

AURWEST RESOURCES CORPORATION
(formerly Shamrock Enterprises Inc.)
Management Discussion and Analysis
For the Six months ended November 30, 2019

Issued January 28, 2020

To the Shareholders of Aurwest Resources Corporation (formerly Shamrock Enterprises Inc.)

This Management Discussion and Analysis (“MD&A”) provides a discussion of the Company’s financial position and the results of its operations for the six months ended November 30, 2019. This MD&A should be read in conjunction with the Company’s condensed interim financial statements and related notes for the six months ended November 30, 2019, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Since the condensed interim financial statements do not include all disclosure required by IFRS for annual statements, they should also be read in conjunction with the Company’s audited financial statements for the year ended May 31, 2019.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

This MD&A is current as at January 28, 2020.

Additional information relating to the Company can be located on its website:

<https://www.shamrockresources.com/index.php>

OVERVIEW

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 1100 – 1111 Melville Street, Vancouver, BC, Canada V6E 3V6. On January 7, 2020, the Company completed a share consolidation on the basis of 4 old shares for 1 new share. The share consolidation has been retroactively presented. The Company also changed its name to Aurwest Resources Corporation and on January 8, 2020, commenced trading under the stock symbol “AWR”.

The Company is a Vancouver-based mineral exploration company engaged in the acquisition and exploration of precious and base metals projects in North America and currently holds a 100% interest in the Stellar and adjoining Buckley exploration stage projects in British Columbia which it continues to evaluate. The Company’s fiscal year end is May 31.

EXPLORATION PROPERTIES

On a regular basis the Company evaluates the potential impairment of its mineral property interests when facts and circumstances indicate that the carrying value of a mineral property may exceed its recoverable value. All properties are early stage exploration properties.

Stellar Project - Consists of the owned Stellar mineral tenures covering 2,343.58 hectares and the optioned adjoining Buckley claims. These claims are contiguous to the west, north and east of the recently reported porphyry copper style discovery reported by M3 Minerals Corp., (TSX-V: MT) from recent drilling on their Stars property (<https://m3metalscorp.com/projects/copper/stars-project>). An airborne magnetic survey was completed in February 2019.

Buckley Project – Located approximately 25 kms southwest of Houston B.C., the Buckley Project consists of 24 mineral claims covering 15,371.5 hectares and is contiguous with the Company’s Stellar claims. The Buckley and Stellar properties lie along the north-western margin of the Nechako Plateau in west-central British Columbia, bordering the east side of the Coast Mountains.

Charles J. Greig P.Geol., is the Qualified Person as defined by National Instrument 43-101. Mr. Greig is a director for the Company and has reviewed and approved the technical information contained in this MD&A.

HIGHLIGHTS

Funding

On July 29, 2019, the Company completed a private placement comprised of 4,750,000 non-flow-through units at \$0.02 per unit for total gross proceeds of \$95,000. Each unit consisted of common share and one share purchase warrant. One purchase warrant is exercisable to acquire one common share at \$0.04 for two years from the date of issuance. The Company uses the residual method of valuing its warrants and have allocated \$23,750.

Buckley Project

The Company has completed the acquisition from a private vendor of a 100-per-cent interest in the Buckley project mineral claims, in British Columbia, approximately 57 kilometres southwest of Houston, B.C. The Buckley claims comprise 24 mineral claims covering an area of 15,317.5 hectares. The Company now holds title to 18,546 hectares known as the Stellar project, which border the eastern, western and, perhaps most importantly, the northern part of M3 Minerals Corp. Stars porphyry copper-gold-silver-molybdenum (Cu-Au-Ag-Mo) discovery.

Milly Property

On October 29, 2019, the Company announced that it has terminate the Option Agreement, accordingly all related costs, totalling \$22,081, comprised of property acquisition (\$6,000) and exploration and evaluation expenditures (\$16,081) were written-off to the statement of loss as at August 31, 2019.

Appointment of CFO

On October 16, 2019, the Company has appointed Nizar Rayani as chief financial officer and to the board of directors of the Company. Mr. Rayani brings over 30 years of experience in internal and external auditing, accounting and management. Mr. Rayani replaces the company's acting chief financial officer, Bob Faris, who remains as president and chief executive officer.

Mr. Rayani began his career at PricewaterhouseCoopers, before heading up Canada's largest stationery company, Murphy Stationery, from 1974 to 1996. Murphy Stationery was acquired by Corporate Express (now Staples Inc.) in 1996. Mr. Rayani was born in Kenya and was educated in England, where he completed his formal education at Cambridge University. He is a certified accountant (KE) and a fellow of the Institute of Accountants of England and Wales. Currently, Mr. Rayani runs a small accounting practice for high-net-worth clients.

Outlook for the Upcoming Year

The Company is pursuing funding to allow it to continue evaluation of its Stellar and Buckley mineral projects, all of which are in good standing.

SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS

	May 31, 2019	May 31, 2018	May 31, 2017
	\$	\$	\$
Income Statement			
Net (loss) income	(417,249)	(307,188)	(1,358,955)
Net (loss) income per share (basic and diluted)	(0.01)	(0.01)	(0.05)
Balance Sheet			
Total resource properties	246,485	205,281	-
Total assets	269,639	211,139	15,072
Total long-term liabilities	-	-	-

The increase in the net loss in May 31, 2017 can be attributed to the \$1,209,355 write-down of the Company's Fireweed mineral property. During the year ended May 31, 2019, the decided not to pursue the Topley-Richfield and may not continue with the Portland project and recorded an aggregate write-down of \$201,975.

FOURTH QUARTER

N/A

RESULTS OF OPERATIONS

During the three months ended November 30, 2019:

The Company has not generated revenue to date and recorded a net loss of \$64,086 for the three months ended November 30, 2019 which is comparable to the net loss of \$62,486 for the corresponding three months ended 2018.

Total expenses for the three months ended November 30, 2019 amounted to \$64,086 which is comparable to the \$62,486 for the three months ended 2018.

Advertising and promotion cost represent three months' worth of digital advertising. In the previous quarter the Company entered into an agreement with a consultant to help brand and market the Company in front

of real world investors. The consultant will provide full-service digital advertising which targets specific users. This agreement is for one year and commenced in August 2019.

Professional fees for the current period was \$40,235 as compared to \$38,647 for 2018. The increase can be attributed to additional fees accrued to the new CFO which was appointed in October 2019. See related party section for compensation paid to directors and officers of the Company.

Loan interest for the current period was \$1,846 which is higher than the \$1,512 in 2018. The increase can be attributed to an increase in the loan balance.

There was no share-based compensation for the current period as compared to \$13,777 for the prior period. Share-based compensation in the prior period relates to stock options vested during that period. Share-based compensation is a non-cash transaction.

All other costs were consistent with that of the prior period.

There was no exploration cost incurred during the three months ended November 30, 2019.

During the six months ended November 30, 2019:

The Company has not generated revenue to date and recorded a net loss of \$108,042 for the six months ended November 30, 2019 as compared to the net loss of \$135,008 for the corresponding six months ended 2018. The decrease can be attributed to the \$30,000 in gain on debt settlement with a consultant.

Total expenses for the six months ended November 30, 2019 amounted to \$115,961 as compared to \$135,008 for 2018.

Advertising and promotion have increased to \$16,267 as compared to \$nil in 2018, because the Company entered into a one-year agreement in August 2019 with a consultant to help brand and market the Company in front of real world investors. The consultant will provide full-service digital advertising which targets specific users.

Professional fees for the current period was \$83,485 which is comparable to the \$85,682 for the previous period ended 2018. See related party section for compensation paid to directors and officers of the Company.

Loan interest for the current period was \$3,452 which is higher than the \$2,715 in the prior period. The increase can be attributed to an increase in the loan balance.

There was no share-based compensation for the current period as compared to \$33,361 for the prior period. Share-based compensation in the prior period relates to stock options vested during that period. Share-based compensation is a non-cash transaction.

All other costs were consistent with that of the prior period.

During the six months ended November 30, 2019, the Company incurred approximately \$5,315 in exploration cost on its mineral properties. On October 28, 2019, the Company announced that it has terminated the Milly Option Agreement, accordingly all related costs, totalling \$22,081, comprised of property acquisition (\$6,000) and exploration and evaluation expenditures (\$16,081) were written-off to the statement of loss.

SELECTED QUARTERLY INFORMATION

Quarters Ended	Nov 30 2019	Aug 31 2019	May 31 2019	Feb 28 2019	Nov 30 2018	Aug 31 2018	May 31 2018	Feb 28 2018
Net loss	\$ (64,086)	\$ (43,956)	\$ (229,452)	\$ (52,789)	\$ (62,486)	\$ (72,522)	\$ (73,673)	\$ (121,361)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Expected Volatility in Results of Operations

A review of the quarterly results over the last eight quarters shows a substantial variance which can be attributed to the Company incurring varying professional, office and general, and share-based compensation costs, period over period. The most noticeable variation is in the May 31, 2019 quarter, as that includes a \$201,975 write-down of the Company's Topley-Richfield and Portland mineral properties.

The Company's operations consist of evaluating, acquiring and exploring mineral properties, to try and discover economically recoverable reserves. In addition, the Company is actively seeking equity financing to fund its current mineral property option commitments. The Company will continue to incur period expenditures towards these goals. The timing and impact of such period expenditures cannot be accurately predicted due to the volatile nature of the Company's business operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company has not generated revenue from operations. The Company incurred a net loss of \$108,042 for the six months ended November 30, 2019 and as of that date the Company's accumulated deficit was \$4,034,197. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

During the six months ended November 30, 2019, cash decreased by \$11,403. The Company used \$93,725 in operating activities, used \$24,678 in investing activities consisting of \$20,000 in purchase of mineral properties and \$4,678 in exploration and evaluation expenditures. The Company received \$95,000 in financing activities from the issuance of 4,750,000 common shares pursuant to private.

The Company had cash of \$4,873 and other current assets of \$37,677 at November 30, 2019 as compared to \$16,276 in cash and other current assets of \$6,878 for the year ended May 31, 2019. As at November 30, 2019, the Company had a working capital deficit of \$464,867 as compared to a working capital deficit of \$471,091 for May 31, 2019.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its continuous search for other resource opportunities. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

On July 29, 2019, the Company completed a private placement comprised of 4,750,000 non-flow-through units at \$0.02 per unit for total gross proceeds of \$95,000. Each unit consisted of common share and one share purchase warrant. One purchase warrant is exercisable to acquire one common share at \$0.04 for two years from the date of issuance.

As at November 30, 2019, the Company had the following cash commitments:

Loans payable

1. From a non-related party, a series of unsecured loans totaling \$14,700 (May 31, 2019: \$12,700), with interest accruing at 12% per annum from the date of issue and no specific terms of repayment. During the six months ended November 30, 2019, \$771 (2018: \$972) of interest was accrued on the loan amounts. Total accrued interest at November 30, 2019 was \$7,041 (May 31, 2019: \$6,269).
2. From a second non-related party, the estate of a former director, \$21,000 (May 31, 2019: \$21,000), unsecured, with interest at 12% per annum from June 1, 2015 and no specific terms of repayment. During the six months ended November 30, 2019, \$1,263 (2018: \$1,263) of interest was accrued on the loan. Total accrued interest at November 30, 2019 was \$11,343 (May 31, 2019: \$10,080).
3. From a third non-related party, \$10,000 (May 31, 2019: \$10,000), with interest accruing at 12% per annum from September 11, 2018 and no specific terms of repayment. During the six months ended November 30, 2019, \$602 (2018: \$266) of interest was accrued on the loan. Total accrued interest at November 30, 2019 was \$1,466 (May 31, 2019: \$865).
4. From a spouse of a director of the Company, \$9,400 (May 31, 2019: \$9,400), with interest accruing at 12% per annum from September 27, 2018 and no specific terms of repayment. During the six months ended November 30, 2019, \$565 (2018: \$214) of interest was accrued on the loan. Total accrued interest at November 30, 2019 was \$1,368 (May 31, 2019: \$803).
5. From a third non-related party, \$10,000 (May 31, 2019: \$Nil), with interest accruing at 12% per annum from September 17, 2019 and no specific terms of repayment. During the six months ended November 30, 2019, \$250 (2018: \$Nil) of interest was accrued on the loan. Total accrued interest at November 30, 2019 was \$250 (May 31, 2019: \$Nil).

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.

Risk Factors

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business.

Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in precious metal prices, market sentiment, and interest rates.
- b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management has been successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.
- c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- d) The operations of the Company may require licenses and permits from various governmental authorities in Canada. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits in the future.
- e) There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

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 values of transactions relating to key management personnel were as follows:

	Relationship	2019	2018
		\$	\$
<u>Consulting fees</u>			
0783701 BC Ltd.	Company controlled by Bob Faris, President, CEO and Director	45,000	45,000
Pacific Blue Holdings Inc.	Company controlled by Monita Faris, Corporate Secretary	2,800	2,700
Nizar Rayani	CFO and Director	4,500	-
<u>Exploration expenses</u>			
CJ Greig & Associates Ltd.	Company controlled by Charlie J. Grieg, Director	5,316	31,498
<u>Stock-based compensation</u>	Director	-	12,744

Charlie Greig			
Scott Ansell	Director	-	5,098
Monita Faris	Corporate Secretary	-	1,275
Total fees and other short-term benefits		57,616	98,315

Included in due to related parties at November 30, 2019, \$208,736 (May 31, 2019 - \$174,406) was owing to key management personnel or to a company controlled by a director or by key management personnel. The amounts are non-interest bearing, unsecured, and have no specific terms of repayment.

At November 30, 2019, \$21,000 loan (May 31, 2019: \$21,000) was due to the estate of a former director, together with accrued interest totaling \$11,343 (May 31, 2019: \$10,080) and a \$9,400 (May 31, 2019 - \$9,400) was due to the spouse of a director of the Company, together with accrued interest total \$1,368 (May 31, 2019: \$803). (See Note 5 to the condensed interim financial statements)

On December 1, 2019, the Company entered into a management consulting agreement with 0783701 BC Ltd. for management services for a period of one year at a monthly rate of \$6,000 per month which shall automatically be extended for an additional one year unless the Company provides written notice at least three months prior to the end of the term.

SUBSEQUENT EVENT

N/A

OFF-BALANCE SHEET TRANSACTIONS

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

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:

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 the financial statements.

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.

Going Concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

Flow-through shares

The Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions at the date of this MD&A.

OTHER INFORMATION

Additional information on the Company is available at the Company's website www.shamrockresources.com or on the SEDAR website at www.sedar.com.

SELECTED SHARE CAPITAL DATA

Outstanding Share and Equity Instrument Information

Security type	Issued and Outstanding	
	Date of MD&A	November 30, 2019
Common shares issued	12,903,681	12,903,681
Stock options outstanding	725,000	725,000
Warrants outstanding	1,705,639	2,202,695
Agent's warrants outstanding	34,000	42,000
Total – fully diluted	15,368,320	15,873,376