

Shine Mineral Corp.

Financial Statements

For the Years Ended

June 30, 2024 and 2023

Shine Minerals Corp.

Financial Statements For the Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Shine Minerals Corp.

Opinion

We have audited the accompanying financial statements of Shine Minerals Corp. (the "Company"), which comprise the statements of financial position as at June 30, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has no revenue and has significant cash requirements to evaluate potential mineral property interests and to meet its administrative overhead. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year ended. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

October 25, 2024

Shine Minerals Corp.

Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	As at June 30, 2024	As at June 30, 2023
		\$	\$
Assets			
Current			
Cash		205,387	344,772
Amounts receivable		32,657	18,940
Prepaid expense		4,068	4,068
Total Assets		242,112	367,780
Liabilities and Shareholders' Deficiency			
Current Liabilities:			
Accounts payable and accrued liabilities	5, 8	1,063,044	1,058,133
Short-term loan	6	80,000	80,000
		1,143,044	1,138,133
Total Liabilities		1,143,044	1,138,133
Shareholders' deficiency:			
Share capital	7	18,981,273	18,753,595
Reserves	7	6,105,709	6,105,709
Accumulated deficit		(25,987,914)	(25,629,657)
Total Shareholders' deficiency		(900,932)	(770,353)
Total Liabilities and Shareholders' Deficiency		242,112	367,780

Nature and Continuation of operations (Note 1)

Approved and authorized on October 25, 2024 on behalf of the Board:*/s/ Devinder Randhawa*

Director

/s/ Jamie Bannerman

Director

The accompanying notes are integral to these financial statements.

Shine Minerals Corp.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

		For the Year Ended June 30, 2024	For the Year Ended June 30, 2023
	Note	\$	\$
General and administrative expenses			
Consulting and management fees	8	221,976	437,366
Office and administration		33,245	27,404
Professional fees		26,801	36,275
Public relations and communications		-	3,643
Regulatory fees		9,954	10,064
Loss on settlement of debt	7	57,678	-
Transfer agent		8,603	7,537
Forgiveness of debt	5	-	(323,758)
Loss and comprehensive loss for the year		(358,257)	(198,531)
Basic and diluted loss per common share		(0.01)	(0.01)
Weighted average number of common shares outstanding – basic and diluted		26,431,376	17,803,403

The accompanying notes are integral to these financial statements.

Shine Minerals Corp.

Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian dollars except the number of shares)

	Common Shares				Total Shareholders' Deficiency
	Outstanding Shares	Share Capital	Reserves	Deficit	
		\$	\$	\$	\$
Balance, June 30, 2022	17,557,891	18,395,095	6,105,709	(25,431,126)	(930,322)
Private placement proceeds	6,401,784	358,500	-	-	358,500
Loss and comprehensive loss for the year	-	-	-	(198,531)	(198,531)
Balance, June 30, 2023	23,959,675	18,753,595	6,105,709	(25,629,657)	(770,353)
Balance, June 30, 2023	23,959,675	18,753,595	6,105,709	(25,629,657)	(770,353)
Debt settlement shares	3,035,713	227,678	-	-	227,678
Loss and comprehensive loss for the year	-	-	-	(358,257)	(358,257)
Balance, June 30, 2024	26,995,388	18,981,273	6,105,709	(25,987,914)	(900,932)

The accompanying notes are integral to these financial statements.

Shine Minerals Corp.
Statements of Cash Flows
(Expressed in Canadian dollars)

	For the Year Ended June 30, 2024	For the Year Ended June 30, 2023
	\$	\$
Operating activities		
Loss and comprehensive loss for the year	(358,257)	(198,531)
Non-cash items:		
Forgiveness of debt	-	(323,758)
Loss on settlement of debt	57,678	-
Changes in non-cash working capital items		
Amounts receivable	(13,717)	(10,773)
Prepaid expenses	-	221
Accounts payable and accrued liabilities	174,911	291,051
Cash used in operating activities	(139,385)	(241,790)
 Financing activity		
Proceeds from private placement	-	358,500
Short-term loan	-	80,000
Cash from financing activity	-	438,500
 Change in cash	(139,385)	196,710
Cash, beginning of the year	344,772	148,062
Cash, end of the year	205,387	344,772

No cash was paid for interest or taxes for the years ended June 30, 2024 and 2023. During the year ended June 30, 2024, Company settled \$170,000 of historical accounts payable through the issuance of 3,035,713 common shares valued at \$227,678.

The accompanying notes are integral to these financial statements.

Shine Minerals Corp.

Notes to the Financial Statements

For the Year Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

TSX.V: SMR.H

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.H”.

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 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.

2. Basis of Presentation

Statement of compliance with IFRS Accounting Standards

These financial statements have been prepared using accounting policies in compliance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These financial statements have been prepared in Canadian dollars (“CAD”) being the Company’s presentation and functional currency and are based on a historical cost basis. Unless otherwise noted all figures are in Canadian dollars. The functional currency of the Company’s subsidiaries were that of the parent company, being Canadian dollars.

The financial statements were authorized for issue by the Board of Directors on October 25, 2024.

3. Material Accounting Policy Information

(a) *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, 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.

(b) *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.

(c) *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.

3. Material Accounting Policy Information (continued)

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.

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.

(d) Share-based Payments

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. 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.

Shine Minerals Corp.

Notes to the Financial Statements

For the Year Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

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3. Material Accounting Policy Information (continued)*(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.

(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.

The Company's cash and amounts receivable are measured at amortized cost.

(ii) Financial assets measured at FVTPL

Shine Minerals Corp.

Notes to the Financial Statements

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3. Material Accounting Policy Information (continued)

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.

(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.

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 and short term loan 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.

3. Material Accounting Policy Information (continued)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.

Amendments to existing standards and new amendments not yet effective

The Company adopted the following amendments to accounting standards, which are effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendment was applied effective July 1, 2023 and did not have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is not yet able to determine the impact to the financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at June 30, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on the financial statements of the Company.

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 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) 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.

Shine Minerals Corp.

Notes to the Financial Statements

For the Year Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

TSX.V: **SMR.H**

4. Key Estimates and Assumptions (continued)**(b) Valuation of shares issued in non-cash transactions**

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

5. 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 8.

Due within one year	June 30, 2024	June 30, 2023
	\$	\$
Accounts payables	28,018	52,482
Accrued liabilities	1,035,026	1,005,651
	1,063,044	1,058,133

During the year ended June 30, 2023, \$323,758 of debt was forgiven by various vendors.

6. Short-term loan

On June 20, 2023, the Company borrowed \$80,000 from a private company owned by the CEO. The loan is unsecured, bears interest of 10% and is due on demand.

7. Share Capital and Reserves

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

Share Capital**During the year ended June 30, 2024**

On September 6, 2023, the Company settled \$170,000 of historical accounts payable through the issuance of 3,035,713 common shares valued at \$227,678, resulting in a loss on settlement of \$57,678.

During the year ended June 30, 2023

On June 6, 2023, the Company closed a private placement of 3,366,070 units at a price of \$0.056 per unit for gross proceeds of \$188,500. Each unit comprises one common share and one share purchase warrant expiring June 6, 2024 and are exercisable at \$0.075 per share. In addition, on June 6, 2023, the Company closed a private placement of 3,035,713 units at a price of \$0.056 per unit for gross proceeds of \$170,000. Each unit comprises one common share and one-half share purchase warrant expiring June 6, 2024 and are exercisable at \$0.075 per share.

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 ten years and vesting terms are determined by the Board of Directors at the date of grant.

Shine Minerals Corp.

Notes to the Financial Statements

For the Year Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

TSX.V: SMR.H

7. Share Capital and Reserves (continued)

As at June 30, 2024 and 2023, there were Nil options outstanding.

Warrants

The Company issued the following warrants:

	Number of Warrants	Weight Average Exercise Price	Weighted Average Life (years)
Balance, June 30, 2022	4,245,000	0.12	0.20
Expired	(4,245,000)	0.12	1.20
Granted	4,883,927	0.075	0.94
Balance, June 30, 2023	4,883,927	0.075	0.94
Expired	(4,883,927)	0.075	-
Balance, June 30, 2024	-	-	-

As at June 30, 2024, the Company had Nil warrants outstanding.

8. 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 or accrued to key personnel are as follows:

	Year ended June 30, 2024	Year ended June 30, 2023
	\$	\$
Consulting	208,000	368,500

As at June 30, 2024, the Company owed \$1,035,025 (2023 - \$969,251) to key management personnel or by companies controlled by them which has been included in accounts payable and accrued liabilities.

During the year ended June 30, 2023, the Company received proceeds of \$80,000 from a loan advanced by a private company owned by the CEO. See Note 6.

During the year ended June 30, 2024, the Company settled \$170,000 of historical accounts payable through the issuance of 3,035,713 common shares valued at \$227,678, resulting in a loss on settlement of \$57,678 of which \$40,714 pertained to related party debt.

9. 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 and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the statements of changes in 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, and short 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'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.

Shine Minerals Corp.

Notes to the Financial Statements

For the Year Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

TSX.V: **SMR.H**

9. 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, and a short 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 corporate expenses. Payment terms on accounts payable and accrued liabilities are typically 30 to 60 days from receipt of invoice and generally do not bear interest. Short-term loan is unsecured, bears interest of 10% and is due on demand. The following table summarizes the remaining contractual maturities of the Company's financial liabilities:

Maturity dates <6 months	June 30, 2024	June 30, 2023
	\$	\$
Accounts payable	28,018	52,482
Accrued liabilities	1,035,026	1,005,651
Short-term loan	80,000	80,000
	1,143,044	1,138,133

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 significantly exposed to interest rate 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.

Shine Minerals Corp.

Notes to the Financial Statements

For the Year Ended June 30, 2024 and 2023

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10. Income Taxes

A reconciliation of current income taxes at statutory rates (2024: 27.00%; 2023: 27.00%); with the annual income taxes is as follows:

	June 30, 2024	June 30, 2023
	\$	\$
Loss before income taxes	(358,257)	(198,531)
Expected income taxes (recovery) at the statutory tax rate	(97,000)	(54,000)
Changes in statutory, foreign tax, and exchange rates	1,000	1,000
Share issue cost	-	-
Adjustment to prior year provision versus statutory tax returns	(33,000)	(106,000)
Expiry of non-capital losses	-	31,000
Tax effect of tax losses and temporary differences not recognized	129,000	128,000
Future income tax (recovery)	-	-

The Company has available approximately \$9,923,000 (June 30, 2023 - \$9,454,000) of non-capital losses which will expire between 2027 and 2044 if unutilized:

	June 30, 2024	Expiry Date Range	June 30, 2023	Expiry Date Range
	\$		\$	
Temporary Differences				
Exploration and evaluation assets	1,671,000	No expiry date	1,661,000	No expiry date
Property and equipment	131,000	No expiry date	121,000	No expiry date
Share issue costs	8,000	2045 to 2045	16,000	2044 to 2045
Allowable capital losses	2,976,000	No expiry date	2,976,000	No expiry date
Non-capital losses available for future periods	9,923,000	2027 to 2044	9,454,000	2026 to 2043