

**SHAMROCK ENTERPRISES INC.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED FEBRUARY 28, 2013**

NOTICE OF NO AUDITOR REVIEW OF FINANCIAL STATEMENTS  
INTERIM STATEMENTS OF FINANCIAL POSITION  
STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND ACCUMULATED  
OTHER COMPREHENSIVE LOSS  
STATEMENTS OF CASH FLOW  
NOTES TO FINANCIAL STATEMENTS

**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM FINANCIAL STATEMENTS**

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 an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**SHAMROCK ENTERPRISES INC.**  
**INTERIM STATEMENTS OF FINANCIAL POSITION**

	Notes	February 28, 2013 (unaudited)	May 31, 2012 (audited)
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		76,179	308,658
Short-term investments		30,000	30,000
Sales tax receivable		7,050	67,065
Prepaid expense		17,500	-
		<u>130,729</u>	<u>405,723</u>
<b>Exploration and evaluation asset</b>	6	<b>1,091,796</b>	1,014,338
<b>TOTAL ASSETS</b>		<b>1,222,525</b>	1,420,061
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		13,803	21,953
Due to related parties	9	-	-
		<u>13,803</u>	<u>21,953</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	2,172,907	2,148,407
Reserves	7	291,758	263,013
Accumulated deficit		(1,255,943)	(1,013,312)
		<u>1,208,722</u>	<u>1,398,108</u>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		<b>1,222,525</b>	1,420,061

*The accompanying notes are integral to the financial statements.*

**Approved on behalf of the Board of Directors**

/s/ Gordon Osinchuk  
 Director

/s/ Michael Dake  
 Director

**SHAMROCK ENTERPRISES INC.**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**

	Share Capital		Reserves			Total
	Number of Shares	Amount	Equity settled benefits	Warrants	Accumulated deficit	
		\$	\$	\$	\$	\$
<b>Balance, May 31, 2011</b>	9,735,300	1,266,569	135,332	52,528	(596,397)	858,032
Private placement						
Gross proceeds	2,716,000	950,600	-	-	-	950,600
Agent fees	-	(66,542)	-	-	-	(66,542)
Agent warrants	-	(36,220)	-	36,220	-	-
Property payment	200,000	34,000	-	-	-	34,000
Reserves reclassification	-	-	8,654	(8,653)	-	1
Option vesting	-	-	32,031	-	-	32,031
Loss for the period	-	-	-	-	(317,185)	(317,185)
<b>Balance, February 29, 2012</b>	12,651,500	2,148,407	176,017	80,095	(913,582)	1,490,937
<b>Balance, May 31, 2012</b>	12,651,300	2,148,407	182,919	80,094	(1,013,312)	1,398,108
Property payment	250,000	17,500	-	-	-	17,500
Property extension payment	100,000	7,000	-	-	-	7,000
Option vesting	-	-	28,745	-	-	28,745
Loss for the period	-	-	-	-	(242,631)	(242,631)
<b>Balance, February 28, 2013</b>	13,001,300	2,172,907	211,664	80,094	(1,255,943)	1,208,722

*The accompanying notes are integral to these interim financial statements.*

**SHAMROCK ENTERPRISES INC.**  
**INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

		<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
		<b>February 28, 2013</b>		<b>February 29, 2012</b>	
	Notes	<b>2013</b>	2012	<b>2013</b>	2012
		\$	\$	\$	\$
<b>EXPENSES</b>					
Director fees		-	48,000	-	48,000
Investor relations		-	3,022	-	8,448
Management fees	9	<b>19,978</b>	19,500	<b>58,978</b>	58,500
Office and general	9	<b>21,681</b>	5,795	<b>35,997</b>	32,069
Share-based compensation	7	<b>4,472</b>	4,636	<b>28,745</b>	32,031
Professional fees	9	<b>30,500</b>	32,092	<b>101,950</b>	114,274
Regulatory and filing		<b>5,494</b>	12,232	<b>16,961</b>	23,863
<b>Comprehensive Loss for the Period</b>		<b>(82,125)</b>	(125,277)	<b>(242,631)</b>	(317,185)
Basic and diluted loss per share		(\$0.01)	(\$0.01)	(\$0.02)	(\$0.03)
Weighted average number of shares outstanding		<b>12,723,772</b>	12,477,967	<b>12,675,013</b>	11,691,857

*The accompanying notes are integral to the financial statements.*

**SHAMROCK ENTERPRISES INC.**  
**STATEMENTS OF CASH FLOW**

	Three Months Ended		Nine Months Ended	
	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
	\$	\$	\$	\$
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>				
<b>Loss for the period</b>	<b>(82,125)</b>	<b>(125,277)</b>	<b>(242,631)</b>	<b>(317,185)</b>
Items not involving cash:				
Share-based payments	<b>4,471</b>	4,636	<b>28,745</b>	32,031
Changes in non-cash working capital items:				
Sales tax receivable	<b>3,885</b>	13,345	<b>60,016</b>	(4,865)
Prepaid expenses	<b>(10,000)</b>	17,280	<b>(17,500)</b>	-
Accounts payable and accrued liabilities	<b>5,042</b>	2,325	<b>(8,151)</b>	7,269
Due to related parties	-	5,000	-	5,000
	<b>(78,727)</b>	<b>(82,691)</b>	<b>(179,521)</b>	<b>(277,750)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Exploration and evaluation assets	<b>(407)</b>	<b>(267,081)</b>	<b>(52,958)</b>	<b>(397,451)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Private placement proceeds	-	-	-	950,600
Agent fees	-	-	-	(66,542)
	-	-	<b>(52,958)</b>	884,058
<b>Net increase (decrease) in cash</b>	<b>(79,134)</b>	<b>(349,773)</b>	<b>(232,477)</b>	<b>208,857</b>
<b>Cash, beginning of the period</b>	<b>185,312</b>	<b>799,426</b>	<b>338,658</b>	<b>240,797</b>
<b>Cash, end of the period</b>	<b>106,179</b>	<b>449,654</b>	<b>106,179</b>	<b>449,654</b>
<b>Supplemental information:</b>				
Interest paid	<b>\$Nil</b>	\$Nil	<b>\$Nil</b>	\$Nil
Income taxes paid	<b>\$Nil</b>	\$Nil	<b>\$Nil</b>	\$Nil

*The accompanying notes are integral to the financial statements.*

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2013**

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**1. NATURE OF OPERATIONS**

Shamrock Enterprises Inc. (the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on April 17, 2008. The BC 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”. On November 7, 2012, the Company received conditional approval for the listing of its common shares on the TSX Venture Exchange (the “TSXV”), which was conditional upon the Company raising sufficient funds to meet the listing requirements of the TSXV. As the time period for the Company to meet the TSXV’s requirements has now lapsed, the Company intends to continue with its efforts to raise additional funds and to re-apply for a listing on the TSXV. The Company’s registered corporate address is 484 Beachview Drive, North Vancouver, BC V7G 1P7, Canada.

The Company’s financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company’s ability to continue as a going concern is however dependent upon its ability to obtain additional funding from loans or equity financings, option agreements or through other arrangements. There is no assurance that these activities will be successful. These financial statements do not contain any adjustments to the amounts and classifications of assets and liabilities, which might be necessary should the Company be unable to continue in business. The Company is in the process of exploring its mineral property and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral property in accordance with industry practice, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production. At February 28, 2013, the Company had cash and liquid cash investments of \$106,179 and working capital of \$116,926.

**2. BASIS OF PRESENTATION**

**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”).

The policies applied in these condensed interim consolidated financial statements are consistent with the policies disclosed in Notes 2 and 3 of the financial statements for the year ended May 31, 2012. These condensed interim financial statements should be read in conjunction with the Company’s financial statements for the year ended May 31, 2012.

The financial statements were authorized for issue by the Board of Directors on April 26, 2013.

**3. FUTURE ACCOUNTING POLICY CHANGES ISSUES BUT NOT YET IN EFFECT**

Financial Instruments IFRS 9, “Financial Instruments” (“IFRS 9”) was issued by the IASB on November 12, 2009 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of IFRS 9 on its financial instruments.

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IFRS 10 – Consolidated financial statements (“IFRS 10”) was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity’s returns. IFRS 10 is effective for annual period beginning on or after January 1, 2013. Earlier adoption is permitted.

IFRS 11 – Joint arrangements (“IFRS 11”) was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the later case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

IFRS 12 – Disclosure of interests in other entities (“IFRS 12”) was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interest in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

IFRS 13 – Fair value measurement (“IFRS 13”) was issued by the IASB in May 2011. IFRS 13 defines fair value, summarizes the methods of determining fair value and outlines the required fair value disclosures. IFRS 13 is utilized when another IFRS standard requires or allows fair value measurements or disclosures about fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

Amended IAS 27 – Separate financial statements (“IAS 27”) was issued by the IASB in May 2011. IAS 27 outlines the accounting principles to be applied with regards to investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate, non-consolidated financial statements. The previous standard was titled IAS 27 – Consolidated and separate financial statements. IAS 27 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

Amended IAS 28 – Investments in associates and joint ventures (“IAS 28”) was issued by the IASB in May 2011. IAS 28 outlines the accounting treatment and corresponding application of the equity method of accounting in investments in associates and joint ventures. The previous standard was titled IAS 28 – Investments in associates. IAS 28 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

**4. FINANCIAL INSTRUMENTS**

		<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



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- 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

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monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

**5. CAPITAL MANAGEMENT**

The Company's primary source of funds comes from the issuance of share capital. The Company defines its capital as all components of shareholders equity. Capital requirements are driven by the Company's planned exploration and evaluation activities and general and administrative expenses. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities. Although the Company has been successful at raising funds in the past through the issuance of share capital, there can be no assurance that it will continue to be able to do so in the future. There were no changes in the Company's approach to capital management during the year ended February 28, 2013. The Company is not subject to externally imposed capital requirements.

**6. SHORT-TERM INVESTMENTS**

As at February 28, 2013, the Company has invested \$30,000 (May 31, 2012 - \$30,000) into Guaranteed Investment Certificates ("GICs") with a Canadian financial institution. These GICs yield interest at prime minus 2.05% and have original maturity date of 12 months. All short-term investments have been classified as financial assets measured at fair value through profit or loss. Their fair values approximate their carrying values due to their short-term nature.

**7. EXPLORATION AND EVALUATION ASSETS**

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

Summary of exploration and evaluation expenditures:

	<b>Fireweed</b>
	\$
<b>Balance, May 31, 2011</b>	<b>577,381</b>
Acquisition costs incurred	134,000
Exploration costs incurred:	
Drilling	213,671
Field costs	38,875
Geological data processing	589
Geologist fees	41,625
Lab and assays	6,673
Travel	1,524
<b>Balance, May 31, 2012</b>	<b>1,014,338</b>

**SHAMROCK ENTERPRISES INC.**  
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Exploration costs incurred:	
Administration and legal	831
Geological data processing	8,940
Geologist fees	38,795
Lab and assays	158
Travel	4,234
<b>Balance, February 28, 2013</b>	<b>1,067,296</b>

**Fireweed Property, British Columbia**

On February 17, 2010 (“Effective Date”), the Company entered into an option agreement with Pachamama Resources Ltd. (now Regulus 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 in British Columbia, Canada. On January 21, 2013, the Company negotiated an amendment to this option agreement in consideration for the issuance of 100,000 common shares of the Company to the Optionor. The Amendment Agreement was re-negotiated to extend the expenditure commitment due dates, and cash payment due dates 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. The following is a schedule of work expenditure and share issuance commitments:

<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)
1st 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			100,000	(Issued)
3 <sup>rd</sup> anniversary (February 17, 2013)			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>	

In addition, the Company must also 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>	

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

**8. EQUITY AND RESERVES**

**Share Capital**

The Company is authorized to issue an unlimited number of commons shares without par value.

***For the period ended February 28, 2013***

On September 12, 2013, the Company announced that it had arranged a non-brokered private placement offering of up to 8,000,000 Units at \$0.15 per Unit. As of February 28, 2013 the Company has not completed this private placement.

***For the year ended May 31, 2012***

The Company issued 200,000 common shares valued at \$34,000 to Pachamama Resources Ltd. in accordance with its February 17, 2010 option agreement.

The Company completed a non-brokered private placement of 2,716,000 units at \$0.35 per unit for gross proceeds of \$950,600. Each unit was comprised of one common share and one share purchase warrant. Each warrant is exercisable to acquire an additional share at \$0.45 per share for a two year period. The Company paid an aggregate of \$66,542 cash finder's fees as well as the issuance of 190,120 agents warrants carrying the same terms and conditions as the warrants, are comprising the units. The fair value of these agents' warrants was determined at \$36,220 using the Black-Scholes option pricing model.

**Stock Options**

***Stock-Option Plan***

The Company has a stock option plan in place. Under the stock option plan the Company can issue up to 10% of the issued and outstanding shares as incentive stock options to directors, officers, insiders, employees and other service providers to the Company. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued Shares of the Company in any 12 month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued Shares of the Company. The options granted under the Stock Option Plan are subject to the vesting schedule of the Stock Option Plan wherein 25% of the options will vest on the day which is 3 months from the day of grant and 25% of the options will vest every 3 months thereafter for a period of 12 months after the day of grant.

***For the period ended February 28, 2013***

There were no stock options granted during the period.

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*For the year ended May 31, 2012*

The Company incurred stock-based compensation expenses of \$38,933 which were charged to the statement of comprehensive loss and credited to contributed surplus; these related to options granted in the previous year.

On May 1, 2012, the Company granted an aggregate of 335,000 incentive stock options exercisable at \$0.18 per share to directors, officers and a consultant for a five year term. The fair value of the stock options granted were estimated during the Black-Scholes option pricing mode with the following assumptions: risk-free rate of 1.64%, expected stock price volatility of 80.03%, and expected life of 5 years.

Summary of stock option activity:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
		\$	
<b>Balance, May 31, 2011</b>	<b>900,000</b>	0.26	4.18
Granted	335,000	0.18	5.00
<b>Balance, May 31, 2012</b>	<b>1,235,000</b>	0.24	3.65
<b>Balance, February 28, 2013</b>	<b>1,235,000</b>	0.24	2.92

A summary of the Company's outstanding and exercisable share options at February 28, 2013 is presented below:

Outstanding Options			Exercisable Options	
Exercise Price	Number of Options	Weighted Average Life Remaining (Years)	Number of Options	Weighted Average Exercise Price
\$0.25	750,000	1.65	750,000	\$0.25
\$0.30	150,000	0.13	150,000	\$0.30
\$0.18	335,000	1.14	167,500	\$0.18
	<b>1,235,000</b>	<b>2.92</b>	<b>1,067,500</b>	<b>\$0.24</b>

Summary of stock options outstanding:

Options	Exercise Price	Expiry Date
	\$	
335,000	0.18	May 1, 2017
750,000	0.25	November 10, 2015
150,000	0.30	April 4, 2014
<b>1,235,000</b>		

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**Warrants**

*For the period ended February 28, 2012*

There were no share purchase warrants issued during the period.

*For the year ended May 31, 2012*

As part of the 2,716,000 units placed, the Company issued 2,716,000 warrants to placees for a two year term exercisable at \$0.45 per share. The fair value of the shares were equal to the proceeds; therefore, \$Nil carrying amount was assigned to the warrants based on the residual value method.

As part of the 2,716,000 units placed, the Company issued 190,120 warrants to agents for a two year term exercisable at \$0.45 per share. The fair value of the warrants issued was estimated during the Black-Scholes option pricing mode with the following assumptions: risk-free rates from 0.83% to 1.40%, expected stock price volatility of 125.92% to 137.56%, and expected life of 2 years. The fair value of these warrants is estimated to be \$36,220 and is included as a reduction of share capital.

Summary of warrant activity:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
		\$	
Balance, June 1, 2010	-	-	-
Granted	400,000	0.25	1.45
Exercised	(2,500)	0.25	-
Balance, May 31, 2011	397,500	0.25	1.45
Expired	(397,500)	-	-
Granted	2,906,120	0.45	-
<b>Balance, February 28, 2013</b>	<b>2,906,120</b>	<b>0.45</b>	<b>0.46</b>

Summary of warrants outstanding at February 28, 2013:

Warrants	Exercise Price	Expiry Date
	\$	
318,860	\$0.45	July 29, 2013
588,500	\$0.45	August 8, 2013
1,998,760	\$0.45	August 23, 2013
<b>2,906,120</b>		

**9. COMMITMENTS**

The Company is committed to certain contractual obligations described in Note 7.

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**10. 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.

Amounts due to related parties are unsecured, non-interest bearing and without specified repayment terms. All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**11. RECLASSIFICATION**

The comparative financial statements have been reclassified to conform to the presentation of the current period financial statements.