup> anniversary of the exercise of the 60% Option	10% of capital expenditure as set out in the feasibility study
2 <sup>nd</sup> anniversary of the exercise of the 60% Option	30% of capital expenditure as set out in the feasibility study
3 <sup>rd</sup> anniversary of the exercise of the 60% Option	60% of capital expenditure as set out in the feasibility study

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If the Company elects to earn the 70% interest in the Property and fails to advance the project to production within the three year period, its interest in the Property will be diluted to 50% and the Optionor will become the operator of the Property.

During the term of the Letter of Understanding, the Company will be the operator of the Property. Upon the Company earning an aggregate 50%, 60% or 70% interest in the Property, as the case maybe, and not electing to earn any additional interest, the parties will enter into a joint venture for the further development of the Property. The Company shall be the operator of the joint venture as long as its interest in the Property is 50% or greater.

The Property is subject to an underlying royalty in favour of Terry Lewis Eldridge based on a net smelter returns royalty equal to: (a) one percent (1%) of any mineral production derived from the Property during the first twelve (12) months of such production, and (b) two percent (2%) thereafter, excepting that the total underlying royalty payments shall not exceed a sum of \$5,000,000. For the purposes of calculating the underlying royalty, "net smelter returns" means the net payment received from a smelter or refinery from the sale of any precious or base metals recovered from a shipment of ore or concentrate from the Property to the smelter or refinery (including any bonuses paid by the smelter or refinery) after deduction by the smelter or refinery of handling, assaying, processing, smelting, sales charges, and penalties and direct production taxes, if any, less the cost of transporting the ore or concentrate to the smelter or refinery, but specifically excluding the cost of mining or milling.

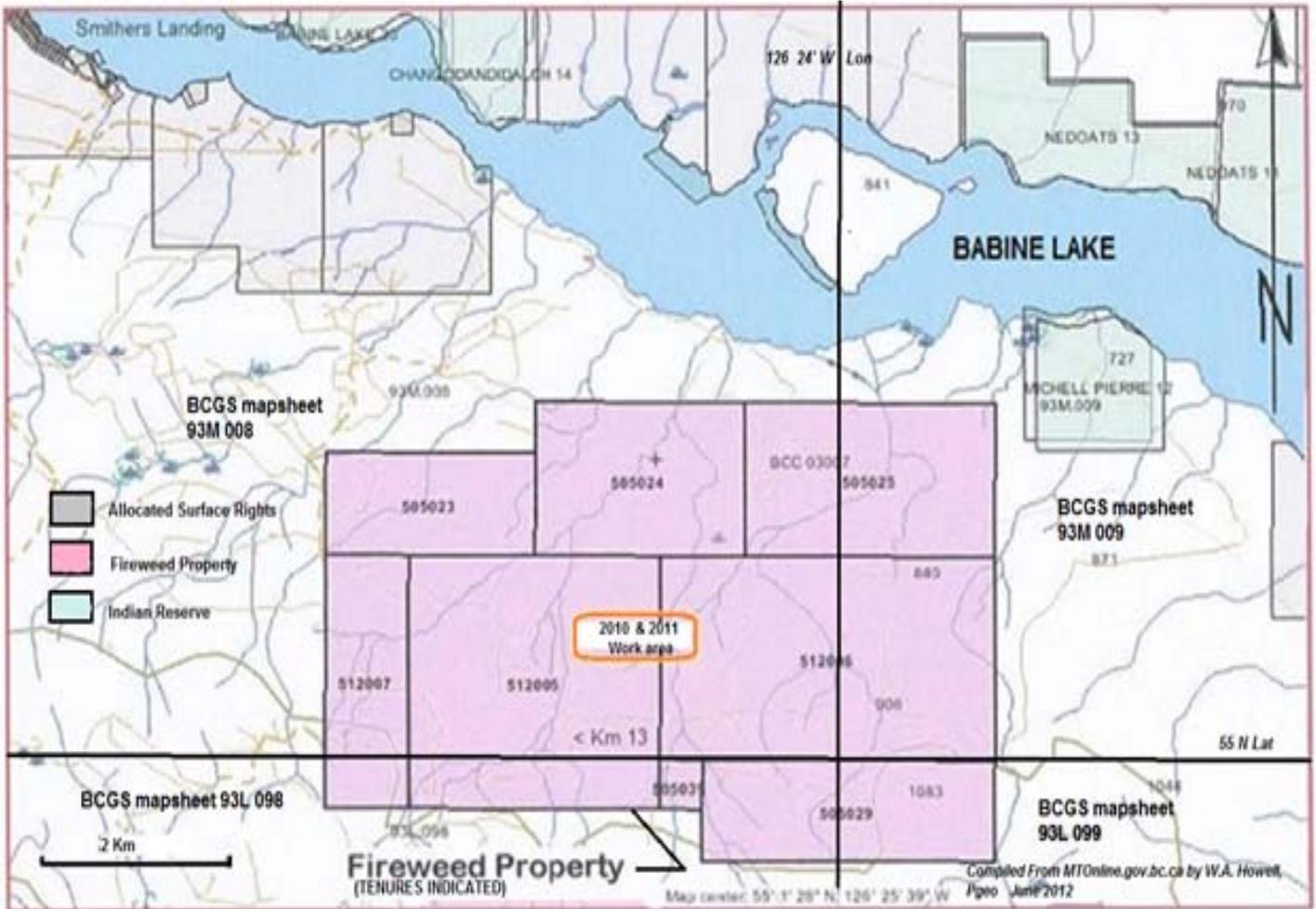
Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company investigated title 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 the MD&A.

### **Fireweed Developments**

The Company has made accumulated payments of \$200,000 and issued 850,000 shares in accordance with the Letter of Understanding, as amended. The Company has also spent \$732,296 in cash exploration expenditures to February 28, 2013.

### **Outlook for the Upcoming Year**

For the upcoming year, the priority of the Company is to complete Phase III of its work commitment by carrying out a summer drill program, pursuant to the Letter of Understanding.



Detailed Claims Sketch of the Property



Location Map

**RESULTS OF OPERATIONS**

*Three Months Ended February 28, 2013 and Comparable Prior Period Analysis*

The Company incurred an overall loss of \$82,125 for the current period compared to \$125,277 for the prior period. The Company has taken steps to conserve working capital as the capital markets are experiencing a significant slowdown in mineral property exploration financings. As a result, overall expenses have dropped significantly for the period.

*Nine Months Ended February 28, 2013 and Comparable Prior Period Analysis*

The Company incurred an overall loss of \$242,631 for the current period compared to \$317,185 for the prior period. The Company has taken steps to conserve working capital as the capital markets are experiencing a significant slowdown in mineral property exploration financings. As a result, overall expenses have dropped significantly for the period.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of shares. From the date of incorporation on April 17, 2008 to November 30, 2012, the Company has raised \$2,276,300 from the sale of shares for cash through the issuance of 13,001,300 shares.

As at February 28, 2013 current assets were \$130,729 (May 31, 2012 - \$405,723) and current liabilities were \$13,803 (May 31, 2012 - \$21,953) resulting in working capital of \$116,926 (May 31, 2012 - \$427,676). The equity markets are currently experiencing a slowdown in financings for mineral property exploration projects. As a result of this, there is a downward pressure on the Company's liquid assets.

As of February 28, 2013 the Company had total assets of \$1,222,525 (May 31, 2012 - \$1,420,061). The principal assets are cash of \$76,179 (May 31, 2012 - \$308,658), sales tax receivable comprising GST and HST input tax credits of \$7,050 (May 31, 2012 - \$67,066), and mineral property interests of \$1,091,796 (May 31, 2012 - \$1,014,338) for the Fireweed Property.

Cash flow used in operations decreased over the prior year due mainly to management taking steps to preserve working capital during the slowdown in the equity markets.

**SELECTED QUARTERLY INFORMATION**

	<b>Feb. 28 2013</b>	<b>Nov. 30 2012</b>	<b>Aug. 31 2012</b>	<b>May. 31 2012</b>	<b>Feb. 29 2012</b>	<b>Nov. 30 2011</b>	<b>Aug. 31 2011</b>	<b>May. 31 2011*</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial results:</b>								
Net loss	(82,125)	(82,200)	(78,306)	(99,730)	(125,277)	(87,588)	(104,320)	(179,550)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)

\* *Period was reported under Canadian Generally Accepted Accounts Principles and has not been converted to International Financial Reporting Standards.*

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***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 business operations, as such, it is expected the results of operations will continue to see variances year over year, and period over period.

**SELECTED SHARE CAPITAL DATA**

***Share Capital Structure***

As at April 26, 2013 the Company's share capital structure is as follows:

<b>Security</b>	<b>Amount</b>
Common shares	13,001,300
Stock options	1,235,000
Warrants	2,906,120
<b>Total</b>	<b>17,142,420</b>

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

		<b>February 28, 2013</b>	May 31, 2012
		\$	\$
FVTPL financial assets	a	<b>106,179</b>	330,108
Other receivables	b	<b>7,050</b>	67,066
Other financial liabilities	c	<b>13,803</b>	13,403

- a. Comprises cash and short-term investments.
- b. Comprises receivables consisting of refundable sales tax credits paid for purchases.
- c. Comprises accounts payable, accrued liabilities 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 and short-term investments are carried at fair value using a level 1 fair value measurement. The fair values of HST recoverable, 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 \$58,978 (February 29, 2012 – \$58,500) of management fees from Gordon Osinchuk, a consultant for management services performed. In addition, the Company incurred \$13,500 (February 29, 2012 – \$10,500) for office rent and storage costs from the consultant.

The Company incurred \$22,500 (February 29, 2012– \$22,500) of professional fees from Midland Chartered Accountants Ltd., a company controlled by an officer for accounting and administrative services performed.

The Company incurred \$22,500 (February 29, 2012 – \$22,500) of professional fees from PubliCo Services Ltd., a company controlled by an officer for corporate secretarial services performed.

**OFF-BALANCE SHEET TRANSACTIONS**

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

## **CRITICAL ACCOUNTING ESTIMATES**

The use of estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include: impairment of exploration and evaluation assets, and share-based payments.

### *i) Impairment*

The Company assesses its exploration and evaluation assets annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments may require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, and exploration potential.

### *ii) Share-based payments*

The Company follows accounting guidelines in determining the fair value of stock-based compensation. The computed amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the expected life of options; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share based payments incorporates an expected forfeiture rate. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

### *iii) Basis of measurement*

These condensed interim financial statements have been prepared on a historical cost basis. The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting.

## **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.

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- 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](http://www.shamrockresources.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

**CORPORATE INFORMATION**

**Head Office:** 484 Beachview Drive  
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**Directors:** Gordon Osinchuk\*  
Michael Dake\*  
William Pettigrew\*  
Melvin P. Dickson, P.Eng  
(\*Audit Committee Member)

**Officers:** Gordon Osinchuk, CEO & President  
Ryan Cheung, CFO  
Dianne Szigety, Corporate Secretary

**Auditor:** Charlton & Company  
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**Transfer Agent:** Olympia Trust Company  
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