

Shine Mineral Corp.

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended

March 31, 2022 and 2021

Shine Minerals Corp.

Consolidated Financial Statements For the Nine Months Ended March 31, 2022 and 2021

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Shine Minerals Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars - Unaudited)

	Notes	As at March 31, 2022 \$	As at June 30, 2021 \$
Assets			
Current			
Cash and cash equivalents		192,990	243,806
Amounts receivable		11,340	16,488
Prepaid expense		5,700	2,825
		235,367	263,119
Exploration and Evaluation	5	-	-
Total Assets		210,030	263,119
Liabilities and Shareholders' Deficiency			
Current Liabilities:			
Accounts payable and accrued liabilities	6, 9	1,039,275	893,561
		1,039,275	893,561
Long-term loan	7	40,000	40,000
Total Liabilities		1,079,275	933,651
Shareholders' deficiency:			
Share capital	8	18,395,095	18,395,095
Reserves	8	6,105,709	6,105,709
Accumulated deficit		(25,370,049)	(25,171,336)
Total Shareholders' deficiency		(869,245)	(670,532)
Total Liabilities and Shareholders' Deficiency		2210,031	263,119

Nature and Continuance of operations (Note 1)

Approved and authorized on May 27, 2022 on behalf of the Board:

/s/ Devinder Randhawa
Director

/s/ Jamie Bannerman
Director

The accompanying notes are integral to these condensed interim consolidated financial statements.

Shine Minerals Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars - Unaudited)

		For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021	For the Nine Months Ended March 31, 2022	For the Nine Months Ended March 31, 2022
	Note	\$	\$	\$	\$
General and administrative expenses					
Consulting and management fees	9	58,500	52,500	171,700	157,500
Office and administration (recovery)		7,053	4,113	13,483	14,821
Professional fees		3,800	1,707	5,691	32,376
Property investigation		-	-	-	10,000
Public relations and communications		495	413	495	2,667
Regulatory fees		2,272	5,205	6,297	15,980
Transfer agent		-	3,561	1,047	14,930
Loss and comprehensive loss for the year		(72,120)	(67,499)	(198,713)	(248,274)
Basic and diluted loss per common share		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding		17,557,891	17,557,891	17,557,891	15,775,907

The accompanying notes are integral to these condensed interim consolidated financial statements.

Shine Minerals Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficiency)

(Expressed in Canadian dollars except the number of shares - Unaudited)

	Common Shares				Total Shareholders' Total
	Outstanding Shares	Share Capital	Reserves	Deficit	
		\$	\$	\$	\$
Balance, June 30, 2020	12,646,225	17,944,528	6,105,709	(24,897,787)	(847,550)
Private placement proceeds	4,245,000	424,500	-	-	424,500
Finders fees	-	(17,200)	-	-	(17,200)
Share issuance costs	-	(9,000)	-	-	(9,000)
Debt settlement	666,666	100,000	-	-	100,000
Loss and comprehensive loss for the year	-	-	-	(248,274)	(248,274)
Balance, March 31, 2021	17,557,891	18,442,828	6,105,709	(25,146,061)	(597,524)
Balance, June 30, 2021	17,557,891	18,395,095	6,105,709	(25,171,336)	(670,532)
Loss and comprehensive loss for the period	-	-	-	(198,713)	(198,713)
Balance, March 31, 2022	17,557,891	18,395,095	6,105,709	(25,370,049)	(869,245)

The accompanying notes are integral to these condensed interim consolidated financial statements.

Shine Minerals Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars - Unaudited)

	For the Nine Months Ended March 31, 2022	For the Nine Months Ended March 31, 2021
	\$	\$
Operating activities		
Loss and comprehensive loss for the period	(198,713)	(248,274)
Changes in non-cash working capital items		
Increase in receivables	5,148	(3,269)
Increase in prepaid expenses	(2,875)	(1,863)
Increase in accounts payable and accrued liabilities	145,626	41,649
Cash used in operating activities	(50,814)	(211,757)
Investing activities		
Mineral property expenditures, net of recoveries	-	-
Cash used in investing activities	-	-
Financing activities		
Private placement proceeds	-	424,500
Private placement costs	-	(26,200)
Repayment of related party loan	-	(40,000)
Cash provided by financing activities	-	358,300
Change in cash and cash equivalents	(50,814)	146,543
Cash and cash equivalents, beginning of the period	243,806	105,251
Cash and cash equivalents, end of the period	192,990	251,794

The accompanying notes are integral to these condensed interim consolidated financial statements.

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars - Unaudited)

TSX.V: SMR

1. Nature and Continuance of Operations

Shine Minerals Corp. (the "Company") is a company incorporated under the Business Corporation Act of British Columbia, Canada. The registered, records office of the Company and the principal office of operations is 750-1620 Dickson Avenue, Kelowna, British Columbia, V1Y 9Y2. The Company's shares are publicly listed on the TSX Venture ("TSX-V") under the symbol "SMR".

The Company is engaged in the acquisition and exploration of exploration and evaluation assets in Canada and to date has not generated significant revenues from operations.

The Company has no revenue and has significant cash requirements to evaluate potential mineral property interests and to meet its administrative overhead. These consolidated financial statements have been prepared on a going concern basis and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to secure equity, debt or joint venture financing and generate profitable future operations. These material uncertainties may cast significant doubt on the ability of the Company to continue as a going concern.

Share consolidation

On July 22, 2020, the Company implemented the share consolidation of one post-consolidation common share for three pre-consolidation common shares. The number of shares and relevant information including but not limited to the share price, number of warrants and options and exercise price per warrant and option presented in these financial statements.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Basis of Presentation

Statement of compliance with International Financial Reporting Standards

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 27, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2021, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2022 could result in restatement of these unaudited condensed consolidated interim financial statements. Significant Accounting Policies

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars - Unaudited)

TSX.V: SMR

3. Significant Accounting Policies

(a) Principles of Consolidation

The Company's consolidated financial statements include the accounts of all subsidiaries subject to control by the Company. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

(b) Foreign Currency Translation

Functional currency is the currency of the primary economic environment in which an entity operates and it has been determined that for the Company and its subsidiaries, the Canadian dollar is the functional currency. These determinations were conducted through an analysis of the consideration factors identified in IAS 21 - *The Effects of Changes in Foreign Exchange Rates*.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses are recognized in profit or loss upon settlement of such transactions. Translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are also recognized in the profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits, and short-term liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Exploration and Evaluation Assets

All direct costs attributable to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized as intangible assets on the basis of specific exploration licences until the mineral property interests to which they relate are placed into production, disposed of through relinquishment or sale or where management has determined there is impairment. Upon commencement of commercial production these costs are reclassified as mining assets and are amortized over the estimated productive lives of the properties using the units-of-production method.

Exploration and evaluation assets are reviewed on an ongoing basis to consider any indicators of impairment. If any indication of impairment exists, an estimate of the exploration and evaluation assets' recoverable amount is determined. The recoverable amount is calculated as the higher of fair value less selling costs and its value in use. This value is determined for individual exploration and evaluation assets unless it does not generate cash inflows that are largely independent of other exploration and evaluation assets. If this is the case, the assets are grouped together into Cash Generating Units ("CGUs") for impairment purposes.

The Company considers the following factors to review its exploration and evaluation assets for indicators of impairment:

(i) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

(ii) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

(iii) Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(iv) The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars - Unaudited)

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3. Significant Accounting Policies (cont'd...)

(d) Share-based Payments

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the mineral property's recoverable amount since the last impairment loss was recognized. In such a case, the carrying amount of the mineral property is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the mineral property interest in prior years. Such reversals are recognized in profit or loss. If a mineral property is relinquished, the exploration and evaluation costs related to the mineral property will be written off to profit or loss in the year of relinquishment.

The Company has a stock option plan whereby it is authorized to grant stock options to employees, officers, directors and consultants. Employees, officers, directors and consultants are classified as employees when they render personal services to the entity and are either regarded as employees for legal or tax purposes, or employed with an entity under its direction in the same way as employees, officers, directors and consultants who are regarded as employees for legal or tax purposes are, or the services rendered are similar to those rendered by employees.

The fair value of stock options issued to employees is measured on the grant date, using the Black-Scholes option pricing model with assumptions for volatility of the expected market price of the Company's common shares, risk-free interest rates and expected life of the options. The fair value less estimated forfeitures is charged to profit or loss and/or capitalized to the exploration and evaluation assets over the vesting period of the related options with a corresponding credit to equity in other capital reserves. The estimated forfeitures are based on historical experience and reviewed on quarterly basis to determine the appropriate forfeiture rate based on past, present and expected forfeitures. Management uses the dynamic model to calculate the estimated forfeitures. Stock options granted with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

Share-based awards issued to non-employees are generally measured on the fair value of goods or services received unless that fair value cannot be reliably measured. The fair value is measured at the date the entity obtains the goods or services or when the counterparty renders service. If the fair value cannot be reliably measured, the fair value of the share-based payments to non-employees are periodically re-measured using the Black-Scholes option pricing model until the counterparty performance is complete and any change therein is recognized over the vesting period of the award. The cost of share-based payments to non-employees that are fully vested and non-forfeitable at the date of the grant are measured and recognized at that date.

When stock options are exercised, the proceeds are credited to share capital and the fair value of the options exercised is reclassified from reserves to share capital.

(e) Income Taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of prior years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted as at the statement of financial position date. It is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting or taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(f) Loss per Share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is similarly calculated except it is assumed that outstanding stock options and warrants, with the average market price that exceeds the average exercise prices of the options and warrants for the year, are exercised and the assumed proceeds are used to repurchase shares of the Company at the average market price of the common shares for the year. Diluted loss per share does not adjust the loss attributable to common shareholders when the effect is anti-dilutive.

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars - Unaudited)

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3. Significant Accounting Policies (cont'd...)

(g) Related Party Transactions

Parties are considered to be related if one party has the direct or indirect ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties can be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of services, obligations or resources between related parties including key management personnel.

Financial assets

Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL").

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if any. Amounts receivable are considered to be measured at amortized cost.

(ii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

Amounts receivable are considered to be measured at amortized cost.

The Company's cash is considered to be measured at FVTPL.

(iii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the Period Ended March 31, 2022
(Expressed in Canadian Dollars - Unaudited)

TSX.V: SMR

3. Significant Accounting Policies (cont'd...)

Financial liabilities

Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

Classification of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(i) Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company's accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

(ii) Financial liabilities measured at FVTPL.

A financial liability measured at FVTPL is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any liabilities classified as financial liabilities measured at FVTPL.

Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Shine Minerals Corp.

Notes to the Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars - Unaudited)

TSX.V: SMR

4. Key Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimated uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Exploration and Evaluation Expenditures

The Company's accounting policy for Exploration and Evaluation expenditure results in certain expenditures being capitalized for prospective areas where it is considered likely to be recovered by future exploitation or sale and where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If after having capitalized the expenditure under this policy a judgment is made that the recovery of the expenditure is unlikely, the relevant capitalized amount will be written off to profit or loss in the period when the new information becomes available.

(b) Share-based Compensation

The Company measures the cost of equity-settled transactions with employees and non-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 compensation transactions requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires the expected life of the share option, volatility and dividend yield and making assumptions about them.

5. Exploration and Evaluation Assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge the title to its properties are not in good standing.

	Watts Lake
	\$
Balance at June 30, 2019	1,626,535
Geological	10,071
Geologist	120,000
Drilling and related	10,634
Permitting	210
Wages	2,650
Recovery	(50,000)
Impairment	(1,720,100)
Balance at June 30, 2020 and 2021	-

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars)

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5. Exploration and Evaluation Assets (cont'd...)**Watts Lake:**

On October 26, 2017, the Company entered into a letter agreement ("LOI") with Edge Geological Consulting Inc. ("Edge") to acquire a 100% interest in the Watts Lake property located north-east of the town of La Ronge, Saskatchewan. Under the terms of the LOI, the Company issued 10,000,000 common shares (September 17, 2018) made a cash payment of \$50,000 upon completion of a formal agreement. The parties entered into a formal option agreement on January 11, 2018. The owner of Edge is a Board member of the Company.

As of June 30, 2020, the Company decided it would no longer be pursuing further exploration work on the Watts Lake project. Accordingly, the carrying value of the project was impaired.

6. Accounts Payable and Accrued Liabilities

Accounts payable are indebtedness incurred in the normal course of operations and are typically payable within 30 days. The accrued liabilities are non-interest bearing and are primarily payable to related parties. See Note 9.

Due within one year	March 31, 2022	June 30, 2021
	\$	\$
Accounts payables	35,058	48,010
Accrued liabilities	1,004,217	845,551
	1,039,275	893,561

7. Long-term loan

On April 28, 2020, the Company borrowed \$40,000 from the Canada Emergency Business Account ("CEBA") program of which \$10,000 portion of the loan is forgivable. The remaining balance is to be paid in full no later than December 31, 2025. The CEBA loan is an interest-free loan until December 31, 2023. Beginning on January 1, 2023, interest will accrue on the balance of the 3-year term loan at the rate of 5% per annum.

8. Share Capital and Reserves

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

Share Capital

On July 22, 2020, the Company consolidated its share capital on the basis of one (1) post-consolidation common share for every three (3) pre-consolidation common shares. All share and per share amounts have been retroactively adjusted to reflect the share consolidation.

During the period ended June 30, 2021

On September 11, 2020, the Company closed a non-brokered private placement of \$424,500, comprising 4,245,000 units at a price of \$0.10 per unit ("Unit"). Each Unit comprises of one common share and one common share purchase warrant. Each Warrant is exercisable to purchase one common share of the Company at a price of \$0.12 per share for a period of two (2) years from the date of closing. As at March 31, 2022, these warrants had a weighted average life of 0.45 years.

On July 27, 2020, the Company entered into debt settlement agreements with related and non-related parties of the Company to settle an aggregate of \$100,000 of trade payables for 666,666 common shares of the Company valued at \$66,667 resulting in a gain on settlement of \$33,333. \$75,000 of the settled trade payables relates to officers and directors of the Company.

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars)

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8. Share Capital and Reserves (continued)

Stock Options

The Company has a share-holder approved stock option plan which allows the Board of Directors to grant stock options to directors, officers, employees, contractors and consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less any applicable discount. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

As at March 31, 2022, there were Nil (June 30, 2020 – 1,166,667) options outstanding.

Warrants

The Company issued the following warrants:

	Number of Warrants	Weight Average Exercise Price	Weighted Average Life (years)
Balance, June 30, 2020	4,166,667	0.11	0.19
Expired	(4,166,667)	0.11	n/a
Issued	4,245,000	0.12	1.20
Balance, June 30, 2021	4,245,000	0.12	1.20
Balance, March 31, 2022	4,245,000	0.12	0.45

The following warrants were outstanding and exercisable at March 31, 2022:

Number	Exercise Price	Expiry Date
4,245,000	\$0.12	September 11, 2022

9. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Amounts paid to key personnel are as follows:

	March 31, 2022	March 31, 2021
	\$	\$
Consulting	157,500	157,500
Property investigation	-	10,000

As at March 31, 2022, the Company owed \$991,176 (2020 - \$805,160) to certain related parties which has been included in accounts payable and accrued liabilities.

Shine Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Period Ended March 31, 2022

(Expressed in Canadian Dollars)

TSX.V: SMR

10. Financial Instruments and Capital Management

Capital management

The Company's objective when managing capital, being its share capital, are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company is dependent on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the statements of changes in equity (deficiency). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. Any issuance of common shares requires approval of the Board of Directors.

In order to facilitate management with its capital requirements, the Company prepares annual expenditure budgets which are approved by the Board of Directors and updated as necessary depending on various factors including capital deployment and general market and industry conditions.

The Company anticipates continuing to access equity markets to fund the acquisition and exploration of exploration and evaluation assets and to ensure the future growth of the business.

The Company is not subject to any externally imposed capital restrictions.

Financial instruments

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: inputs other than quoted direct prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, note payable to a related party and long term loan. Carrying value of these items are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The Company measures cash using level 1 of the fair value hierarchy.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have any active hedging or derivative trading policies to manage these risks as it has been determined by management that the current size, scale and pattern of its operations would warrant such hedging activities.

(a) Credit Risk

Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to trade and other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. Amounts receivable are due from a government agency.

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(Expressed in Canadian Dollars)

TSX.V: **SMR**

10. Financial Instruments and Capital Management (continued)*(b) Liquidity Risk*

Liquidity Risk is the risk that the Company will be unable to meet its financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities, note payable to a related party and long term loan. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and its current cash flow position to meet current obligations by monitoring and maintaining sufficient cash to meet its anticipated operational needs.

The Company's financial liabilities arise as a result of expenditures directly related to its evaluation of its exploration and evaluation assets and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and generally do not bear interest. The following table summarizes the remaining contractual maturities of the Company's financial liabilities:

Maturity dates <6 months	March 31, 2022	June 30, 2021
	\$	\$
Accounts payable	35,058	48,010
Accrued liabilities	1,004,217	845,551
	1,039,275	893,561

The Company is exposed to liquidity risk.

(c) Market Risk

Market risk is the potential that the fair value for assets will fluctuate due to changes in market conditions on items classified as held-for-trading, available-for-sale or future cash flows from assets or liabilities considered to be held-to-maturity, other financial liabilities and loans or receivables of a financial instrument. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to foreign exchange fluctuations. The Company is not exposed to interest rate risk as it does not hold interest bearing debt balances and is not generally charged interest on accounts payable balances.

(d) Foreign Exchange Risk

The Company operates domestically in Canada and is exposed to minimal foreign exchange risk.