

**SHAMROCK ENTERPRISES INC.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**For the Period Ended August 31, 2011**

---

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 three-month period ended August 31, 2011 compared with the three-month period ended August 31, 2010. 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 August 31, 2011 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 October 26, 2011.

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**

- Completed the Tranche 1 2 and 3 of its \$1,050,000 non-brokered private placement for gross proceeds of \$950,600 to be used towards the Fireweed property and general working capital.
- The Company is investigating listing options on a more senior stock exchange in Canada.

## **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 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 the MD&A.

### **Fireweed Developments**

The Company released assay results from its Phase I drill program as summarized in its February 1, 2011 news release. The Company also made payments of \$50,000 and issued 200,000 shares in accordance with the Option Agreement with Pachamama Resources Ltd. The Company also spent \$374,081 in cash exploration expenditures for its Fireweed property to date.

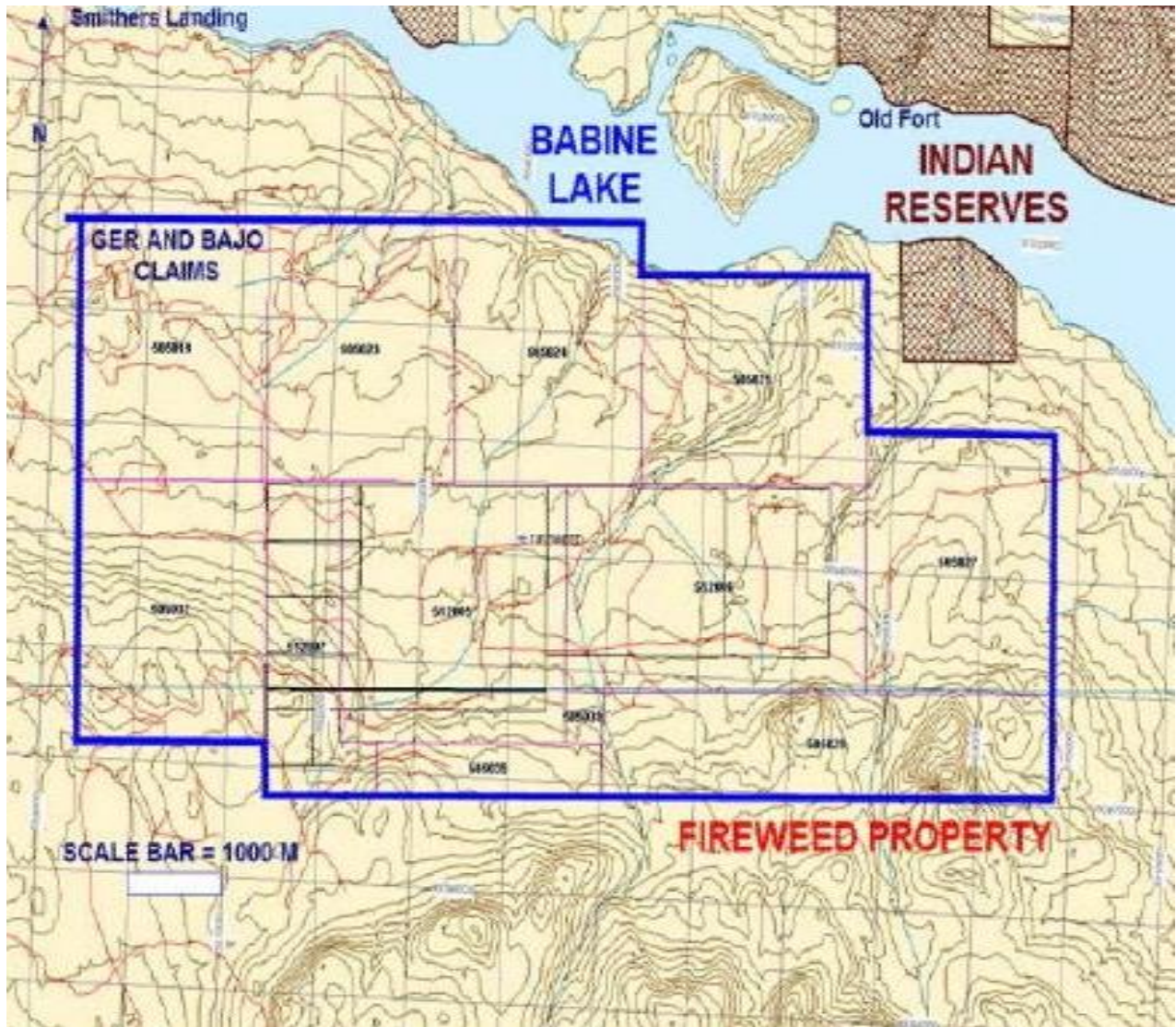
### **Outlook for the Upcoming Year**

For the upcoming year, the priority of the Company is to complete Phase II of its work commitment in accordance with its Option Agreement with Pachamama Resources Ltd. The Company anticipates completing a new technical report including the assessment report from Phase I and recommendation for the Phase II diamond drilling program.

Shamrock is preparing to carry out a fall drill program on the Fireweed Silver Property located near Smithers, in the Babine Lake Area, Omineca Mining Division, British Columbia, a polymetallic (Ag, Zn, Pb, Cu, Au) discovery of massive sulphide and sulphide replacement type mineralization.

As at the date of the MD&A, the Company is currently completing a non-brokered private placement of up to 3,000,000 Units at \$0.35 per Unit for gross proceeds of up to \$1,050,000. The proceeds will be used on the Phase II work program and may be used to acquire rights to additional mineral properties.

Detailed claims sketch of the Property:



Location of the Property in British Columbia, Canada:



**Option Earn-In**

**SHAMROCK ENTERPRISES INC.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**For the Period Ended August 31, 2011**

---

On February 17, 2010, the Company was granted an Option to acquire up to a 70% interest in the Fireweed Property from the Optionor. The Optionor is not a related party to the Company and the Option Agreement was an arm's length transaction between the Company and the Optionor. Under the Option Agreement, the Company is committed to do the following to exercise the Option to earn a 50% interest in the Property (current to date of MD&A):

- i) 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 Option Agreement	50,000	Paid	None	N/A
Within 5 business days of listing of the Company's Shares on the Exchange	None	N/A	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	-	200,000	-
3 <sup>rd</sup> anniversary (February 17, 2013)	200,000	-	250,000	-
4 <sup>th</sup> anniversary (February 17, 2014)	250,000	-	250,000	-
<b>Total</b>	<b>650,000</b>		<b>1,000,000</b>	

- ii) The Company must make the following work expenditures on the Property:

<b>Date of Expenditure Commitment</b>	<b>Work Expenditure Commitment* \$</b>	<b>Status</b>
1 <sup>st</sup> anniversary (February 17, 2011)	200,000	Completed
2 <sup>nd</sup> anniversary (February 17, 2012)	450,000	-
3 <sup>rd</sup> anniversary (February 17, 2013)	650,000	-
4 <sup>th</sup> anniversary (February 17, 2014)	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 August 31, 2011, \$29,926 of administrative overhead costs has been recognized as part of the Option Earn-In which has been 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 3 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 3 year period, its interest in the Property will be diluted to 35% and the Optionor will become the operator of the Property.

**SHAMROCK ENTERPRISES INC.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**For the Period Ended August 31, 2011**

---

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

If the Company elects to earn the 70% interest in the Property and fails to advance the project to production within the 3 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 Option Agreement, 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.

## **RESULTS OF OPERATIONS**

### ***Three Months Ended August 31, 2011 and Comparable Prior Period Analysis***

The Company incurred an overall loss of \$104,320 for the current period compared to \$50,181 for the prior period. This is due mainly to an increase in professional fees, investor relations costs, management fees, and stock-based compensation for the current period over the prior comparable period. The increase in these cash costs is in-line with the Company ramping up its exploration activity.

## **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 August 31, 2011, the Company has raised \$2,276,300 from the sale of shares for cash through the issuance of 12,451,300 shares.

**SHAMROCK ENTERPRISES INC.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**For the Period Ended August 31, 2011**

---

As at August 31, 2011 current assets were \$1,127,320 (May 31, 2011 - \$291,267) and current liabilities were \$27,203 (2010 - \$10,616) resulting in working capital of \$1,100,027 (May 31, 2011 - \$280,651). There are no known trends affecting liquidity or capital resources at this time.

As of May 31, 2011 the Company had total assets of \$1,704,701 (May 31, 2011 - \$868,648). The principal assets are cash of \$1,070,116 (May 31, 2011 - \$240,797), sales tax receivable comprising GST and HST input tax credits of \$57,204 (May 31, 2011 - \$50,470), and mineral property interests of \$577,381 (May 31, 2011 - \$577,381) for the Fireweed Property.

Cash flow used in operations increased over the prior year due mainly to increase in professional fees, management fees and office and general costs. In addition, GST and HST tax credits were applied for full refund and were recognized as a receivable at August 31, 2011. Cash flow used in investing activities decreased over the prior year due to the timing of the Fireweed exploration program. Cash flow from financing activities increased over the prior year because of the Company is currently completing a non-brokered private placement which did not occur in the prior comparable period.

**SELECTED QUARTERLY INFORMATION**

	<b>Aug. 31 2011</b>	<b>May. 31 2011*</b>	<b>Feb. 28 2011*</b>	<b>Nov. 30 2010*</b>	<b>Aug. 31 2010*</b>	<b>May 31 2010*</b>	<b>Feb. 28 2010*</b>	<b>Nov. 30 2009*</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial results:</b>								
Net loss	(104,320)	(179,550)	(120,397)	(54,469)	(50,182)	(80,401)	(23,822)	(12,045)
Basic loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)	(0.03)	(0.01)	(0.00)

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

***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 of August 31, 2011 the Company's share capital structure is as follows:

<b>Security</b>	<b>Amount</b>
Common shares	12,451,300
Stock options	900,000
Warrants	3,303,620
<b>Total</b>	<b>16,654,920</b>

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Summary of financial instruments:

	Ref.	August 31, 2011	May 31, 2011
		\$	\$
FVTPL financial asset	a	1,070,116	240,797
Other receivables	b	57,204	50,470
Other financial liabilities	c	27,203	10,616

- a. Comprises cash and cash equivalents.
- 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. The fair values of the Company's financial instruments are not materially different from their carrying values.

### *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 other receivables. Risk associated with cash is managed through the use of major Canadian bank.

#### *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 holdings of cash. The Company's cash are 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 is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company is not exposed to interest rates fluctuations.

#### *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 \$19,500 (August 31, 2010 – \$15,000) of management fees from a consultant for CEO services performed. In addition, the Company incurred \$3,000 (August 31, 2010 – \$3,000) of office rent and storage costs from the consultant. As at August 31, 2011, there is \$Nil owing to the consultant (May 31, 2011 - \$Nil).

The Company incurred \$7,500 (August 31, 2010 – \$7,500) of professional fees from a company controlled by an officer for CFO services performed. As at August 31, 2011, \$2,800 remains unpaid (May 31, 2011 - \$Nil) for these services.

The Company incurred \$7,500 (August 31, 2010 – \$5,002) of professional fees from a company controlled by an officer for corporate secretarial services performed. As at August 31, 2011, \$2,800 (May 31, 2011 - \$Nil) remains unpaid for these services.

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.

**INTERNATIONAL FINANCIAL REPORTING STANDARDS TRANSITION (“IFRS”)**

The Company's financial statements for the year ending May 31, 2012 will be the first annual financial statements that comply with IFRS. The Company has prepared its opening IFRS balance sheet by applying existing IFRS standards in effect at the release of these condensed interim financial statements. However, the opening IFRS balance sheet and the May 31, 2011 comparative balance sheet presented in financial statements for the year ending May 31, 2012 may differ from those presented at this time if there are changes to IFRS standards that require retroactive adjustment.

As stated in Note 2, the August 31, 2011 financial statements are the Company's first financial statements prepared in accordance with IFRS. The accounting policies in Note 3 have been applied in preparing the condensed interim financial statements for the period ended August 31, 2011, the comparative information presented in these financial statements for the year ended May 31, 2011 and in preparation of an opening IFRS statement of financial position at June 1, 2010.

In preparing its opening IFRS statement of financial position, the Company has reclassified certain amounts reported previously in financial statements prepared in accordance with previous Canadian generally accepted accounting principles (“CDN GAAP”). An explanation of how the transition from previous CDN GAAP to IFRS, if any, has affected the Company's financial position, financial performance, and cash flows is set out below.

IFRS 1 *First-time Adoption of International Financial Reporting Standards* sets forth guidance for the initial adoption of IFRS. Under IFRS 1, the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities charged or credited to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated June 1, 2010:

*(a) Estimates*

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under the previous CDN GAAP applied, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of June 1, 2010 are consistent with its CDN GAAP estimates for the same date.

*(b) Mineral property*

IFRS 6 requires that an entity classify each asset in the exploration for and evaluation of mineral resources as tangible or intangible according to the nature of the assets acquired and to apply the classification consistently. As a result, the Company has reclassified certain assets previously classified as mineral property to exploration and evaluation assets.

IFRS employs a conceptual framework that is similar to CDN GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS has not changed the Company's actual cash flows and comprehensive losses, it has resulted in certain line item reclassifications in the Company's Statements of Financial Position with the resulting difference explained.

*(c) Reclassifications within the Equity section*

IFRS - IFRS requires an entity to present for each component of equity, reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. The Company reviewed its contributed surplus account and applied the following changes: The contributed surplus account was renamed reserves account, and the presentation of the reserves in the statement of changes in equity has been further separated into reserves relating to equity settled benefits and reserves relating to warrants.

As at June 1, 2010, the reserves account totalled \$Nil. As at May 31, 2011, the reserves account totalled \$187,860, which comprises \$143,986 related to reserves for equity settled benefits, and \$43,874 relates to reserves for warrants. As at August 31, 2010, the reserves account totalled \$Nil.

CDN GAAP – The Company records issuances of stock options and warrants as an increase in contributed surplus and a corresponding increase in accumulated loss, or share capital. There is no requirement to present activity related to warrant grants separately from stock option grants.

## **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.
- 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:	Unit 19, 650 Roche Point Drive North Vancouver, BC V5H 2Z5 Canada
Directors: (*Audit Committee Member)	Gordon Osinchuk* Michael Dake* William Pettigrew*
Officers:	Gordon Osinchuk, CEO and President Ryan Cheung, CFO Dianne Szigety, Corporate Secretary
Auditor:	Charlton & Company Suite 1735, Two Bentall Centre 555 Burrard St, Box 243 Vancouver, BC V7X 1M9 Canada
Legal Counsel:	Fang & Associates Barristers and Solicitors 1925 - 700 West Georgia St. Vancouver, BC V6C 2T6 Canada
Transfer Agent:	Olympia Trust Company 1003, 750 West Pender Street Vancouver, BC V6C 2T8 Canada