

**SHAMROCK ENTERPRISES INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MAY 31, 2017**

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charlton & company  
CHARTERED PROFESSIONAL ACCOUNTANTS

## ***INDEPENDENT AUDITOR'S 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, 2017 and 2016 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended May 31, 2017 and 2016 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, 2017 and 2016 and its financial performance and cash flows for the years ended May 31, 2017 and 2016 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 PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
September 29, 2017

**SHAMROCK ENTERPRISES INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
(expressed in Canadian dollars)

	Notes	May 31	
		2017	2016
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		6,687	984
Sales tax receivable		1,385	3,656
		8,072	4,640
<b>Long term assets</b>			
Restricted investment	6	7,000	7,000
Exploration and evaluation asset	7	-	1,122,083
		7,000	1,129,083
<b>TOTAL ASSETS</b>		15,072	1,133,723
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		89,358	44,109
Loans payable	8, 11	41,458	42,320
Due to related parties	11	122,995	146,585
		253,811	233,014
<b>SHAREHOLDERS' (DEFICIT) EQUITY</b>			
Share capital	9	2,603,679	2,429,979
Subscriptions received	14	15,000	-
Reserves	9	344,300	313,493
Accumulated deficit		(3,201,718)	(1,842,763)
		(238,739)	900,709
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' (DEFICIT) EQUITY</b>		15,072	1,133,723

**Nature and continuance of operations (Note 1)**  
**Commitments (Note 10)**  
**Subsequent events (Note 14)**

*The accompanying notes are an integral part of these financial statements.*

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

/s/ "Bob Faris"  
Director

/s/ "Melvin P. Dickson"  
Director

**SHAMROCK ENTERPRISES INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
(expressed in Canadian dollars)

	Share Capital		Reserves		Subscription received in advance	Accumulated deficit	Total
	Number of Shares	Amount	Equity settled benefits	Warrants			
		\$	\$	\$	\$	\$	\$
Balance, May 31, 2015	17,391,300	2,388,403	223,966	83,348	-	(1,866,549)	829,168
Private placement	1,336,866	40,106	-	-	-	-	40,106
Share issue costs - cash	-	(771)	-	-	-	-	(771)
Share issue costs - warrants	-	(259)	-	259	-	-	-
Property option extension	500,000	2,500	-	-	-	-	2,500
Option vesting	-	-	5,920	-	-	-	5,920
Income for the year	-	-	-	-	-	23,786	23,786
Balance, May 31, 2016	19,228,166	2,429,979	229,886	83,607	-	(1,842,763)	900,709
Private placements	7,525,000	197,000	-	-	-	-	197,000
Share issue costs - cash	-	(13,600)	-	-	-	-	(13,600)
Share issue costs - warrants	-	(11,700)	-	11,700	-	-	-
Property option extension	100,000	2,000	-	-	-	-	2,000
Share subscriptions received	-	-	-	-	15,000	-	15,000
Option vesting	-	-	19,107	-	-	-	19,107
Loss for the year	-	-	-	-	-	(1,358,955)	(1,358,955)
Balance, May 31, 2017	26,853,166	2,603,679	248,993	95,307	15,000	(3,201,718)	(238,739)

*The accompanying notes are an integral part of these financial statements.*

**SHAMROCK ENTERPRISES INC.**  
**STATEMENTS OF INCOME (LOSS AND COMPREHENSIVE LOSS)**  
(expressed in Canadian dollars)

		<b>For the years ended May 31</b>	
	Notes	<b>2017</b>	<b>2016</b>
		\$	\$
<b>REVENUE</b>		-	-
<b>EXPENSES</b>			
Loan interest		4,138	3,620
Office and general		6,572	1,506
Professional fees	11	106,566	57,140
Regulatory and filing		13,217	16,769
Share-based compensation	9	19,107	5,920
		<u>149,600</u>	<u>84,955</u>
<b>Operating Loss Before Other Income</b>		(149,600)	(84,955)
<b>Other (Expense) Income</b>			
Mineral property write-down	7	(1,209,355)	-
Management fees forgiven		-	53,741
Professional fees forgiven		-	55,000
		<u>(1,209,355)</u>	<u>108,741</u>
<b>Net (Loss) Income for the Year</b>		<u>(1,358,955)</u>	<u>23,786</u>
Basic and diluted (loss) income per common share		(\$0.05)	\$0.00
Weighted average number of shares outstanding		25,226,385	18,670,210

*The accompanying notes are an integral part of these financial statements.*

**SHAMROCK ENTERPRISES INC.**  
**STATEMENTS OF CASH FLOWS**  
(expressed in Canadian dollars)

	<b>For the years ended May 31</b>	
	2017	2016
	\$	\$
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Income (Loss) for the year	(1,358,955)	23,786
Items not involving cash:		
Mineral property write-down	1,209,355	-
Share-based compensation	19,107	5,920
Changes in non-cash working capital items:		
GST receivable	2,271	5,315
Accounts payable and accrued liabilities	1,062	3,672
Due to related parties	20,775	(93,465)
Accrued interest payable	4,138	3,620
	<u>(102,247)</u>	<u>(51,152)</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(85,450)	-
	<u>(85,450)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan (repayments) proceeds	(5,000)	11,500
Private placement gross proceeds	197,000	39,335
Cash finders' fees	(13,600)	-
Share subscription deposits	15,000	-
	<u>193,400</u>	<u>50,835</u>
<b>Change in cash</b>	5,703	(317)
<b>Cash, beginning of the year</b>	984	1,301
<b>Cash, end of the year</b>	6,687	984
<b>Supplemental information:</b>		
Interest paid	-	-
Income taxes paid	-	-

**Supplemental disclosure with respect to cash flows (Note 13)**

*The accompanying notes are an integral part of these financial statements.*

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2017**

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Shamrock Enterprises Inc. (the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on April 17, 2008 and has been a reporting issuer in British Columbia, Alberta and Ontario, and whose shares have traded on the Canadian Securities Exchange since November 10, 2010 under stock symbol SRS. The Company’s registered and records office and corporate office address is Suite 500 – 666 Burrard Street, Vancouver, BC, Canada V6C 3P6.

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. Several conditions discussed below indicate the existence of a material uncertainty that may cast substantial doubt regarding this assumption. 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 properties and has not yet determined whether the properties contains reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral properties in accordance with industry practice, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production. The Company’s investment in its Fireweed property was written down to \$Nil at May 31, 2017. See Note 7. At May 31, 2017, the Company had cash of \$6,687 (May 31, 2016 - \$984) and a working capital deficiency of \$245,739 (May 31, 2016 - \$228,374).

**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 29, 2017.

**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:

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2017**

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**2. BASIS OF PRESENTATION (Continued)**

*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. Unless otherwise noted, these financial statements are presented in Canadian dollars, 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



**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. At May 31, 2017 and 2016, the Company had no equipment.

**Income taxes**

Current income tax:

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.

Deferred income tax:

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

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 is 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 9. 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 charged 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").

**Flow-through Shares**

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from qualifying expenditures that the company made with the proceeds. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" are recorded as a deferred credit. When expenditures are renounced, a deferred tax liability is recognized and the deferred credit is reversed. The net amount is recognized as a deferred income tax recovery.

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not completed its assessment of the impact that the new and amended standards will have on its financial statements. The Company also has not early adopted any of these standards in the financial statements.

IFRS 9, Financial Instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through P&L. The standard introduces a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is in the process of assessing IFRS 9's impact on its financial statements.

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. FINANCIAL INSTRUMENTS**

		May 31, 2017	May 31, 2016
		\$	\$
FVTPL financial assets	(a)	6,687	984
Other financial liabilities	(b)	253,811	233,014

- a) Comprised of cash
- b) Comprised of accounts payable, accrued liabilities, loans payable, and due to related parties

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. Cash and short-term investments are carried at fair value using a level 1 fair value measurement. The fair values of accounts payable, accrued liabilities, loans payable, 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 GST recoverable. Risk associated with cash is managed through the use of major Canadian bank. The Company's GST 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.

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. FINANCIAL INSTRUMENTS (Continued)**

***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, 2017. The Company is not subject to externally imposed capital requirements.

**6. RESTRICTED INVESTMENT**

As at May 31, 2017, the Company had invested \$7,000 (May 31, 2016 - \$7,000) into a Guaranteed Investment Certificate ("GIC") with a major Canadian bank. This GIC yields interest at prime minus 2.1%. The availability of the GIC to the Company is restricted, as it serves as the security required to be posted in connection with its Reclamation permit issued by the British Columbia Ministry of Energy, Mines and Petroleum Resources for the Company's Fireweed Property.

**SHAMROCK ENTERPRISES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MAY 31, 2017**

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**7. EXPLORATION AND EVALUATION ASSET**

	Fireweed Property
	\$
Balance, May 31, 2015	1,119,583
Exploration costs incurred	-
Acquisition cost incurred	2,500
Balance, May 31, 2016	1,122,083
Acquisition cost incurred	2,000
Exploration costs incurred (excluding GST)	85,272
Write-down of mineral property	(1,209,355)
Balance, May 31, 2017	-

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 its property is in good standing.

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

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

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

The February 2016 amendment included a commitment for the Company to spend \$100,000 for work on the Property by December 17, 2016. On December 8, 2016, Regulus granted an extension to that work commitment, making it due to be completed by February 17, 2017. To February 28, 2017, the Company spent \$88,668 towards that commitment. If the Company fails to complete the required work expenditure in any one year, it may elect to maintain the Option by paying any expenditure shortfall to Regulus by the last day of that year. Any work expenditures in excess of the specified annual requirements will be credited to the expenditure requirement in the following year.

**SHAMROCK ENTERPRISES INC.**  
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**7. EXPLORATION AND EVALUATION ASSETS (Continued)**

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

Based on management's evaluation of the benefits from continuing exploration work on the Fireweed property, the Company decided to cease all activities related to maintaining its option for an interest in that property. As a result, the recorded value was written down to \$Nil at May 31, 2017.

**Work expenditure commitments based on the latest (February 1, 2016) amendment:**

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

**Cash payment commitments based on the latest (February 1, 2016) amendment:**

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



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**7. EXPLORATION AND EVALUATION ASSETS (Continued)**

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

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

Upon completion of the work expenditures, cash payments and share issuances described above, the Company may exercise its Option and the parties shall be deemed to have entered into a joint venture for the further exploration and development of the Property and any operation of the Property as a mine. The parties will use commercially reasonable efforts, in good faith, to negotiate and enter into a formal joint venture agreement within 6 months of the exercise of the Option. The Company may elect to exercise the Option by completing the work expenditures and making the cash payments and share issuances described above at any time prior to December 17, 2020. However, as noted above, the Company will not maintain its option for an interest in the Fireweed property.

**8. LOANS PAYABLE**

At May 31, 2017, the Company had the following loans payable:

1. From a non-related party, a series of unsecured loans totaling \$12,700 (May 31, 2016: \$17,700), with interest accruing at 12% per annum from the date of issue and no specific terms of repayment. During the year ended May 31, 2017 \$1,619 (May 31, 2016: \$1,100) of interest was accrued on the loan amounts.
2. From a related party, a director, \$21,000 (May 31, 2016: \$21,000), unsecured, with interest at 12% per annum from June 1, 2015 and no specific terms of repayment. During the year ended May 31, 2017 \$2,520 (May 31, 2016: \$2,520) of interest was accrued on the loan.

**9. EQUITY AND RESERVES**

**Share Capital**

The Company is authorized to issue an unlimited number of commons shares without par value. At May 31, 2017, 26,853,166 (May 31, 2016: 19,228,166) common shares were issued and outstanding. No shares were held in escrow at May 31, 2017 or at May 31, 2016.

***For the year ended May 31, 2017***

On January 13, 2017, the Company issued 100,000 shares of its common stock to maintain the Option on its exploration and evaluation asset. The shares were valued at \$2,000 based on the then-current market price.

On November 30, 2016, the Company completed a private placement of 2,325,000 flow-through units at \$0.04 per unit for gross proceeds of \$93,000. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each warrant is exercisable to acquire one common share at \$0.07 per share in the first year and at \$0.09 per share in the second year from the date of issuance. The Company paid \$5,000 in cash finder's fees. The Company estimated the amount of the unit proceeds to allocate to the renounced expenditures to be \$Nil, which was determined using the residual value method.

On June 28, 2016, the Company completed a private placement of 5,200,000 Units at \$0.02 per Unit for gross proceeds of \$104,000. Each Unit was comprised of one common share without par value in the capital of the Company and one common share purchase warrant. Each such warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of \$0.05 per share in the first year, and an exercise price of \$0.08 per share in the second year. The Company paid \$8,600 in cash finders' fees.

The Company issued 292,500 warrants as a finder's fee in connection with the June 28, 2016 private placement, having the same terms and conditions as the Unit warrants. The warrants were valued at \$11,700 using the Black-Scholes option pricing model with an average risk-free rate of 0.49%, estimated life of 2 years, volatility of 167.6% and dividend yield of 0%.

***For the year ended May 31, 2016***

On February 3, 2016, the Company issued 500,000 common shares as consideration for an amendment to its Property Option agreement. The shares were valued at \$2,500 based on current market value on the date of issue.

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**9. EQUITY AND RESERVES (Continued)**

On July 30, 2015, the Company completed a private placement of 1,336,866 Units at \$0.03 per Unit for gross proceeds of \$40,106. Each Unit was comprised of one common share without par value in the capital of the Company and one common share purchase warrant. Each such warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of \$0.05 per share in the first year, and an exercise price of \$0.07 per share in the second year. The proceeds of \$40,106 were allocated to common shares. The Company paid \$771 in cash finder's fees.

The Company issued 25,680 warrants as a finder's fee in connection with the private placement, having the same terms and conditions as the Unit warrants. The warrants were valued at \$259 using the Black-Scholes option pricing model with an average risk-free rate of 0.45%, estimated life of 2 years, volatility of 109.4% and dividend yield of 0%.

**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 normally subject to the vesting schedule 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, 2017***

On May 16, 2017, 250,000 stock options were granted to a new director of the Company, exercisable at \$0.05 per share, with a five year expiry date from date of grant. The options were valued at \$6,250 using the Black-Scholes option pricing model, all of which was expensed in the current year, as the options vested immediately when granted. The option pricing model used an average risk-free rate of 1.01%, estimated life of 5 years, volatility of 139.07% and dividend yield of 0%.

On June 22, 2016, 450,000 stock options were granted to directors and officers of the Company, exercisable at \$0.05 per share. Also on June 22, 2016, 100,000 stock options were granted to a consultant of the Company, exercisable at \$0.05 per share. All of the options have a five year expiry date from date of grant. The options were valued at \$13,064 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free rate of 0.68%, estimated life of 4.38 years, volatility of 133.23% and dividend yield of 0%. \$12,857 was expensed in the current year.

**SHAMROCK ENTERPRISES INC.**  
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**9. EQUITY AND RESERVES (Continued)**

As a result of the value attributed to options issued by the Company, a stock-based compensation expense of \$19,107 was incurred in the year ended May 31, 2017 (2016: \$5,920) which was charged to the statement of income and credited to contributed surplus.

***For the year ended May 31, 2016***

No stock options were granted in the year ended May 31, 2016.

**Summary of stock option activity:**

	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
		\$	
Balance, May 31, 2015	1,150,000	0.05	4.47
Expired	(100,000)	0.05	
Balance, May 31, 2016	1,050,000	0.05	3.81
Granted	800,000	0.05	
Balance, May 31, 2017	1,850,000	0.05	3.47

**Summary of outstanding and exercisable share options at May 31, 2017:**

Outstanding Options				Exercisable Options	
Exercise Price	Number of Options	Weighted Average Life Remaining (Years)	Expiry Date	Number of Options	Weighted Average Exercise Price
\$0.05	150,000	1.99	May 28, 2019	150,000	\$0.05
\$0.05	900,000	2.95	May 11, 2020	900,000	\$0.05
\$0.05	550,000	4.06	June 22, 2021	412,500	\$0.05
\$0.05	250,000	4.96	May 16, 2022	250,000	\$0.05
	1,850,000	3.47		1,712,500	\$0.05

**Warrants**

***For the year ended May 31, 2017***

In connection with the November 30, 2016 private placement, the Company granted 2,325,000 share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of \$0.07 per share in the first year and \$0.09 per share in the second year from the date of issuance.

In connection with the June 28, 2016 private placement, the Company granted 5,200,000 share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of \$0.05 per share in the first year, and an exercise price of \$0.08 per share in the second year. The Company also issued 292,500

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**9. EQUITY AND RESERVES (Continued)**

warrants as a finder's fee in connection with the private placement, having the same terms and conditions as the share purchase warrants

***For the year ended May 31, 2016***

In connection with a private placement, the Company granted 1,336,866 share purchase warrants on July 30, 2015. Each warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of \$0.05 per share in the first year, and an exercise price of \$0.07 per share in the second year. The Company issued 25,680 warrants as a finder's fee in connection with the private placement, having the same terms and conditions as the share purchase warrants.

Summary of warrant activity:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
Balance, May 31, 2015	1,620,000	\$0.14	0.97
Expired	(1,620,000)		
Granted	1,362,546	\$0.06	
Balance, May 31, 2016	1,362,546	\$0.06	1.16
Granted	7,817,500	\$0.07	
Balance, May 31, 2017*	9,180,046	\$0.07	1.05

\* Subsequent to year end 1,362,546 warrants expired unexercised.

Summary of warrants outstanding at May 31, 2017:

Warrants	Exercise Price	Expiry Date
1,362,546	\$0.05 to July 30, 2016 then \$0.07 to July 30, 2017	July 30, 2017
5,492,500	\$0.05 to June 28, 2017 then \$0.08 to June 28, 2018	June 28, 2018
2,325,000	\$0.07 to November 30, 2017 then \$0.09 to November 30, 2018	November 30, 2018
9,180,046		

**10. COMMITMENTS**

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

**SHAMROCK ENTERPRISES INC.**  
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**11. RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate value of transactions relating to key management personnel were as follows:

	<b>YEAR ENDED</b>	
	<b>MAY 31</b>	
	<b>2017</b>	<b>2016</b>
Consulting fees paid or accrued to a company controlled by the CEO	\$ 73,500	\$ 42,000
Consulting Fees paid or accrued to a company controlled by the former Corporate Secretary	6,000	-
Consulting Fees paid or accrued to a company controlled by the Corporate Secretary	596	-
Forgiven debt	-	(108,741)
Stock-based compensation	16,769	5,920
Total fees and other short-term benefits	<u>\$ 96,865</u>	<u>\$ (60,821)</u>

As at May 31, 2017, \$122,995 (2016 - \$146,585) was owing to key management personnel or to a company controlled by a director or key management personnel and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at May 31, 2016 the total loan due to related parties was \$21,000, (May 31, 2016 - \$21,000). The balance of interest payable was \$5,040 (May 31, 2016 - \$2,520) (Note 8).

**12. 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 income or loss before income taxes. The components of these differences are as follows:

	May 31, 2017	May 31, 2016
	\$	\$
Income (Loss) for the year	(1,358,955)	23,786
Corporate statutory rate	26%	26%
Expected tax (recovery)	(353,328)	6,184
Non-deductible items	319,439	1,548
Share issuance costs	(799)	(5,436)
Adjustment	(292,990)	5,236
Change in unrecognized deferred tax assets	327,678	(7,532)
Income tax expense (recovery)	<u>-</u>	<u>-</u>

**SHAMROCK ENTERPRISES INC.**  
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**12. INCOME TAXES (Continued)**

Significant components of the unrecognized deferred income tax assets and liabilities are as follows:

	May 31, 2017	May 31, 2016
	\$	\$
Mineral property resource tax pools	289,316	(937)
Share issuance costs	3,001	264
Non-capital loss carry-forward	507,107	472,419
Unrecognized deferred tax assets (liabilities)	799,424	471,746

The Company has non-capital loss carry-forwards of approximately \$1,950,411 (May 31, 2016 - \$1,816,995) which can be applied to reduce future taxable income, expiring as follows:

Expiry	Amount
	\$
2029	55,364
2030	125,999
2031	290,615
2032	380,150
2033	381,906
2034	337,916
2035	245,045
2036	133,416
	1,950,411

**13. 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, 2017***

The Company issued 100,000 shares with a fair value of \$2,000 in connection with the Fireweed Property option agreement (Notes 7 and 9).

***For the year ended May 31, 2016***

The Company issued 500,000 shares with a fair value of \$2,500 in connection with the Fireweed Property option agreement (Notes 7 and 9).

#### **14. SUBSEQUENT EVENTS**

On July 4 and July 25, 2017, the Company completed two tranches of a private placement whereby it sold 1,549,999 and 2,650,000 Units at \$0.03 per Unit for total gross proceeds of \$126,000. Each Unit was comprised of one common share without par value in the capital of the Company and one common share purchase warrant. Each such warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrant, with an exercise price of \$0.05 per share in the first year, and an exercise price of \$0.07 per share in the second year. The shares were issued on July 7 and July 26, 2017 respectively. As at May 31, 2017 the Company had received \$15,000 in subscriptions related to the private placement.

On July 6, 2017, the Company announced that it had entered into an option agreement to acquire nine staked claims, known as the Homathko Gold project, covering approximately 3,000 hectares located in the Caribou Regional District of British Columbia from Transition Metals Corp. of Sudbury Ontario (“Transition”) (XTM – TSX.V). Under the terms of the option agreement, the Company can earn a 100% interest in the claims by providing Transition with \$5,000 cash, \$100,000 worth of the Company’s stock and completing \$500,000 of exploration expenditures within three years. If the Company earns its interest, Transition will retain a 2% net smelter royalty (NSR), of which the Company can purchase half (1% NSR) for \$1,000,000 prior to the commencement of commercial production.

On August 22, 2017, the Company announced that it had signed an option agreement to acquire from two private vendors, a 100% interest in seven contiguous mineral claims covering an area of 2,313 hectares, known as the Topley-Richfield gold/copper/silver/lead/zinc project, located in the Bulkley Valley, 100 km southeast of Smithers, British Columbia. The Company can acquire a 100% interest in the project for total consideration of 1,000,000 shares, \$200,000 in cash payments and a \$200,000 work commitment over four years. The project vendors retain a 3% net smelter royalty with a buy-out of \$1 million for each 1%. An advanced royalty payment of \$20,000 per year begins on the 5th anniversary.

Management has evaluated subsequent events and the impact on the reported results and disclosures and has concluded that, other than the items described above, there are no further significant events which require disclosure as of the date these financial statements were issued.