

SHELTERED OAK RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS
YEAR ENDED DECEMBER 31, 2009

Prepared as of April 7, 2010

INTRODUCTION

This management discussion and analysis (“MD&A”) of results and operations and financial condition of Sheltered Oak Resources Corp. (“Sheltered” or “the Company”) constitutes management’s review of the operating and financial results of the Company for the year ended December 31, 2009. The MD&A supplements, but does not form part of, the consolidated financial statements of the Company and should be read in conjunction with Sheltered’s audited consolidated financial statements and related notes for fiscal years 2009 and 2008. The Company prepares and files its financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”), presented in Canadian dollars. Sheltered is currently listed on the TSX Venture Exchange and as such, the following MD&A is prepared in accordance with requirements for venture issuers.

For purposes of preparing this MD&A, management in conjunction with the Board of Directors consider the materiality of information. Information is considered material if; (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Sheltered common shares (“Common Shares”); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management in conjunction with the Board of Directors evaluate materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Sheltered’s website at www.shelteredoak.com or on SEDAR at www.sedar.com.

The Company is a reporting issuer under applicable securities legislation in the provinces of British Columbia, Alberta and Ontario and its outstanding Common Shares are listed on the Toronto Venture Stock Exchange under the symbol “OAK”.

FORWARD LOOKING INFORMATION

Certain statements contained in this management’s discussion and analysis may contain forward-looking information.

Forward-looking information can often be identified by forward-looking words such as “anticipate”, “believe”, “estimate”, “expect”, “goal”, “intend”, “may”, “plan” and “will” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives,

assumptions, intentions or statements about future events or performance. Forward-looking information disclosed herein includes:

- timing and commencement of drilling and other planned exploration;
- future financings; and
- expectations to report NI 43-101 compliant mineral resources.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by any forward-looking information. Factors that could cause actual results to differ materially from any forward-looking information include, but are not limited to:

- inability to complete future financings to finance exploration;
- unsuccessful exploration results;
- changes in costs of drilling and other planned exploration; and
- the speculative nature of resource exploration.

Readers are cautioned not to place undue reliance on forward-looking information, which speak only as of the date the statements were made, and readers are also advised to consider such forward-looking information while considering the risks set forth under the heading “Risk Factors” in the Filing Statement. The Company is under no obligation to publicly update or otherwise revise any forward-looking information, whether as a result of new information, future events or other such factors which affect this information, except in accordance with applicable securities laws.

OVERVIEW

Sheltered is a junior mineral exploration company which, through its 100% owned subsidiary Sheltered Oak Resources Inc. (“SOR”), has acquired a 100% interest in the Kerrs Gold Property (“Property”) which consists of 43 unpatented mining claims and 12 leasehold interests located in the Matheson area of Ontario. This Property was originally optioned from Sage Gold Inc. (“Sage”) pursuant to an option agreement dated February 7, 2007 as amended and restated on April 19, 2007, and as amended on August 3, 2007, December 1, 2007, March 28, 2008 and February 2, 2009. On December 22, 2009 Sheltered acquired Sage’s 100% interest in the Property for consideration of 2 million Common Shares and a deferred cash payment of \$500,000 to be paid to Sage on or before December 22, 2010. Sheltered’s obligation to pay the deferred purchase price is secured by a charge on the Property. Sage will receive a 2% Net Smelter Royalty on the Property of which 1% can be purchased from Sage by Sheltered at any time for \$500,000. Sheltered will also pay to Sage an advance royalty payment of \$125,000, payable in five annual instalments with the first payment due on December 22, 2011. Further

details about the Property can be found in the Company's Filing Statement dated August 18, 2008 and filed on SEDAR at www.sedar.com.

Sheltered was created by way of a "three cornered" amalgamation on August 28, 2008 among the Company, Sheltered Oak Resources Inc. ("SOR") and a wholly-owned subsidiary of the Company whereby the Company issued an aggregate of 10,135,808 common shares to the shareholders of SOR and SOR amalgamated with Lucrum Acquisition Corp. to form "Sheltered Oak Resources Inc.". The Company's name was changed from "Lucrum Capital Corp." to "Sheltered Oak Resources Corp." on December 17, 2008.

The fair value of the net assets acquired in the transaction, totalling \$117,456, has been allocated as follows:

Cash	\$101,706
Prepays and sundry receivables	7,411
Deferred acquisition costs	25,000
Accounts payable and accrued liabilities	<u>(16,661)</u>
	<hr/>
	\$117,456
Purchase consideration:	
Common shares issued	<u>\$117,456</u>

INTERESTS IN MINERAL PROPERTIES

Sheltered, through its 100% owned subsidiary SOR, acquired a 100% interest in the Kerrs Gold Property consisting of 43 unpatented mining claims and 12 leasehold interests located in the Matheson area of Ontario.

A copy of the NI 43-101 Technical Report is available at www.sedar.com under the filings for Sheltered. The first reported results from the Phase 4 diamond drill program were released on January 20, 2010. Results to date of prior drillings have been reported in press releases dated November 20, 2008 and February 18, 2009 and can be found on www.sedar.com. To date, thirteen drill holes (K-08-17 through 21 and K-09-22B through 29)) have been completed totalling 6,053 metres.

The first assay results from the Phase 4 produced the following information:

Hole Number	Grid Location	Interval(Metres)	Weighted Avg. Au Grade g/t /Metre -True thickness(m)
K-09-22B	L1100 N / 0+15E Dip: 60° Az 311°	442.7m – 447.2m)	2.82g/t / 4.05 m
K-09-23	L900 SE / 125W Dip: -57° Az 072°	235.5m – 237.0m 300.0m – 301.5m	1.93 g/t / 1.35 m 1.78 g/t / 1.35 m
K-09-25	L1100 N / 0+15 E Dip: -80° Az 311°	372.5m – 377.0m	0.92 g/t / 4.05 m
K-09-26	L1000N / 0+0 BL Dip: -80° Az 311°	358.0m – 363.0m	0.74 g/t / 4.5 m
K-09-27	L900N / 175 E Dip: -60° Az 311°	396.0m – 404.0m	3.32 g/t / 7.2 m
K-09-28	L900N / 175 E Dip: -85° Az 311°	336.5m – 441.0	0.27 g/t / 4.05 m
K-09-29	L800N / 185 E Dip: -60° Az 311°	393.5m – 397.0m	3.74 g/t / 3.15 m

The highest results came from the “middle vein” of the replacement breccias zone, showing gold enrichment in four of the holes with weighted average grades varying between 0.74 g/t and 3.32 g/t Au over true widths ranging from 4.05m to 4.5m.

The two reconnaissance holes K-09-23 and K-09-24 drilled on the Kidston-Dyment portion of the Property tested a prominent south-easterly trending magnetic low target. The presence of a pyritized, silicified quartz feldspar porphyry containing anomalous gold values was conformed whereby drill hole K-09-23 returned 1.93 g/y Au from 235.5m to 237.0m and 1.78 g/t Au from 300.0m to 301.5m.

Assay results are pending for drill holes K-09-28 and K-09-29 which on visual inspection confirmed the presence of the Kerrs breccias zone under Bell Lake on line 800N at depths ranging from 329.0m to 386.8m respectively.

During the 2009 summer program 1,600 soil samples were collected and will be submitted for mobile metal ion (MMI) analysis in 2010. Phase 5 drilling in Q2 2010 will focus on infill drilling

of the Kerrs trend in order to provide further data needed to fulfill NI 43-101 standards for a resource estimate to follow.

Gold mineralization at Bell Lake occurs as pyritized quartz vein breccias enveloped by quartz fuchsite carbonate vein breccias with up to three brecciation sequences indentified in several drill holes. Fine gold is primarily associated with fine pyrite grains (1% to 5%) disseminated with quartz veins and altered mafic pillow flows overlying a magnetite/ olivine-rich ultramafic flow assemblage. Coarse gold also occurs in sulphide-poor fuchsite carbonate quartz veins as observed in K-09-27 returning 19.8 g/t Au over 1.0m at a depth of 396 metres on section 900N.

The surface diamond drilling programs involving geological core logging, sampling and assaying tasks were supervised by Peter Hubacheck, P.Geol. #1059 (APGO) on behalf of Hubacheck Consulting Geologists (HCG), affiliated with W.A. Hubacheck Consultants Ltd. Peter Hubacheck is a qualified person as defined by NI-43-101 and has reviewed and authorized the geotechnical material in this MD&A. Mr. Hubacheck is a Director of the Company.

The NQ core samples were collected by HCG personnel at the drill from the drilling contractor (Salo Drilling, Timmins, Ontario) and transported to a core processing facility located on the Wahgoshig First Nation Reserve, 30 km. from the project site. The drill core was geologically logged for rock type, alteration, mineralization, % recovery and RQD (rock quality designation) factors, prior to being sawn lengthwise in half. Individual core sample lengths (standardized from 0.5m to 1.5m) were selected by the HCG personnel on a geological basis to delimit the gold mineralization based on lithological rock type, alteration and structural features. The remaining half core is stored and secured inside the core processing facility. The core samples were bagged, labelled and then transported in sealed plastic pails by HCG personnel and delivered via Manitoulin Transport to Accurassay Laboratories in Thunder Bay, Ontario. At this facility, there was crushing of the total sample, splitting to 250 grams using a Jones Riffle, and pulverized to 90% -230 mesh. Gold analysis is performed on 50 gram splits using atomic absorption (AA) and AA samples greater than 2000 ppb were checked with gravimetric finishing by fire assay. Quality control was maintained by periodic check assays with the insertion of lab standards and blanks in the sample stream. Duplicate samples were also inserted using quartered core samples from selected samples taken from the mineralized zones.

The Company has incurred, from inception, acquisition costs and exploration costs totalling \$3,462,151 relating to the Property, as detailed in the Consolidated Statement of Mineral Properties included in the consolidated financial statements as at December 31, 2009 (\$1,462,942 to December 31, 2008).

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities or obligations associated with its property interests. The Company is conducting its operations in a manner that is consistent with governing environmental legislation.

MANAGEMENT CHANGES

On January 7, 2009 the Company announced that Robert Hanson had resigned as President, but remained as CEO, and Mr. J.J. Elkin had been appointed a Director of Sheltered and its President.

On January 7, 2009 the Company announced that Patrick Morris had resigned as CFO and Mr. Art Hampson had been appointed CFO of Sheltered.

FINANCINGS

(i) On February 12, 2009, the Company completed a private placement of 5,500,000 units of the Company at a price of \$0.085 per unit, for aggregate proceeds of \$467,500. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable at \$0.12 per share for a period of 12 months from the date of issuance and at an exercise price of \$0.16 thereafter to expiry on February 11, 2011.

In connection with the private placement, the Company paid a finder's fee of \$33,400, and issued non-transferable compensation options entitling the holder to purchase 392,944 units of the Company. Each unit and related warrant has the same terms and conditions as the units noted above.

(ii) On July 23, 2009, the Company completed a non-brokered private placement for (a) 818,000 units of the Company at a price of \$0.11 per unit (each unit comprised of one common share and one-half of one common share purchase warrant, and each warrant entitling its holder to acquire one common share in the capital of the Company at an exercise price of \$0.17 per share for a period of 12 months from the date of closing) and (b) 4,209,271 flow-through units of the Company at a price of \$0.11 per flow-through unit, (each flow-through unit comprised of one common share in the capital of the Company issued on a flow-through basis and one-half warrant) for aggregate proceeds of \$553,000.

In connection with the private placement, the Company paid finders' fees of \$38,860, and issued 386,121 non-transferable compensation options to the finders. Each compensation option is exercisable into one unit on similar terms as each unit described above. Each compensation option expires on July 23, 2010.

(iii) On September 21, 2009, the Company completed a non-brokered private placement for (a) 9,940,000 units of the Company at a price of \$0.095 per unit and (b) 2,000,000 flow-through units of the Company at a price of \$0.095 per flow-through unit for aggregate proceeds of \$1,134,300. The units and flow-through units were subject to a hold period that expired January 22, 2010. Each unit is comprised of one common share in the capital of the Company, and one non-transferable common share purchase warrant, and each warrant shall entitle its holder to acquire one common share in the capital of the Company at an exercise price of \$0.10 per share for a period of 12 month from the date of closing and at \$0.12 per share for a period of 24 months from the date of closing. Each flow-through unit is comprised of one common share in the capital of the Company issued on a flow-through basis and one warrant. The warrants expire 24 months from closing. However, in the event the common shares of the Company trade with a

closing price on the TSX venture Exchange of greater than \$0.20 per share for a period of 20 consecutive trading days at any time after four months and one day after the closing date, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and in such case the warrants will expire on the 30th day after the date on which such notice is given by the Company.

In connection with the private placement, the Company paid finders' fees of \$16,644, and issued 175,200 non-transferable compensation options to the finders. Each compensation option is exercisable into one unit on similar terms as each unit described above. Each compensation option will expire on September 21, 2010.

STOCK OPTIONS

During fiscal 2009 Sheltered granted incentive stock options to directors, officers and consultants of the Company as follows:

- On January 7, 2009, the Company awarded 800,000 incentive stock options to certain directors and officers of the Company. The options, which vested according to the stock-option plan, are exercisable at \$0.10 per common share and expire on January 7, 2012.
- On March 4, 2009, the Company awarded 400,000 incentive stock options to certain directors and officers of the Company. The options, which vest one year after grant, are exercisable at \$0.12 per common share and expire on March 4, 2012.
- On May 1, 2009, the Company awarded 150,000 incentive stock options to a consultant of the Company. The options, which vest 50% in six months after grant and 50% one year after grant, are exercisable at \$0.20 per common share and expire on May 1, 2012.
- On November 26, 2009, the Company awarded 2,000,000 incentive stock options to certain directors and officers of the Company. The options, which vested according to the stock-option plan, are exercisable at \$0.10 per common share and expire on November 26, 2014.

The incentive stock options were granted pursuant to the Company's incentive stock option plan, under which a maximum of 10% of the issued and outstanding Common Shares are reserved for issuance.

SELECTED ANNUAL INFORMATION

The following table sets out financial data for the last three years derived from the Company's consolidated audited financial statements for the years ended December 31, 2009, 2008 and 2007 inclusive.

	2009	2008	2007
	\$	\$	\$
Net revenues	-	-	-
Expenses	1,176,322	568,248	647,410
Net (loss)	(1,027,858)	(435,293)	(647,410)
Net (loss) per share	(0.03)	(0.03)	(0.06)
Cash flow (used in) operations	(456,930)	(57,476)	(493,943)
Cash, end of year	339,978	508,307	335,517
Total assets	3,847,578	2,121,744	803,389

- The net loss for the year ended December 31, 2009 consisted primarily of (i) professional fees of \$376,133; (ii) stock-based compensation of \$263,586; (iii) write-off of exploration property costs of \$180,990; and consulting fees of \$150,000, partially offset by a future income tax recovery of \$147,140.
- The net loss for the year ended December 31, 2008 consisted primarily of (i) consulting fees of \$180,000; (ii) professional fees of \$152,880; and (iii) stock-based compensation of \$137,637, offset partially by a future income tax recovery of \$132,928.
- The net loss for the year ended December 31, 2007 consisted primarily of (i) consulting fees of \$240,000; (ii) stock-based compensation of \$116,000; and (iii) professional fees of \$107,949.

RESULTS OF OPERATIONS

Year ended December 31, 2009 compared with year ended December 31, 2008

Sheltered's operations in fiscal 2009 and fiscal 2008 were focused on exploration and financing, and the Company did not generate any operating revenue. Net loss for 2009 was \$1,027,858 and a loss of \$0.03 per share, compared to a loss of \$435,293 and a loss of \$0.03 per share for 2008. The increased loss of \$592,565 was principally due to:

- Professional fees for the year ended December 31, 2009 were \$376,133 (year ended December 31, 2008 - \$152,880); an increase of \$223,253 compared to the same period in 2008. This increase is primarily attributable to fees pertaining to Richbert Agencies, who provided the services of the new President, J.J. Elkin, and to Hampson Consulting Services Inc., who provided the services of the new CFO, Art Hampson, along with increased corporate activity principally relating to legal and financing matters. Both Mr. Elkin and Mr. Hampson were appointed to their positions effective January 7, 2009.
- Stock-based compensation expense during the year ended December 31, 2009 was \$263,586 (year ended December 31, 2008 - \$137,637); an increase of \$125,949

compared to the same period in 2008. During the year ended December 31, 2009, the Company granted 3,350,000 options compared with 1,497,500 in the comparative period. In addition, 153,250 options were cancelled in the year ended December 31, 2009 compared with 400,000 in the comparable period. Stock-based compensation expense varies due to the vesting terms of options. The options vested in accordance with the stock option plan. Users of the financial statements should be cautious of the valuation of stock-based compensation since its calculation is subjective and can impact net loss significantly.

- Consulting fees for the year ended December 31, 2009 were \$150,000 (year ended December 31, 2008 - \$180,000); a decrease of \$30,000 compared to the same period in 2008. This decrease is attributable to the reduction in fees pertaining to RKH Limited, a company controlled by Robert Hanson, the Company's CEO and director during 2009 and former President and director in the prior year.
- Future income tax recovery for the year ended December 31, 2009 was \$147,140 (year ended December 31, 2008 - \$132,928); an increase of \$14,212 compared to the same period in 2008.

Summary of Quarterly Results

The following tables set out financial performance highlights for the last eight quarters and were prepared in accordance with Canadian GAAP.

	Fourth Quarter Dec. 31, 2009	Third Quarter Sept. 30, 2009	Second Quarter June 30, 2009	First Quarter Mar. 31, 2009
	\$	\$	\$	\$
Net revenues	-	-	-	-
Expenses	373,341	260,468	393,038	149,475
Net income (loss) (including interest income)	(226,179)	(259,166)	(393,038)	(149,475)
Net income (loss) per share	(0.01)	(0.01)	(0.01)	-
Cash flow from (used in) operations	357,201	(59,709)	(198,224)	(556,198)
Cash, end of period	339,978	1,190,881	115,440	356,702
Total assets	3,847,578	3,180,258	1,674,729	2,006,042

	Fourth Quarter Dec. 31, 2008	Third Quarter Sept. 30, 2008	Second Quarter June 30, 2008	First Quarter Mar. 31, 2008
	\$	\$	\$	\$
Net revenues	-	-	-	-
Expenses	165,957	205,643	102,666	93,982
Net income (loss) (including interest income)	(165,930)	(205,643)	(102,666)	38,946
Net income (loss) per share	(0.01)	(0.01)	(0.01)	-
Cash flow from (used in) operations	219,037	(38,888)	(24,573)	(213,052)
Cash, end of period	508,307	266,119	33,838	107,465
Total assets	2,121,744	1,423,557	799,645	725,536

Three months ended December 31, 2009, compared with three months ended December 31, 2008

The Company's net loss totalled \$226,179 for the three months ended December 31, 2009, with a loss per share of \$0.01. This compares with a net loss of \$165,930 with a loss per share of \$0.01 for the three months ended December 31, 2008. The increase of \$60,249 in net loss was principally due to:

- Stock-based compensation during the three months ended December 31, 2009 was \$184,844 (three months ended December 31, 2008 - \$47,637); an increase of \$137,207 compared to the same period in 2008. During the three months ended December 31, 2009, the Company granted 2,000,000 options compared with 1,047,500 options in the comparative period. Stock-based compensation expense varies due to the vesting terms of options. The options vested in accordance with the stock option plan. Users of the financial statements should be cautious of the valuation of stock-based compensation since its calculation is subjective and can impact net loss significantly.
- Professional fees for the three months ended December 31, 2009 were \$93,986 (three months ended December 31, 2008 - \$43,549); an increase of \$50,437 compared to the same period in 2008. This increase is primarily attributable to fees pertaining to Richbert Agencies, who provided the services of the new President, J.J. Elkin, and to Hampson Consulting Services Inc., who provided the services of the new CFO, Art Hampson, along with increased corporate activity principally relating to legal and financing matters.
- Consulting fees for the three months ended December 31, 2009 were \$37,500 (three months ended December 31, 2008 - \$20,000); an increase of \$17,500 compared to the same period in 2008. This increase is attributable to fees pertaining to RKH Limited, a

company controlled by Robert Hanson, the Company's CEO and director during 2009 and former President and director in the prior year.

- Future income tax recovery for the three months ended December 31, 2009 was \$147,140 (three months ended December 31, 2008 - \$nil); an increase of \$147,140. The increase is related to the timing of the recognition of the tax recovery in relationship to the related flow through renunciations.

LIQUIDITY AND CAPITAL RESOURCES

As the Company has no current sources of revenue and relies on the issuance of common shares to generate funds required to advance its property exploration and fund its administrative overhead. As at December 31, 2009, the Company had cash of \$339,978 (December 31, 2008 - \$508,307) and a working capital deficit of \$328,340 (December 31, 2008 - working capital of \$113,481). The working capital at the end of fiscal 2009 is not sufficient to support the Company's operating expenses and projected exploration budget for 2010, thereby requiring the Company to source financing in the near term.

Cash used in operations was \$456,930 for the year ended December 31, 2009. The non-cash charges to net loss include a charge for stock-based compensation of \$263,586, a write-off of exploratory property costs of \$180,990, offset partially by a future income tax recovery of \$147,140. Operating activities were also affected by the net change in non-cash working capital balances of \$273,492, which was determined by a decrease in accounts payable and accrued liabilities and a decrease in prepaid and sundry receivables over the prior year.

Cash used in investing activities was \$1,699,779 for the year ended December 31, 2009, relating to cash expenditures on the Property of \$1,762,699 offset in part by a reduction in a deposit on a drilling contract of \$62,920.

Cash provided by financing activities was \$1,988,380 for the year ended December 31, 2009, relating to the net cash proceeds on the issuance of common shares of \$1,981,321 and proceeds on the exercise of warrants of \$7,059.

The Company relies on external financings to generate capital. The Company continues to generate net losses. As at December 31, 2009, the Company had 49,161,902 Common Shares issued and outstanding, 24,415,377 warrants outstanding which would raise \$3,226,341 if exercised in full for unexpired warrants as of the date of this report, and 4,694,250 options outstanding which would raise \$721,350 if exercised in full. The timing of the exercising of warrants and options is dependent upon the warrant and option holders and the related exercise price compared to the Company's stock value at the date of exercise.

Prepaid and sundry receivables as at December 31, 2009 relate to the unamortized portion of the Company's Directors and Officers insurance policy and the goods and services tax receivable from the federal government.

Sheltered currently does not have any credit facilities with financial institutions, and does not anticipate that it will generate revenue from its activities in fiscal 2009; therefore it will rely on its ability to obtain equity financing for growth. The Company raised \$1,981,321 (net of costs) in equity financing in fiscal 2009. Management anticipates that it can raise sufficient capital to further explore and develop its properties in the future. However, the Company cannot provide any assurance that financing will be available, and on terms and conditions that would be acceptable to the Company. In the event the Company is unable to raise sufficient capital to finance the non-exploration segment of the business, primarily the administrative costs, the Company's strategy would be to pare back related expenses to match the related capital raised. In order to maintain its interest in the properties, Sheltered is obligated to pay Sage a total of \$500,000 by December 22, 2010. If the Company is unable to meet its cash obligations to Sage, the Company may forfeit its ownership of the Property.

The consolidated financial statements as at December 31, 2009 have been prepared using Canadian GAAP applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. The consolidated financial statements do not reflect the adjustments to the carrying value of the assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material. See Note 1 (b) to the consolidated financial statements.

Refer to "Risk Management".

OUTSTANDING SHARE CAPITAL

As at April 7, 2010 the Company has 49,161,902 common shares outstanding, 24,215,377 warrants and 4,694,250 stock options.

As at April 7, 2010, the following stock options were outstanding, each exercisable to acquire one Common Share:

Number of stock options	Exercise price	Expiry date
966,250	\$0.20	October 28, 2011
800,000	\$0.10	January 7, 2012
400,000	\$0.12	March 4, 2012
150,000	\$0.20	May 1, 2012
378,000	\$0.45	August 28, 2013
2,000,000	\$0.10	November 26, 2014

As at April 7, 2010, the following warrants were outstanding, each exercisable to acquire one Common Share:

Number of warrants	Exercise price	Expiry date
2,513,636	\$0.17	July 23, 2010
386,821	\$0.17	July 23, 2010
1,191,176	\$0.16	December 19, 2010
2,437,500	\$0.18	December 19, 2010
560,000	\$0.10	December 19, 2010
2,750,000	\$0.12	February 12, 2011
392,944	\$0.085	February 12, 2011
1,868,100	\$0.27	August 28, 2011
11,940,000	\$0.10	September 21, 2011
175,200	\$0.095	September 21, 2011

OFF- BALANCE SHEET ARRANGEMENTS

Sheltered has no off-balance sheet arrangements in place.

COMMITMENTS

Pursuant to the terms of the flow-through share agreements, the Company is required to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). As at December 31, 2009, the Company is committed to incurring approximately \$40,000 in qualifying exploration expenditures in Canada by December 31, 2010. As of the date of this report, the Company has complied with this commitment.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2009 the Company paid consulting fees of \$216,250 (2008 - \$180,000) to RKH Limited pursuant to a written agreement for the provision of the services that include those of Robert K. Hanson. Mr. Hanson is an officer, director and shareholder of RKH Limited, as well as an officer, director and shareholder of the Company.

The Company also paid professional fees in the amount of \$100,000 during the year ended December 31, 2009 (2008 - \$nil) to Richbert Agencies S.A. pursuant to a written agreement for the provision of the services that include those of J.J. Elkin. Mr. Elkin is currently President and a Director of Sheltered.

The Company paid professional fees in the amount of \$41,741 during the year ended December 31, 2009 (2008 - \$nil) to Hampson Consulting Services Inc. pursuant to a written agreement for the provision of the services that include those of Art Hampson. Mr. Hampson is currently the Chief Financial Officer of the Company.

During the year ended December 31, 2009 the Company paid geological consulting fees of \$511,110 (2008 - \$292,820) to W.A. Hubacheck Consultants Inc.; a company where the President thereof is a director of Sheltered.

These transactions are in the normal course of business operations and are measured at the exchange amount of consideration established and agreed to by the parties.

CHANGES IN ACCOUNTING POLICIES

During the year ended December 31, 2009, the Company adopted the following new accounting policies:

Mining Exploration Costs

On March 29, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long-lived assets in general. The Company has applied this new abstract for the year ended December 31, 2009 and, once the Company decided during the current year that no further expenditures were to be incurred relating to the Chibougamau and the Malartic properties, a non-cash write-off of \$180,990 was recorded in the financial statements.

Fair Value Hierarchy and Liquidity Risk Exposure

In June 2009, the CICA issued an amendment to Handbook Section 3862 to provide improvements to fair value and liquidity risk disclosures. The amendment applies to the Company's fiscal year ending December 31, 2009. This adoption resulted in additional disclosure as provided below.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash, sundry receivables, accounts payable and accrued liabilities. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant

judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

Cash of \$339,978 is considered Level two.

FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards (“IFRS”) will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2011. The Company’s interim and annual financial statements will include comparative 2010 financial statements, adjusted to comply with IFRS.

IFRS Transition Plan

The Company has established a comprehensive IFRS transition plan and has obtained third-party advice to assist with the planning and implementation of its transition plan to IFRS. The following summarizes the Company’s progress and expectations with respect to its IFRS transition plan;

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS First-time Adoption of International Financial Reporting Standards.	In progress, completion expected during Q2, 2010
Final determination of changes to accounting policies and choices to be made	In progress, completion expected during Q2, 2010

with respect to first-time adoption alternatives.	
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, completion expected during Q2, 2010
Quantification of the financial statement impact of changes in accounting policies.	Throughout 2010
Management and employee education and training	Throughout the transition process

Impact of Adopting IFRS on the Company's Business

As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting system and business processes. The Company believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes.

To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies.

The Company's staff and advisers involved in the preparation of the consolidated financial statements are being trained on the new relevant aspects of IFRS and the anticipated changes to accounting policies. Other individuals who will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary.

The Board of Directors and the Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

First Time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS, effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company will review these exemptions and exceptions to determine whether any should apply to the Company's IFRS financial statements.

IFRS 1 does not permit changes to estimates that have been previously made. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Company's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time, however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

1) Exploration and Development Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and the development of mineral properties.

The Company expects to establish an accounting policy to expense, as incurred, all costs relating to exploration and development until such time as it has been determined that a property has economically recoverable reserves.

The application of this policy on the adoption of IFRS will have a significant impact on the Company's consolidated financial statements. On adoption of IFRS, the carrying value of the unproven properties will be reduced to zero (at the transition date), with a corresponding adjustment to accumulated deficit. All subsequent exploration and development costs will be expensed as incurred until such time as it has been determined that a property has economically recoverable reserves.

2) Share-based Payments

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its consolidated financial statements.

3) Income Taxes

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future income taxes.

The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its consolidated financial statements.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

- The Company's MD&A for the 2010 interim periods and the year ended December 31, 2010, will include updates on the progress of the transition plan and, to the extent known, further information regarding the impact of adopting IFRS on key line items in the annual consolidated financial statements.
- The Company's first financial statements prepared in accordance with IFRS will be the interim consolidated financial statements for the three months ending March 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending March 31, 2011 will also include consolidated financial statements for the comparative period, adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (at January 1, 2010)

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 – Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements related to fiscal years beginning on or after January 1, 2011.

FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash is held with the Bank of Nova Scotia, from which management believes the risk of loss to be minimal. Sundry receivables consist of goods and services tax due from the Federal Government of Canada and an advance to a supplier. Sundry receivables are in good standing as at December 31, 2009. Management believes that the credit risk concentration with respect to sundry receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2009, the Company had cash of \$339,978 (December 31, 2008 - \$508,307) to settle current liabilities of \$713,767 (December 31, 2008 - \$482,401). The Company regularly evaluates its cash position to monitor preservation and security of capital as well as maintenance of liquidity. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms with the exception of \$500,000, which is payable to Sage Gold relating to the acquisition of the Kerrs Property; this liability is due on or before December 22, 2010. The Company is also committed to spending approximately \$40,000 by December 31, 2010 in Canadian exploration expenditures which will satisfy the Company's flow-through commitment.

Market risk

Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. In the normal course of business, the Company is not exposed to interest rate fluctuations as all of the cash is held in bank accounts.

Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

Fair value

The Company has, for accounting purposes, designated its cash as held-for-trading, which is measured at fair market value. Sundry receivable is classified for accounting purposes as loans and receivables, which is measured at amortized cost which equals fair market value due to their short term nature. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair market value due to its short term nature. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

Fair market value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

In accordance with Section 5.3 of NI 51-102, as the Company has not had any revenue from operations in either of the past two years, Sheltered has disclosed, in the Consolidated Statements of Mineral Properties in its consolidated financial statements as at December 31, 2009, the capitalized exploration expenditures incurred by property, as follows:

Kerrs Property	December 31, 2009	December 31, 2008
Opening balance	\$1,281,952	\$345,505
Property acquisition costs	1,216,565	62,200
Claim management and other property costs	638	-
Geological consulting and services	530,669	284,980

Geophysics	-	131,037
Consulting	-	25,884
Drilling and linecutting	432,327	409,317
Management fees	-	23,029
Closing balance	\$3,462,151	\$1,281,952

Chibougamau and Malartic Properties	December 31, 2009	December 31, 2008
Opening balance	\$180,990	\$100,960
Property acquisition costs	-	55,000
Consulting	-	9,094
Geological consulting and services	-	7,840
Management fees	-	8,092
Written off	(180,990)	-
Closing balance	\$ -	\$180,990

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited consolidated financial statements; and (ii) the audited consolidated financial statements present fairly in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under national Instrument 52-109 Certificate of Disclosure in Issuer's Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance

of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISK MANAGEMENT

Due to the nature of the Company's business and present stage of exploration and development of the Sage Properties, Sheltered may be subject to significant risks.

The Company does not have a history of business or mining operations, revenue generation or production history.

Sheltered has limited financial resources, no operations and no revenues. If the Company's drilling program on the Kerrs Property is successful, additional funds will be required for the purposes of further exploration and development on the Kerrs Property and for additional cash payments to Sage. There can be no assurance that Sheltered will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders. Failure to obtain such additional financing on a timely basis could cause Sheltered to forfeit its acquisition of the Kerrs Property and return the property to Sage Gold.

The only interest the Company has in a mineral property is the Kerrs Property which the Company acquired from Sage Gold. Sheltered is required to pay Sage \$500,000 on or before December 22, 2010 as a deferred acquisition payment. The Company will need to raise further funds to make this payment.

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which,

though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Sheltered will be subject to a number of operational risks and may not be adequately insured for various risks. The Company's business is subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, worker health and safety which may involve radioactive or hazardous materials; labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions; and encountering unusual or unexpected geological conditions. There is no assurance that the foregoing risks and hazards will not result in damage to the Kerrs Property, personal injury or death, environmental damage, costs, monetary losses, potential legal liability, adverse governmental action, any and all of which could have an adverse impact on Sheltered's results of operations and financial condition.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has obtained a title to the Kerrs Property, Sheltered cannot give an assurance that title to such property will not be challenged or impugned. The Company can never be certain that the title to the Kerrs Property is valid or that any rights to explore and exploit the property will not be revoked, or significantly altered to its detriment, challenged or impugned by third parties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that Sheltered does not have title to the Kerrs Property could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Claims by First Nation groups in Canada may impact on the operator's ability to conduct activities on a property to the detriment of the Company's interests.

The success of Sheltered is currently largely dependent upon on the performance of its directors and officers. The loss of the services of these persons will have a material adverse effect on the Company's business and prospects. There is no assurance that Sheltered can maintain the

service of its directors and officers or other qualified personnel required to operate the business. Failure to do so could have a material adverse affect on the Company and its prospects.

The management of Sheltered may lack all necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not take into account all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Company's operations, earnings and ultimate financial success could suffer irreparable harm due to these factors.

Sheltered has all permits and licences necessary to carry on its current exploration activities on the Kerrs Property. A substantial number of additional permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether Sheltered will be able to obtain all such licenses and permits.

The economics of mineral exploration is affected by many factors beyond the Company's control including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Kerrs Property.

The current or future operations of Sheltered require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which Sheltered might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material

adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and Sheltered may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of Sheltered's Shares. The Company does not maintain insurance against environmental risks.

Significant and increasing competition exists for mineral opportunities in Ontario or elsewhere. There are a number of large established mining companies and mineral exploration companies with substantial capabilities and greater financial and technical resources than Sheltered. The Company may be unable to maintain its interest in the Kerrs Property or to acquire additional attractive mineral properties on terms it considers acceptable. The mineral industry in general is an intensely competitive industry in which operators compete for the acquisition of mineral claims as well as the recruitment and retention of qualified employees.

Directors of the Company may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *Business Corporations Act* (British Columbia) and the *Business Corporations Act* (Ontario), as applicable, and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

The market price for the Company's common stock may be volatile and is subject to significant fluctuations in response to a variety of factors, including the liquidity of the market for the common stock, variations in quarterly operating results, regulatory or other changes in the mineral industry generally, announcements of business developments by the Company or its competitors, litigation, changes in operating costs and variations in general market conditions. As the Company has a limited operating history, the market price for the common stock may be more volatile than that of a seasoned issuer. Changes in the market price of Sheltered's securities may have no connection with the Company's operating results. No predictions or projections can be made as to what the prevailing market price for the common shares will be at any time.

The Company plans to retain all available funds for use in the business, and therefore does not plan to pay any cash dividends with respect to the Company's securities in the foreseeable future. Hence, investors in Sheltered's common stock should not expect to receive any distribution of cash dividends with respect to such securities for the foreseeable future.

Additional information about the Company is available on SEDAR at www.sedar.com under the filings for Sheltered Oak Resources Corp.