SHAMROCK ENTERPRISES INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2013

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charlton
charlton & company
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Shamrock Enterprises Inc.

We have audited the accompanying financial statements of Shamrock Enterprises Inc., which comprise the statements of financial position as at May 31, 2013, and 2012 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended May 31, 2013 and 2012 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Shamrock Enterprises Inc. as at May 31, 2013 and 2012 and its financial performance and cash flows for the years ended May 31, 2013 and 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"
CHARTERED ACCOUNTANTS

Vancouver, Canada
September 30, 2013

SHAMROCK ENTERPRISES INC.
STATEMENTS OF FINANCIAL POSITION

	Notes	**May 31, 2013**	May 31, 2012
		$	$
ASSETS			
Current assets			
Cash		**13,943**	308,658
Short-term investments	6	**30,000**	30,000
Sales tax receivable		**2,735**	67,065
		46,678	405,723
Exploration and evaluation asset	7	**1,089,296**	1,014,338
TOTAL ASSETS		**1,135,974**	1,420,061
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**38,842**	21,953
Due to related parties	10	**8,974**	-
		47,816	21,953
SHAREHOLDERS' EQUITY			
Share capital	8	**2,170,407**	2,148,407
Reserves	8	**293,674**	263,013
Accumulated deficit		**(1,375,923)**	(1,013,312)
		1,088,158	1,398,108
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**1,135,974**	1,420,061

Nature of operation (Note 1)
Commitments (Note 9)

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

	Share Capital		Reserves			
	Number of Shares	Amount	Equity settled benefits	Warrants	Accumulated deficit	Total
		$	$	$	$	$
Balance, May 31, 2011	9,735,300	1,266,569	143,986	43,874	(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
Option vesting	-	-	38,933	-	-	38,933
Loss for the year	-	-	-	-	(416,915)	(416,915)
Balance, May 31, 2012	12,651,300	2,148,407	182,919	80,094	(1,013,312)	1,398,108
Balance, May 31, 2012	**12,651,300**	**2,148,407**	**182,919**	**80,094**	**(1,013,312)**	**1,398,108**
Property payment	**250,000**	**15,000**	**-**	**-**	**-**	**15,000**
Property extension payment	**100,000**	**7,000**	**-**	**-**	**-**	**7,000**
Option vesting	**-**	**-**	**30,661**	**-**	**-**	**30,661**
Loss for the year	**-**	**-**	**-**	**-**	**(362,611)**	**(362,611)**
Balance, May 31, 2013	**13,001,300**	**2,170,407**	**213,580**	**80,094**	**(1,375,923)**	**1,088,158**

The accompanying notes are integral to the financial statements.

	Notes	For the year ended May 31 2013	2012
		$	$
EXPENSES			
Director fees	10	**-**	48,000
Investor relations		**25,325**	-
Management fees	10	**79,914**	78,000
Office and general	10	**50,833**	57,079
Share-based compensation	8	**30,661**	38,933
Professional fees	10	**155,644**	167,782
Regulatory and filing		**20,234**	27,121
Loss and Comprehensive Loss for the Year		**(362,611)**	(416,915)
Basic and diluted loss per common share		**($0.03)**	($0.03)
Weighted average number of shares outstanding		**12,758,560**	11,903,879

The accompanying notes are integral to the financial statements.

	For the year ended May 31 **2013**	2012
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	**(362,611)**	(416,915)
Items not involving cash:		
Share-based compensation	**30,661**	38,933
Changes in non-cash working capital items:		
HST receivable	**64,330**	(16,595)
Accounts payable and accrued liabilities	**16,889**	11,337
Due to related parties	**8,974**	-
	(241,757)	(383,240)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation assets	**(52,958)**	(402,957)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement proceeds	**-**	950,600
Agents fees	**-**	(66,542)
	-	884,058
Change in cash	**(294,715)**	97,861
Cash, beginning of the year	**308,658**	210,797
Cash, end of the year	**13,943**	308,658
Supplemental information:		
Interest paid	**-**	-
Income taxes paid	**-**	-

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are integral to the financial statements.

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. Listing will be subject to the Company meeting certain conditions to list imposed by the TSX Venture received conditional approval for the listing of its common shares on the TSX Venture Exchange. Listing will be subject to the Company meeting certain conditions to list imposed by the TSX-V 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 May 31, 2013, the Company had cash and liquid cash investments of $43,943 and negative working capital of $1,138.

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out in Note 3 have been applied consistently by the Company during the years presented.

The financial statements were authorized for issue by the Board of Directors on September 30, 2013.

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 8.

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 unless otherwise noted, which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and evaluations assets
The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Mineral property interest acquisition costs are recorded at historical cost. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

The carrying values of exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The carrying value of equipment is reviewed for indications of impairment at each reporting date. When impairment indicators exist, the asset's recoverable amount is estimated. If it is determined that the estimated recoverable amount is less than the carrying value of an asset, then a write-down is made with a charge to operations.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Equipment
Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Estimates of residual values, useful lives and methods of depreciation are reviewed each reporting year, and adjusted prospectively if appropriate.

Income taxes
<u>Current income tax:</u>
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

<u>Deferred income tax:</u>
Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assetS to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan as described in Note 8. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period ("graded vesting").

Financial Instruments

The Company classifies financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired or issued. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Financial assets classified as fair value through profit or loss includes cash.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They would be included in current assets, except for maturities greater than 12 months after the end of the reporting period. These would be classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company’s intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments would be included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company has no held-to-maturity investments.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date, being the date on which the Company commits to purchase the asset. The Company’s non-derivative financial liabilities comprise accounts payable and accrued liabilities, and due to related parties.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any material derivative financial assets and liabilities.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

The Company's cash and investments are classified as level 1.

Loss per share

Basic loss per share is calculated by dividing the net earnings available to common shareholders divided by the weighted average number of common shares outstanding during the year. The diluted earnings per share are calculated based on the weighted average number of common shares outstanding during the year, plus the effects of the dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the year (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the year.

Future Accounting Policy Changes

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

New standard IFRS 10 "Consolidated Financial Statements"

This new standard will replace IAS 27 “Consolidated and Separate Financial Statements”, and SIC-12 “Consolidation – Special Purpose Entities”. Concurrent with IFRS 10, the IASB issued IFRS 11 “Joint Ventures”; IFRS 12 “Disclosures of Involvement with Other Entities”; IAS 27 “Separate Financial Statements”, which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 “Investments in Associates and Joint Ventures”, which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 11 “Joint Arrangements”

This new standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes lAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities-Non-monetary Contributions by Venturers.

New standard IFRS 12 “Disclosure of Interests in Other Entities”

This new standard establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

New standard IFRS 13 “Fair value measurement”

This new standard replaces the fair value measurement guidance currently included in various other IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements. IFRS 13 is effect for annual periods beginning on or after January 1, 2013.

New interpretation IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”

This new IFRIC clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013.

Amendments to IAS 32 “Financial Instruments: Presentation”

These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

Financial statement presentation

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 "*Presentation of Financial Statements"* to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. FINANCIAL INSTRUMENTS

		May 31, 2013	May 31, 2012
		$	$
FVTPL financial assets	a	**43,943**	338,658
Other receivables	b	**2,735**	67,065
Other financial liabilities	c	**47,816**	21,953

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 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.

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 May 31, 2013. The Company is not subject to externally imposed capital requirements.

6. SHORT-TERM INVESTMENTS

As at May 31, 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 titles to all of its properties are in good standing.

Summary of exploration and evaluation expenditures:

	Fireweed
	$
Balance, May 31, 2011	**577,381**
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
Balance, May 31, 2012	**1,014,338**
Acquisition incurred	22,000
Exploration costs incurred:	
Administration and legal	830
Geological data processing	8,940
Geologist fees	38,795
Lab and assays	159
Travel	4,234
Balance, May 31, 2013	**1,089,296**

Fireweed Property, British Columbia

On February 17, 2010 ("Effective Date"), the Company entered into an option agreement with Regulus Resources Inc. (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 in British Columbia, Canada. On January 21, 2013, the option agreement was re-negotiated to extend the expenditure commitment due dates, and cash payment due dates an additional 1 year amending the February 17, 2013 date to February 17, 2014, and February 17, 2014 date to February 17, 2015. Under the terms of the option agreement extension, the Company issued an additional 100,000 shares with a fair value of $7,000. The following is a schedule of work expenditure and share issuance commitments:

Year Ended On	**Annual Work Expenditure**	**Cumulative Total**
	$	**$**
1st Anniversary of Effective Date (completed fiscal 2011)	200,000	200,000
2nd Anniversary of Effective Date (completed fiscal 2012)	450,000	650,000
4th Anniversary of Effective Date	650,000	1,300,000
5th Anniversary of Effective Date	1,250,000	2,550,000
Total	2,550,000	

In addition to the work expenditures, Shamrock must also make the following cash payments to the third party to maintain and exercise the Option:

Due Date	**Cash Payments**
	$
Upon execution of option agreement (paid fiscal 2011)	50,000
1st Anniversary of the Effective Date (paid fiscal 2011)	50,000
2nd Anniversary of the Effective Date (paid fiscal 2012)	100,000
4th Anniversary of the Effective Date	200,000
5th Anniversary of the Effective Date	250,000
Total	650,000

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

In addition to the work expenditures and cash, Shamrock must also issue and deliver the following shares of its capital stock to the third party to maintain and exercise the option:

Due Date	Share Issuances	Amount
		$
Within 5 business days of the listing of the Company's shares on the Canadian National Stock Exchange (issued fiscal 2011)	100,000	35,000
1st Anniversary of the Effective Date (issued fiscal 2011)	200,000	66,000
2nd Anniversary of the Effective Date (issued fiscal 2012)	200,000	34,000
3rd Anniversary of the Effective Date (issued fiscal 2013)	250,000	15,000
4th Anniversary of the Effective Date	250,000	-
Total	1,000,000	150,000

8. EQUITY AND RESERVES

Share Capital

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

For the year ended May 31, 2013

The Company issued 250,000 common shares with a fair value of $15,000 to Regulus Resources Ltd. in accordance with its February 17, 2010 option agreement.

The Company issued 100,000 common shares with a fair value of $7,000 to Regulus Resources Ltd. to extend the terms of the option agreement.

For the year ended May 31, 2012

The Company issued 200,000 common shares valued at $34,000 to Regulus 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.

Escrow shares

As at May 31, 2013, 184,800 (May 31, 2012: 554,400) shares were held in escrow. Their release is subject to determination by regulatory authorities.

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 year ended May 31, 2013

There were no share option grants during this year.

The Company incurred stock-based compensation expenses of $30,661, which were charged to the statement of loss and comprehensive loss and credited to contributed surplus; these related to options granted in the previous year.

For the year ended May 31, 2012

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

On May 1, 2012, the Company granted 335,000 incentive stock options to a consultant for a five year term exercisable at $0.18 per share. 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. None of the options granted vested during the year ended May 31, 2012.

Summary of stock option activity:

	Number of Options	**Weighted Average Exercise Price**	**Weighted Average Life Remaining (Years)**
		$	
Balance, May 31, 2011	**900,000**	0.26	4.18
Granted	335,000	0.18	5.00
Balance, May 31, 2012	**1,235,000**	0.24	3.65
Balance, May 31, 2013	**1,235,000**	0.24	2.65

A summary of the Company's outstanding and exercisable share options at May 31, 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	1.49	750,000	$0.25
$0.30	150,000	0.10	150,000	$0.30
$0.18	335,000	1.06	335,000	$0.18
	1,235,000	**2.65**	**1,235,000**	**$0.24**

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
1,235,000		

Warrants

For the year ended May 31, 2013

There were no share purchase warrants issued during the year.

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 values 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, May 31, 2011	397,500	0.25	1.45
Granted	2,906,120	0.45	1.45
Balance, May 31, 2012	3,303,620	0.45	1.45
Expired	(397,500)	-	-
Balance, May 31, 2013	**2,906,120**	**0.45**	**0.21**

Summary of warrants outstanding at May 31, 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*
2,906,120		

*All warrants expired unexercised subsequent to May 31, 2013.

9. COMMITMENTS

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

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 $79,914 (May 31, 2012 – $78,000) of management fees from Gordon Osinchuk, a consultant for management services performed. In addition, the Company incurred $21,000 (May 31, 2012 – $15,000) for office rent and storage costs from the consultant. As at May 31, 2013, the Company owed Gordon Osinchuk $3,974 (May 31, 2012 - $Nil) for expenses incurred on behalf of the Company and unpaid rent.

The Company incurred $30,000 (May 31, 2012 – $30,000) of professional fees from Midland Chartered Accountants Ltd., a company controlled by an officer for accounting and administrative services performed. As at May 31, 2013, the Company owed $2,500 (May 31, 2012 - $Nil) to Midland Chartered Accountants Ltd. for accounting and administrative services rendered.

The Company incurred $30,300 (May 31, 2012 – $30,000) of professional fees from PubliCo Services Ltd., a company controlled by an officer for corporate secretarial services performed. As at May 31, 2013, the Company owed $2,500 (May 31, 2012 - $Nil) to PubliCo Services Ltd. 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.

The Company incurred $Nil (May 31, 2012 - $48,000) in director fees for the year.

11. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate statutory income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	May 31, 2013	May 31, 2012
	$	$
Loss for the year	(362,611)	(416,915)
Corporate statutory rate	25%	26.25%
Expected tax recovery	(90,653)	(109,440)
Non-deductible items	8,352	10,220
Share issuance costs	(13,176)	(13,835)
Impact of rate change	2,339	2,339
Adjustment	254,485	-
Change in unrecognized deferred tax assets	(196,532)	110,716
Income tax expense (recovery)	-	-

The significant components of the Company's unrecognized deferred income tax assets and liabilities are as follows:

	May 31, 2013	May 31, 2012
	$	$
Mineral property resource tax pools	(901)	253,584
Share issuance costs	26,352	52,704
Non-capital loss carry-forward	310,717	226,412
Unrecognized deferred tax assets (liabilities)	336,168	532,700

The Company has non-capital loss carryforwards of approximately $1,242,866 (May 31, 2012 - $905,649 which can be applied to reduce future taxable income, expiring as follows:

Expiry	**Amount**
	$
2028	6,576
2029	57,620
2030	125,999
2031	290,615
2032	380,150
2033	381,906
	1,242,866

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The following significant non-cash transactions have been excluded from the statements of cash flows:

For the year ended May 31, 2013
The Company issued 350,000 shares with a fair value of $22,000 in accordance with the Fireweed Property option agreement (Note 7 and 8).

For the year ended May 31, 2012
The Company issued 200,000 shares with a fair value of $34,000 in accordance with the Fireweed Property option agreement.

In connection with the private placement of 2,716,000 units at a price of $0.35 per unit, the Company granted agents' warrants to purchase 190,120 common shares with a fair value of $36,220 (Note 8).

13. RECLASSIFICATION

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