

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months  
ended March 31, 2022 and 2021

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 interim consolidated financial statements of Oceanic Iron Ore Corp. (the "Company") for the interim period ended March 31, 2022, 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, PricewaterhouseCoopers LLP, has not performed a review of these condensed interim consolidated financial statements.

# Oceanic Iron Ore Corp.

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

	Notes	As at March 31, 2022	As at December 31, 2021
<b>Assets</b>			
<b>Current</b>			
Cash		\$ 157,213	\$ 293,162
Receivables		7,072	3,753
Prepaid expenses and deposits		25,359	13,613
		<b>189,644</b>	<b>310,528</b>
Mineral properties	3	43,962,985	43,910,645
<b>Total assets</b>		<b>\$ 44,152,629</b>	<b>\$ 44,221,173</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 321,939	\$ 295,591
Due to related parties	6	306,582	249,974
Current portion of advance royalty payable	3	181,117	172,355
Current portion of convertible debentures	4	1,364,408	1,164,238
		<b>2,174,046</b>	<b>1,882,158</b>
Non-current portion of advance royalty payable	3	444,736	423,220
non-current portion of convertible debentures	4	2,683,879	1,940,759
<b>Total liabilities</b>		<b>5,302,661</b>	<b>4,246,137</b>
<b>Shareholders' equity</b>			
Share capital	5a,b,c	61,641,628	61,633,048
Reserves	5b,c,d	11,218,754	11,205,166
Deficit		(34,010,414)	(32,863,178)
<b>Total shareholders' equity</b>		<b>38,849,968</b>	<b>39,975,036</b>
<b>Total liabilities and shareholders equity</b>		<b>\$ 44,152,629</b>	<b>\$ 44,221,173</b>
Nature of operations and going concern	1		

## 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 Interim Consolidated Statements of Loss and Comprehensive Loss  
(Unaudited – Expressed in Canadian Dollars, except per share amounts)

	Three months ended		Three months ended	
	March 31, 2022		March 31, 2021	
<b>Expenses</b>				
Consulting and management fees	\$	58,750	\$	58,750
Directors' fees		7,500		7,500
License and insurance		9,831		4,780
Office and general		3,717		4,418
Professional fees expense		12,524		19,472
Rent		2,599		2,541
Share-based compensation		22,168		30,934
Transfer agent and regulatory		2,837		6,195
Wages and benefits		16,975		23,110
<b>Loss from operations</b>		<b>(136,901)</b>		<b>(157,700)</b>
<b>Other expenses</b>				
Loss on non-cash derivative liabilities		(911,456)		(63,818)
Convertible debenture accretion expense		(98,879)		(70,756)
<b>Net loss and comprehensive loss for the period</b>	\$	<b>(1,147,236)</b>	\$	<b>(292,274)</b>
<b>Loss per common share</b>				
Basic and diluted	\$	<b>(0.01)</b>	\$	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted		<b>96,683,560</b>		<b>93,879,601</b>

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

## Oceanic Iron Ore Corp.

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

	<i>Notes</i>	<b>Shares</b>	<b>Share capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total equity</b>
<b>Balance - January 1, 2022</b>		<b>96,672,967</b>	<b>\$ 61,633,048</b>	<b>\$ 11,205,166</b>	<b>\$ (32,863,178)</b>	<b>\$ 39,975,036</b>
Share-based payments - stock options	5c	-	-	22,168	-	22,168
Shares issued on settled restricted share units	5b	95,335	8,580	(8,580)	-	-
Net loss for the period		-	-	-	(1,147,236)	(1,147,236)
<b>Balance - March 31, 2022</b>		<b>96,768,302</b>	<b>\$ 61,641,628</b>	<b>\$ 11,218,754</b>	<b>\$ (34,010,414)</b>	<b>\$ 38,849,968</b>

	<b>Shares</b>	<b>Share capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total equity</b>
<b>Balance - January 1, 2021</b>	<b>93,867,068</b>	<b>\$ 61,318,043</b>	<b>\$ 11,108,190</b>	<b>\$ (35,958,290)</b>	<b>\$ 36,467,943</b>
Share-based payments - stock options	-	-	30,934	-	30,934
Shares issued on settled restricted share units	93,999	8,460	(8,460)	-	-
Net loss for the period	-	-	-	(292,274)	(292,274)
<b>Balance - March 31, 2021</b>	<b>93,961,067</b>	<b>\$ 61,326,503</b>	<b>\$ 11,130,664</b>	<b>\$ (36,250,564)</b>	<b>\$ 36,206,603</b>

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

# Oceanic Iron Ore Corp.

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

	<i>Notes</i>	<b>Three months ended March 31, 2022</b>	Three months ended March 31, 2021
<b>Operating activities</b>			
Net loss		\$ (1,147,236)	\$ (292,274)
Adjustments for:			
Share-based payments	<i>5b,c</i>	22,168	30,934
Loss gain on convertible debenture derivative liability	<i>4</i>	911,456	63,818
Convertible debenture accretion expense	<i>4</i>	98,879	70,756
Net changes in non-cash working capital balances:			
Prepaid expenses and deposits		(7,288)	4,605
Receivables		(2,393)	(19,282)
Accounts payable and accrued liabilities		13,085	(145,631)
Due to related parties		56,608	(425,262)
Cash used in operating activities		\$ (54,721)	\$ (712,336)
<b>Investing activities</b>			
Mineral property expenditures	<i>3b</i>	(14,183)	(12,324)
Cash used in investing activities		(14,183)	(12,324)
<b>Financing activities</b>			
Interest paid on convertible debenture	<i>4</i>	(67,045)	(41,927)
Proceeds from convertible debenture, net of issuance costs	<i>4</i>	-	1,547,893
Settlement of advance royalty payable		-	(100,000)
Cash (used in) provided by financing activities		(67,045)	1,405,966
Change in cash		(135,949)	681,306
Cash, beginning of period		293,162	46,632
<b>Cash, end of period</b>		<b>\$ 157,213</b>	<b>\$ 727,938</b>

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

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

Unaudited – Expressed in Canadian Dollars – unless otherwise noted

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### 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 35,999 hectares of iron formation and are located within 20 – 50 km of tidewater.

While these 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 result in a material uncertainty casting significant doubt on the validity of this assumption. For the three months ended March 31, 2022, the Company had an accumulated deficit of \$34,010,414 and a working capital deficit of \$1,984,402. The Company will need to raise additional funds in order to meet its current obligations and to finance ongoing exploration, development and administrative expenses over the coming 12 months. 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, and obtaining cash flow through other forms of financing. The success of raising such funds cannot be assured.

These 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 condensed interim consolidated financial statements (“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, 2021. The accounting policies followed in these Interim Financial Statements are the same as those applied in Note 3 of the Company’s annual financial statements.

The 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 May 25, 2022.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

Unaudited – Expressed in Canadian Dollars – unless otherwise noted

### 3. MINERAL PROPERTIES - UNGAVA BAY

#### a) Acquisition costs

	Three months ended March 31, 2022	Year ended December 31, 2021
<b>Acquisition costs - beginning of period</b>	<b>\$ 19,869,499</b>	<b>\$ 19,671,816</b>
<b>Additions during the period</b>		
Additional advance royalty payable	-	76,678
Accretion of advance royalty payable	30,278	121,005
<b>Acquisition costs - end of period</b>	<b>\$ 19,899,777</b>	<b>\$ 19,869,499</b>

#### b) Exploration costs

	Three months ended March 31, 2022	Year ended December 31, 2021
<b>Cumulative exploration costs - beginning of period</b>	<b>\$ 24,041,146</b>	<b>\$ 23,933,487</b>
<b>Expenditures during the period</b>		
Permitting and claims	18,821	65,629
Fieldwork and Geology	-	14,935
Consultants	-	4,920
Equipment, supplies & rentals	3,000	6,806
Office and accommodation	241	7,915
Transportation	-	7,454
Exploration expenditures for the period	22,062	107,659
<b>Cumulative exploration costs - end of period</b>	<b>\$ 24,063,208</b>	<b>\$ 24,041,146</b>
<b>Grand total - mineral properties</b>	<b>\$ 43,962,985</b>	<b>\$ 43,910,645</b>

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 purchase price represent the 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 March 31, 2022 total \$1,000,000 (December 31, 2021: \$1,000,000).



# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

Unaudited – Expressed in Canadian Dollars – unless otherwise noted

### 4. CONVERTIBLE DEBENTURES

	2017	2018	2021	
	Debentures	Debentures	Debentures	Total
<b>Opening balance - January 1, 2021</b>	<b>\$ 2,692,727</b>	<b>\$ 2,855,760</b>	<b>\$ -</b>	<b>\$ 5,548,487</b>
Proceeds received	-	-	1,557,548	1,557,548
Transaction costs	-	-	38,314	(38,314)
Interest expense and accretion	132,826	104,710	109,120	346,656
Amortization of transaction costs	3,224	4,196	6,387	13,807
Interest payments	(64,600)	(71,188)	(107,273)	(243,061)
Gain due to fair value adjustment on derivative liability	(1,599,939)	(1,491,154)	(989,033)	(4,080,126)
<b>Balance - December 31, 2021</b>	<b>\$ 1,164,238</b>	<b>\$ 1,402,324</b>	<b>\$ 538,435</b>	<b>\$ 3,104,997</b>
Interest expense and accretion	35,428	26,932	32,749	95,109
Amortization of transaction costs	806	1,049	1,915	3,770
Interest payments	(16,150)	(17,797)	(33,098)	(67,045)
Loss due to fair value adjustment on derivative liability	180,086	309,533	421,837	911,456
<b>Balance - March 31, 2022</b>	<b>\$ 1,364,408</b>	<b>\$ 1,722,041</b>	<b>\$ 961,838</b>	<b>\$ 4,048,287</b>

The Company uses an option pricing model to fair value the derivative liability components contained in the 2017, 2018 and 2021 debentures.

The 2017, 2018 and 2021 debentures mature on September 26, 2022, November 29, 2023 and March 10, 2026, respectively.

The 2017 convertible debentures are 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 \$0.10 per common share. The 2017 debentures bear interest at 8.5% per annum over a five-year term.

The 2018 convertible debentures are 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 2018 debentures bear interest at 8.5% per annum over a five-year term.

The 2021 convertible 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 2021 debentures bear interest at 8.5% per annum over a five-year term.

# Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

Unaudited – Expressed in Canadian Dollars – unless otherwise noted

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## 5. SHARE CAPITAL

### a) Share Capital

Unlimited common and preferred shares without par value.

### b) Restricted Share Units (“RSUs”)

During the three months ended March 31, 2022, Company issued 95,335 common shares as a result of the settlement of RSUs.

### c) Stock options

During the three months ended March 31, 2022, the Company granted nil stock options.

### d) Share purchase warrants

During the three months ended March 31, 2022, nil warrants were exercised.

## 6. 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:

	<b>Three months ended</b>		Three months ended
	<b>March 31, 2022</b>		March 31, 2021
Wages and benefits	<b>\$ 15,000</b>	\$	15,000
Directors' fees	<b>7,500</b>		7,500
Share-based payments*	<b>18,472</b>		29,856
	<b>\$ 40,972</b>	\$	52,356

\*Share-based payments based on Options and RSUs granted to Individuals

### b) Payments for services by related parties

During each of the three-month periods ended March 31, 2022 and 2021, the Company incurred corporate consulting fees of \$28,750 to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director and officer of the Company. As at March 31, 2022, the Company owed \$124,583 to Sirocco relating to unpaid consulting fees (December 31, 2021: \$95,834).

During each of the three-month periods ended March 31, 2022 and 2021, the Company incurred corporate consulting fees of \$15,000 to Sinocan Consultant Hong Kong Ltd. ("Sinocan"), a company controlled by an officer of the Company. As at March 31, 2022, the Company owed \$10,000 to Sinocan relating to unpaid consulting fees (December 31, 2021: \$10,000).

As at March 31, 2022, the Company owed \$60,000 in directors' fees to certain directors of the Company (December 31, 2021 - \$52,500). As at March 31, 2022, the Company owed unpaid salaries and benefits of \$65,000 to an officer of the Company (December 31, 2021 - \$50,000).

# Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

Unaudited – Expressed in Canadian Dollars – unless otherwise noted

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## 6. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

### b.) Payments for services by related parties (continued)

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 months ended March 31, 2022, the Company incurred \$5,358 (March 31, 2021 - \$4,998) in shared lease, overhead, and service costs. As at March 31, 2022, the Company owed \$46,998 to Artemis (December 31, 2021: \$41,641).

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

## 7. 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.