

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine
months ended September 30, 2023 and 2022

Unaudited - Expressed in Canadian Dollars, unless otherwise noted



**NOTICE OF DISCLOSURE OF NON-AUDITOR REVIEW OF THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of Oceanic Iron Ore Corp. (the "Company") for the interim period ended September 30, 2023, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34 - Interim Financial Reporting and are the responsibility of the Company's management.

The Company's independent auditor, Saturna Group Chartered Professional Accountants LLP, has not performed a review of these condensed consolidated interim financial statements.

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Financial Position (Unaudited – expressed in Canadian Dollars)

	Notes	As at September 30, 2023	As at December 31, 2022
Assets			
Current			
Cash		\$ 367,710	\$ 662,818
Receivables		7,200	5,869
Prepaid expenses and deposits		8,404	6,976
		383,314	675,663
Mineral properties	3	44,340,533	44,178,442
Total assets		\$ 44,723,847	\$ 44,854,105
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 262,526	\$ 347,202
Due to related parties	7	388,205	196,598
Current portion of advance royalty payable	3	196,721	169,529
Current portion of convertible debentures	4	972,508	1,075,996
		1,819,960	1,789,325
Non-current portion of advance royalty payable	3	491,105	423,221
Non-current portion of convertible debentures	4	2,431,621	3,433,997
Total liabilities		4,742,686	5,646,543
Shareholders' equity			
Share capital	5	62,200,038	61,886,678
Reserves	5	11,302,240	11,243,969
Deficit		(33,521,117)	(33,923,085)
Total shareholders' equity		39,981,161	39,207,562
Total liabilities and shareholders equity		\$ 44,723,847	\$ 44,854,105
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Approved by the Board:

_____ " Steven Dean "	Director
_____ " Gordon Keep "	Director

The accompanying notes are an integral part of these consolidated financial statements

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss) (Unaudited – Expressed in Canadian Dollars)

	Notes	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Expenses					
Consulting and management fees	7	\$ 73,750	\$ 58,750	\$ 221,250	\$ 176,250
Directors' fees	7	7,500	7,500	22,500	22,500
License and insurance		6,527	7,162	18,954	24,154
Office and general		7,291	7,321	16,608	14,600
Professional fees expense		8,360	16,055	18,891	42,760
Rent	7	2,667	2,613	8,002	7,824
Share-based compensation	7	32,924	6,720	76,584	45,906
Transfer agent and regulatory		4,191	3,912	19,390	12,894
Wages and benefits	7	1,975	21,541	6,670	55,780
Loss from operations		(145,185)	(131,574)	(408,849)	(402,668)
Other income (expenses)					
Gain (loss) on non-cash derivative liabilities	4	1,181,978	(325,725)	1,214,683	(349,875)
Convertible debenture accretion expense	4	(136,010)	(123,605)	(403,866)	(322,661)
Total other income (expenses)		1,045,968	(449,330)	810,817	(672,536)
Net income (loss) and comprehensive income (loss) for the period		\$ 900,783	\$ (580,904)	\$ 401,968	\$ (1,075,204)
Income (loss) per common share					
Basic		\$ 0.01	\$ (0.01)	\$ 0.00	\$ (0.01)
Diluted		\$ 0.01	\$ (0.01)	\$ 0.01	\$ (0.01)
Weighted average number of common shares outstanding					
Basic		103,790,663	96,768,302	102,485,919	96,740,365
Diluted		111,261,294	96,768,302	113,071,246	96,740,365

The accompanying notes are an integral part of these consolidated financial statements

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars, except number of shares)

	Notes	Shares	Share capital	Reserves	Deficit	Total equity
Balance - January 1, 2023		99,727,021	\$ 61,886,678	\$ 11,243,969	\$ (33,923,085)	\$ 39,207,562
Share-based payments - stock options	5c	-	-	76,584	-	76,584
Shares issued on settled restricted share units	5b	227,491	18,313	(18,313)	-	-
Shares issued on settled debenture interest	4	3,766,275	280,047	-	-	280,047
Shares issued on redemption of convertible debenture	4	214,285	15,000	-	-	15,000
Net income for the period		-	-	-	401,968	401,968
Balance - September 30, 2023		103,935,072	\$ 62,200,038	\$ 11,302,240	\$ (33,521,117)	\$ 39,981,161

		Shares	Share capital	Reserves	Deficit	Total equity
Balance - January 1, 2022		96,672,967	\$ 61,633,048	\$ 11,205,166	\$ (32,863,178)	\$ 39,975,036
Share-based payments - stock options	5c	-	-	45,907	-	45,907
Shares issued on settled restricted share units	5b	95,335	8,580	(8,580)	-	-
Shares issued on settled debenture interest	4	838,052	67,044	-	-	67,044
Net loss for the period		-	-	-	(1,075,204)	(1,075,204)
Balance - September 30, 2022		97,606,354	\$ 61,708,672	\$ 11,242,493	\$ (33,938,382)	\$ 39,012,783

The accompanying notes are an integral part of these consolidated financial statements

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Cash Flows (Unaudited – Expressed in Canadian Dollars)

	Notes	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Operating activities					
Net income (loss)		\$ 900,783	\$ (580,904)	\$ 401,968	\$ (1,075,204)
Adjustments for:					
Share-based payments		32,924	6,720	76,584	45,906
(Gain) loss on convertible debenture derivative liability	4	(1,181,978)	325,725	(1,214,683)	349,875
Convertible debenture accretion expense	4	136,010	123,605	403,866	322,661
Net changes in non-cash working capital balances:					
Prepaid expenses and deposits		6,527	7,341	(2,061)	10,375
Receivables		(1,943)	(15,174)	(335)	(14,677)
Accounts payable and accrued liabilities		(57,621)	(143,357)	(76,728)	(98,611)
Due to related parties		67,227	(244,359)	191,056	(138,306)
Cash used in operating activities		\$ (98,071)	\$ (520,403)	\$ (220,333)	\$ (597,981)
Investing activities					
Mineral property expenditures	3b	(42,273)	(36,022)	(74,775)	(66,072)
Cash used in investing activities		(42,273)	(36,022)	(74,775)	(66,072)
Financing activities					
Interest paid on convertible debenture		-	-	-	(134,090)
Proceeds from convertible debentures	4	-	1,220,000	-	1,220,000
Transaction costs on convertible debentures	4	-	(9,424)	-	(9,424)
Cash provided by financing activities		-	1,210,576	-	1,076,486
Change in cash		(140,344)	654,151	(295,108)	412,433
Cash, beginning of period		508,054	51,444	662,818	293,162
Cash, end of period		\$ 367,710	\$ 705,595	\$ 367,710	\$ 705,595

The accompanying notes are an integral part of these consolidated financial statements

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2023 and 2022

Unaudited – Expressed in Canadian Dollars – unless otherwise noted

1. NATURE OF OPERATIONS AND GOING CONCERN

Oceanic Iron Ore Corp. (“Oceanic” or the “Company”) is an exploration-stage company engaged in the acquisition and exploration of iron ore properties in Québec, Canada. The Company was incorporated on March 8, 1986, under the British Columbia Business Corporations Act. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, British Columbia. The Company’s registered/records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia. Its common shares are traded on the TSX Venture Exchange under the symbol “FEO”.

The Company acquired a 100% interest in certain mining claims (the “Property”) located near Ungava Bay, Québec, Canada, in November 2010. The Company is currently conducting exploration activities on the Property. The Property comprises three project areas: Hopes Advance (also referred to as the “Hopes Advance Project” throughout), Morgan Lake and Roberts Lake, which cover over 36,039 hectares and 862 claim cells with iron ore formations and are located within 20 to 50 km from tidewater. The Company operates as a single reportable segment, being the exploration of the Property. All of the Company’s non-current assets are located in Canada.

While these condensed consolidated interim financial statements (“Interim Financial Statements”) have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events could result in a material uncertainty casting significant doubt on the validity of this assumption. As at September 30, 2023, the Company had an accumulated deficit of \$33,521,117 and a working capital deficit of \$1,436,646.

The Company’s ability to continue on a going concern basis for and beyond the next twelve months depends on its ability to successfully raise additional financing for continued operations and for the necessary capital expenditures required to achieve planned principal operations. The Company continues to pursue a number of options to improve its financial capacity, including securing a strategic partner to further advance the Hopes Advance project. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

These Interim Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate, and these adjustments could be material.

2. BASIS OF PRESENTATION

These Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of Interim Financial Statements, including International Auditing Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board and interpretations by the International Financial Reporting Interpretations Committee. These Interim Financial Statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited annual consolidated financial statements (the “Annual Financial Statements”) for the year ended December 31, 2022. The accounting policies followed in these Interim Financial Statements are the same as those applied in Note 3 of the Company’s annual consolidated financial statements, except as described below.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2023 and 2022

Unaudited – Expressed in Canadian Dollars – unless otherwise noted

2. BASIS OF PRESENTATION (continued)

A number of amendments to standards were effective for annual periods beginning on or after January 1, 2023, including amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2 and IAS 12, Income Taxes. There were no material impacts on the Company's Interim Financial Statements from the adoption of these amendments.

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. These Interim Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

These Interim Financial Statements were approved by the board of directors on November 23, 2023.

3. MINERAL PROPERTIES - UNGAVA BAY

a) Acquisition costs

	Nine months ended September 30, 2023	Year ended December 31, 2022
Acquisition costs - beginning of period	\$ 20,066,674	\$ 19,869,499
Additions during the period		
Additional advance royalty payable	-	76,678
Accretion of advance royalty payable	95,076	120,497
Acquisition costs - end of period	\$ 20,161,750	\$ 20,066,674

b) Exploration costs

	Nine months ended September 30, 2023	Year ended December 31, 2022
Cumulative exploration costs - beginning of period	\$ 24,111,768	\$ 24,041,146
Expenditures during the period		
Permitting and claims	60,295	45,620
Fieldwork and geology	-	13,398
Consultants	-	2,963
Equipment, supplies & rentals	6,000	6,480
Office and accommodation	720	2,161
Exploration expenditures for the period	67,015	70,622
Cumulative exploration costs - end of period	\$ 24,178,783	\$ 24,111,768
Grand total - mineral properties	\$ 44,340,533	\$ 44,178,442

Under the terms of the acquisition of the Property, the Company must pay advance net smelter royalty ("NSR") payments of \$200,000 per year until the commencement of commercial production. The aggregate advance NSR payments will then be credited against all future NSR payments payable from production. The advance NSR payments included in the Company's liabilities represent the

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2023 and 2022
Unaudited – Expressed in Canadian Dollars – unless otherwise noted

3. MINERAL PROPERTIES - UNGAVA BAY (continued)

present value of advance payments to the royalty holders until the estimated date of commencement of commercial production.

A 1% NSR is payable to 154619 Canada Inc. ("154619") and a 1% NSR is payable to SPG Royalties Inc. ("SPG"). The Company discounted the advance NSR payments using a discount rate of 20%, representing the estimated rate of return of similar investments. The advance royalty liability will be accreted up to the date of ultimate NSR advance payment, resulting in an increase to mineral property acquisition costs and the advance royalty payable.

The total estimated future undiscounted NSR payments as at September 30, 2023 total \$1,000,000 (December 31, 2022: \$1,000,000).

4. CONVERTIBLE DEBENTURES

	Series A Debentures	Series B Debenture	Series C Debentures	Series D Debentures	Total
Opening balance - January 1, 2022	\$ 1,164,238	\$ 1,402,324	\$ 538,435	\$ -	\$ 3,104,997
Proceeds received	-	-	-	1,220,000	1,220,000
Transaction costs	-	-	-	(92,882)	(92,882)
Interest expense and accretion	141,459	109,716	130,955	51,852	433,982
Amortization of transaction costs	2,419	4,199	7,663	6,192	20,473
Interest settlements	(48,450)	(53,391)	(99,294)	-	(201,135)
Loss (gain) due to fair value adjustment on derivative liability	435,688	(386,852)	222,887	(247,165)	24,558
Balance - December 31, 2022	1,695,354	1,075,996	800,646	937,997	4,509,993
Less: current portion	-	(1,075,996)	-	-	(1,075,996)
Non-current portion - December 31, 2022	\$ 1,695,354	\$ -	\$ 800,646	\$ 937,997	\$ 3,433,997
Interest expense and accretion	75,499	86,019	98,136	121,385	381,039
Amortization of transaction costs	-	3,148	5,747	13,932	22,827
Interest settlements	(48,450)	(53,391)	(99,295)	(78,911)	(280,047)
Principal settlements	-	-	-	(15,000)	(15,000)
(Gain) loss due to fair value adjustment on derivative liability	(502,596)	(139,264)	12,073	(584,896)	(1,214,683)
Balance - September 30, 2023	1,219,807	972,508	817,307	394,507	3,404,129
Less: current portion	-	(972,508)	-	-	(972,508)
Non-current portion - September 30, 2023	\$ 1,219,807	\$ -	\$ 817,307	\$ 394,507	\$ 2,431,621

The convertible debentures are secured with a first ranking charge at any time against the assets of the Company, ranking pari-passu with the current secured debenture holders.

The Series A Debentures were convertible into units at a conversion price of \$0.07 per unit during the first year of their term, following which (on September 26, 2023) the conversion price increased to \$0.10 per unit. Each unit will be comprised of one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.07 per common share. The Series A Debentures bear interest at 8.5% per annum over a five-year term and mature on September 26, 2027.

The Series B Debenture is convertible into units at a conversion price of \$0.10 per unit. Each unit will be comprised of one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.05 per common share. The Series B Debenture bears interest at 8.5% per annum over a five-year term and matures on November 29, 2023.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
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Unaudited – Expressed in Canadian Dollars – unless otherwise noted

4. CONVERTIBLE DEBENTURES (continued)

The Series C Debentures are convertible into units at a conversion price of \$0.19 per unit. Each unit will be comprised of one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.19 per common share. The Series C Debentures bear interest at 8.5% per annum over a five-year term and mature on March 10, 2026.

The Series D Debentures were convertible into units at a conversion price of \$0.07 per unit during the first year of their term, following which the conversion price would increase to \$0.10 per unit. Each unit will be comprised of one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.07 per common share. The Series D Debentures bear interest at 8.5% per annum over a five-year term and mature on September 26, 2027.

During the three months ended September 30, 2023, there was a partial conversion of the Series D Debentures, whereby one of the holders converted \$15,000 of convertible debentures into units comprising 214,285 common shares and 214,285 warrants.

As of September 26, 2023, the conversion price of the remaining Series D Debentures increased to \$0.10 per unit.

In accordance with IFRS 9 – Financial Instruments (“IFRS 9”), it has been determined that the respective convertible debentures are, for IFRS purposes, hybrid debt instruments which contain non-cash embedded derivative liabilities associated with the conversion features of the debentures into Units. IFRS 9 further determines that the debenture is to be measured at amortized cost and the non-cash embedded derivative is to be measured at fair value.

The Company uses a binomial option pricing model to fair value the derivative liability components contained in the Series A Debentures, Series B Debenture, Series C Debentures and Series D Debentures.

The inputs in the option pricing model as at September 30, 2023 are as follows:

	Series A Debentures	Series B Debenture	Series C Debentures	Series D Debentures
Volatility	106.26%	80.86%	87.07%	106.26%
Stock price	\$ 0.065	\$ 0.065	\$ 0.065	\$ 0.065
Exercise price of units	\$ 0.10	\$ 0.10	\$ 0.19	\$ 0.10
Exercise price of warrants	\$ 0.07	\$ 0.05	\$ 0.19	\$ 0.07
Interest rate	4.25%	5.15%	4.64%	4.25%
Time to maturity (years)	4.0	0.2	2.4	4.0
Dividend yield	0.00%	0.00%	0.00%	0.00%

5. SHARE CAPITAL

a) Share capital

Unlimited common and preferred shares without par value.

b) Restricted Share Units (“RSUs”)

During the nine months ended September 30, 2023, the Company settled its remaining 227,491 RSUs outstanding in exchange for 227,491 common shares.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2023 and 2022
Unaudited – Expressed in Canadian Dollars – unless otherwise noted

5. SHARE CAPITAL (continued)

c) Stock options

A summary of the changes in stock options is as follows:

	Number of options	Weighted average exercise price
Options outstanding - December 31, 2022	8,415,500	\$ 0.14
Granted	1,540,000	0.095
Forfeited	(1,630,500)	0.15
Options outstanding - September 30, 2023	8,325,000	\$ 0.13
Options exercisable - September 30, 2023	7,298,333	\$ 0.14

The fair value of stock options granted during the three and nine months ended September 30, 2023, was \$130,980 (three and nine months ended September 30, 2022: \$nil). The Company uses a Black Scholes option valuation model to determine the grant-date fair value of stock options, applying the following assumptions:

	For the three and nine months ended September 30, 2023	For the three and nine months ended September 30, 2022
Risk-free interest rate	2.97%	-
Expected life	10.00	-
Annualized volatility	75%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

The following table summarizes information about stock options outstanding at September 30, 2023:

Number of options outstanding	Exercise price	Expiry Date	Number of options exercisable
650,000	\$ 0.16	November 25, 2024	650,000
355,000	\$ 0.15	December 2, 2025	355,000
595,000	\$ 0.25	January 20, 2027	595,000
1,510,000	\$ 0.09	March 19, 2029	1,510,000
2,780,000	\$ 0.14	June 29, 2030	2,780,000
150,000	\$ 0.22	April 28, 2031	150,000
745,000	\$ 0.12	December 10, 2031	745,000
1,540,000	\$ 0.095	April 28, 2031	513,333
8,325,000	\$ 0.13		7,298,333

d) Share purchase warrants

During the three and nine months ended September 30, 2023, nil warrants were exercised. As at September 30, 2023, the Company had 19,714,285 warrants outstanding with an exercise price of \$0.07 and a weighted average remaining life of 0.2 years.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
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Unaudited – Expressed in Canadian Dollars – unless otherwise noted

6. COMMITMENTS

The Company's undiscounted contractual commitments were as follows:

September 30, 2023				
	Less than 1 year	1 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	\$ 262,526	\$ -	\$ -	\$ 262,526
Due to related parties	388,205	-	-	388,205
Convertible debenture - liability component	1,243,027	2,081,703	2,119,275	5,444,005
Advance royalty payable	200,000	400,000	400,000	1,000,000
	\$ 2,093,758	\$ 2,481,703	\$ 2,519,275	\$ 7,094,736

December 31, 2022				
	Less than 1 year	1 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	\$ 346,651	\$ -	\$ -	\$ 346,651
Due to related parties	197,149	-	-	197,149
Convertible debenture - liability component	1,297,553	601,384	3,840,113	5,739,050
Advance royalty payable	200,000	400,000	400,000	1,000,000
	\$ 2,041,353	\$ 1,001,384	\$ 4,240,113	\$ 7,282,850

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

a) Key Management Compensation

Key management includes the Company's directors, Chief Executive Officer and Chief Financial Officer. Compensation awarded to key management is presented in the table below:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Directors' fees	\$ 7,500	\$ 7,500	\$ 22,500	\$ 15,000
Consulting and management fees	73,750	58,750	221,250	176,250
Wages and benefits	-	15,000	-	30,000
Share-based payments	26,083	6,157	60,671	38,995
	\$ 107,333	\$ 87,407	\$ 304,420	\$ 260,245

b) Payments for services by related parties

During each of the three and nine months ended September 30, 2023 and 2022, the Company incurred corporate consulting fees of \$28,750 and \$86,250, respectively to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director and officer of the Company. As at September 30, 2023, the Company owed \$115,000 to Sirocco relating to unpaid consulting fees (December 31, 2022 - \$28,750).

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2023 and 2022
Unaudited – Expressed in Canadian Dollars – unless otherwise noted

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

b) Payments for services by related parties (continued)

During each of the three and nine months ended September 30, 2023 and 2022, the Company incurred corporate consulting fees of \$15,000 and \$45,000, respectively to Sinocan Consultant Hong Kong Ltd. ("Sinocan"), a company controlled by an officer of the Company. As at September 30, 2023, the Company owed \$nil to Sinocan relating to unpaid consulting fees (December 31, 2022 - \$10,000).

During the three and nine months ended September 30, 2023, the Company incurred corporate consulting fees of \$15,000 and \$45,000, respectively (for the three and nine months ended September 30, 2022 - \$nil) to Timbavati Consult ("Timbavati"), an entity controlled by an officer of the Company. As at September 30, 2023, the Company owed \$45,000 to Timbavati relating to unpaid consulting fees (December 31, 2022 - \$nil).

During each of the three and nine months ended September 30, 2023 and 2022, the Company incurred corporate consulting fees of \$15,000 and \$45,000, respectively to Fiore Management & Advisory Corp. ("Fiore"), a company controlled by a director of the Company. As at September 30, 2023, the Company owed \$63,000 to Fiore relating to unpaid consulting fees (December 31, 2022 - \$15,750).

As at September 30, 2023, the Company owed \$80,000 in directors' fees to certain directors of the Company (December 31, 2022 - \$57,500). As at December 31, 2022, the Company also owed unpaid salaries and benefits of \$15,000 to a former officer of the Company.

The Company was charged shared lease, overhead and service costs by Artemis Gold Inc. ("Artemis"), a company with common management and directors. For the three and nine months ended September 30, 2023, the Company incurred \$4,978 and \$14,864, respectively (for the three and nine months ended September 30, 2022 - \$5,104 and \$15,817, respectively) in shared lease, overhead and service costs. As at September 30, 2023, the Company owed \$85,205 to Artemis (December 31, 2022 - \$69,598).

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is based on available public market information or, when such information is not available, estimated using fair valuation techniques (including option pricing models and present value models) which include assumptions concerning the amount and timing of future cash flows and/or debt conversions, discount rates which factor in the appropriate credit risk, as well as historical volatility rate assumptions as applicable. The carrying values of cash, accrued interest receivable, deposits, accounts payable, accrued liabilities and due to related parties approximate their values due to their short-term nature. The advance royalty payable and the embedded derivative liability component of the convertible debenture fall under a level 3 hierarchy due to certain inputs that are not based on observable market data.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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Unaudited – Expressed in Canadian Dollars – unless otherwise noted

9. SUBSEQUENT EVENTS

- a) On October 2, 2023, the Company elected to settle an aggregate of \$92,868 in accrued interest payable under the Company's previously issued convertible debentures through the issuance of 1,428,735 common shares of the Company, at a price of \$0.065 per share.
- b) Subsequent to September 30, 2023, the Company agreed to replace the existing Series B Debenture with a new debenture ("Replacement Debenture") on the maturity date of November 29, 2023, subject to regulatory approval. The terms of the Replacement Debenture will be the same as the existing Series B Debenture (Note 4), other than the warrant exercise price will be \$0.07 per common share and the maturity date will be on November 29, 2028.
- c) Subsequent to September 30, 2023, the Company reached agreements to settle its 2023 advance NSR payments (Note 3). The Company will settle its 2023 advance NSR payment of \$100,000 payable to 154619 through a cash payment of \$50,000, with the remaining balance of \$50,000 to be deferred until November 30, 2024. The Company will settle its 2023 advance NSR payment of \$100,000 payable to SPG through a cash payment of \$25,000 and through the issuance of 1,153,846 common shares, subject to regulatory approval.