CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended
June 30, 2024 and 2023

Unaudited - Expressed in Canadian Dollars, unless otherwise noted

OCEANIC
IRON ORE CORP

NOTICE OF DISCLOSURE OF NON-AUDITOR REVIEW OF THE CONDENSED CONSOLIDATED INTERIM 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, the interim financial statements must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim financial statements of Oceanic Iron Ore Corp. (the "Company") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") including International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34") and are the responsibility of the Company's management.

The Company's independent auditor 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 June 30, 2024		As at December 31, 2023
Assets					
Current					
Cash		**$**	**150,202**	$	269,513
Receivables			**6,216**		6,319
Prepaid expenses and deposits			**25,177**		13,552
			181,595		289,384
Mineral properties	*3*		**44,558,800**		44,453,858
Total assets		**$**	**44,740,395**	$	44,743,242
Liabilities					
Current					
Accounts payable and accrued liabilities		**$**	**323,060**	$	343,279
Due to related parties	*7*		**611,890**		475,690
Current portion of advance royalty payable	*3*		**237,204**		219,529
Convertible debentures	*4*		**5,876,164**		3,449,747
			7,048,318		4,488,245
Non-current portion of advance royalty payable	*3*		**467,776**		423,652
Total liabilities			**7,516,094**		4,911,897
Shareholders' equity					
Share capital	*5*		**62,553,208**		62,367,906
Reserves	*5*		**11,387,207**		11,334,926
Deficit			**(36,716,114)**		(33,871,487)
Total shareholders' equity			**37,224,301**		39,831,345
Total liabilities and shareholders equity		**$**	**44,740,395**	$	44,743,242

Nature of operations and going concern	*1*
Commitments	*6*
Subsequent event	*9*

Approved by the Board:

" Steven Dean " Director

" Gordon Keep " Director

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Oceanic Iron Ore Corp.

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

	Notes	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Expenses					
Consulting and management fees	*7*	**$ 73,750**	$ 73,750	**$ 147,500**	$ 147,500
Directors' fees	*7*	**7,500**	7,500	**15,000**	15,000
License and insurance		**4,600**	5,852	**9,020**	12,427
Office and general		**4,728**	3,906	**9,552**	9,317
Professional fees		**13,104**	6,598	**36,079**	10,531
Rent	*7*	**2,668**	2,668	**5,335**	5,335
Share-based compensation	*5c, 7*	**42,843**	43,660	**52,281**	43,660
Transfer agent and regulatory		**2,704**	8,946	**14,294**	15,199
Wages and benefits	*7*	**1,975**	1,975	**3,950**	4,695
Loss from operations		**(153,872)**	(154,855)	**(293,011)**	(263,664)
Other (expenses) income					
(Loss) gain on change in fair value of derivative liabilities	*4*	**(2,045,156)**	1,021,577	**(2,298,680)**	32,704
Convertible debenture accretion expense	*4*	**(136,545)**	(134,681)	**(252,936)**	(267,856)
Total other (expenses) income		**(2,181,701)**	886,896	**(2,551,616)**	(235,152)
Net (loss) income and comprehensive (loss) income		**$ (2,335,573)**	$ 732,041	**$ (2,844,627)**	$ (498,816)
(Loss) income per common share					
Basic and Diluted		**$ (0.02)**	$ 0.01	**$ (0.03)**	$ (0.00)
Weighted average number of common shares outstanding					
Basic		**109,455,911**	102,392,646	**108,754,194**	101,822,734
Diluted		**109,455,911**	117,444,789	**108,754,194**	101,822,734

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars except share amounts)

	Notes	**Shares**	**Share capital**	**Reserves**	**Deficit**	**Total equity**
Balance - January 1, 2024		**106,517,653**	**$ 62,367,906**	**$ 11,334,926**	**$ (33,871,487)**	**$ 39,831,345**
Share-based payments - stock options	*5c*	-	-	52,281	-	52,281
Shares issued on settled debenture interest	*4*	2,969,585	185,302	-	-	185,302
Net loss for the period		-	-	-	(2,844,627)	(2,844,627)
Balance - June 30, 2024		**109,487,238**	**$ 62,553,208**	**$ 11,387,207**	**$ (36,716,114)**	**$ 37,224,301**

		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*	-	-	43,660	-	43,660
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
Net loss for the period		-	-	-	(498,816)	(498,816)
Balance - June 30, 2023		**103,720,787**	**$ 62,185,038**	**$ 11,269,316**	**$ (34,421,901)**	**$ 39,032,453**

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Oceanic Iron Ore Corp.

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

	Notes	**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Operating activities					
Net (loss) income		**$ (2,335,573)**	$ 732,041	**$ (2,844,627)**	$ (498,816)
Adjustments for:					
Share-based payments	*5c*	**42,843**	43,660	**52,281**	43,660
Loss (gain) on change in fair value of derivative liabilities	*4*	**2,045,156**	(1,021,577)	**2,298,680**	(32,704)
Convertible debenture accretion expense	*4*	**136,545**	134,681	**252,936**	267,856
Net changes in non-cash working capital balances:					
Receivables		**(3,443)**	1,372	**2,057**	1,608
Prepaid expenses and deposits		**(2,000)**	(14,932)	**(4,305)**	(8,588)
Accounts payable and accrued liabilities		**(5,604)**	(8,713)	**27,937**	(19,107)
Due to related parties		**85,979**	67,227	**136,200**	123,829
Cash used in operating activities		**$ (36,097)**	$ (66,241)	**$ (78,841)**	$ (122,262)
Investing activities					
Mineral property expenditures	*3*	**(30,716)**	(3,871)	**(40,470)**	(32,502)
Cash used in investing activities		**(30,716)**	(3,871)	**(40,470)**	(32,502)
Financing activities					
Cash used in financing activities		**-**	-	**-**	-
Change in cash		**(66,813)**	(70,112)	**(119,311)**	(154,764)
Cash, beginning of period		**217,015**	578,166	**269,513**	662,818
Cash, end of period		**$ 150,202**	$ 508,054	**$ 150,202**	$ 508,054
Non-cash investing and financing activities					
Accretion of advance royalty payable		**31,666**	31,666	**61,800**	61,800
Settlement of convertible debenture interest		**92,651**	92,970	**185,302**	280,047
Issuance of common shares for settlement of restricted share units		**-**	-	**-**	18,313
Transaction costs recovery on convertible debentures		**-**	-	**(60,103)**	-

The accompanying notes are an integral part of the condensed consolidated interim financial statements

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 35,955 hectares and 862 claim cells with iron formation 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 result in a material uncertainty casting significant doubt on the validity of this assumption. For the three and six months ended June 30, 2024, the Company had no revenues and had negative cash flows from operations. As at June 30, 2024, the Company had an accumulated deficit of $36,716,114 and a working capital deficit of $6,866,723.

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 IAS 34. These Interim Financial Statements do not include all disclosures required by IFRS 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") as at and for the years ended December 31, 2023 and 2022. The accounting policies applied in these Interim Financial Statements are the same as those applied in Note 3 of the Company's Annual Financial Statements, except as described below.

2. BASIS OF PRESENTATION (continued)

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 functional currency of the Company and its subsidiary. Certain prior period amounts have been reclassified to conform to the presentation in the current period. These Interim Financial Statements include the accounts of the Company and its inactive subsidiary incorporated in Canada.

These Interim Financial Statements were approved by the board of directors on August 22, 2024.

Changes in accounting standards

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*, which amended IAS 1, *Presentation of Financial Statements* ("IAS 1"). The Company accounts for its convertible debentures (Note 4) as derivative liabilities and not as equity instruments.

Prior to the amendment, IAS 1 stipulated that the terms of a liability that could, at the option of the counterparty, result in the settlement of the liability by the issue of equity instruments of the Company, did not affect the classification of the liability (as either current or non-current). This stipulation was removed from IAS 1 as part of the amendment and rather the amended IAS 1 focuses on the Company's right to defer settlement (whether by repayment or conversion by the counterparty) for at least twelve months following the relevant reporting date.

Prior to the amendment to IAS 1, the Company classified its convertible debentures as non-current liabilities as the maturity dates of these instruments were at least twelve months beyond the relevant reporting dates and the ability of the counterparties to convert the debentures into equity instruments of the Company would not impact the classification under the former IAS 1. However, with the removal of the stipulation (described above) from IAS 1, and because the conversion of the convertible debentures may occur at the sole discretion of the counterparties, the Company is considered to not have the right to defer settlement (by conversion into equity instruments of the Company) for at least twelve months.

The amendments became effective January 1, 2024 and were applied retrospectively. As a result of the adoption of the amendments to IAS 1, the Company reclassified the carrying value of its convertible debentures (for both the current and prior periods) from non-current derivative liabilities to current derivative liabilities.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which will replace IAS 1. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the statement of profit or loss, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company is assessing the impact of this standard on its disclosures.

(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

3. MINERAL PROPERTIES - UNGAVA BAY

a) Acquisition costs

	Six months ended June 30, 2024	Year ended December 31, 2023
Acquisition costs - beginning of period	**$ 20,267,104**	$ 20,066,674
Additions during the period		
Additional advance royalty payable	**-**	76,678
Accretion of advance royalty payable	**61,800**	123,752
Acquisition costs - end of period	**$ 20,328,904**	$ 20,267,104

b) Exploration costs

	Six months ended June 30, 2024	Year ended December 31, 2023
Cumulative exploration costs - beginning of period	**$ 24,186,754**	$ 24,111,768
Expenditures during the period		
Permitting and claims	**37,541**	66,690
Equipment, supplies & rentals	**3,000**	6,000
Office and accommodation	**2,601**	1,758
Transportation	**-**	538
Exploration expenditures for the period	**43,142**	74,986
Cumulative exploration costs - end of period	**$ 24,229,896**	$ 24,186,754
Grand total - mineral properties	**$ 44,558,800**	$ 44,453,858

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% per annum, 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 June 30, 2024 and December 31, 2023 was $1,050,000. For the three and six months ended June 30, 2024 and 2023, accretion of the advance royalty payable totaled $31,666 and $61,800, respectively. As at June 30, 2024, the total advance royalty payable was $704,980 (December 31, 2023: $643,181), with $237,204 (December 31, 2023: $219,529) recognized as a current liability and $467,776 (December 31, 2023: $423,652) recognized as a non-current liability.

(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

4. CONVERTIBLE DEBENTURES

	Series A Debentures	Series B Debenture	Series C Debentures	Series D Debentures	Total
Opening balance - January 1, 2023	**$ 1,695,354**	**$ 1,075,996**	**$ 800,646**	**$ 937,997**	**$ 4,509,993**
Transaction costs	-	(49,597)	-	-	(49,597)
Interest expense and accretion	101,598	113,240	130,832	162,671	508,341
Amortization of transaction costs	-	4,701	7,663	18,576	30,940
Interest settlements	(64,600)	(71,188)	(132,393)	(104,734)	(372,915)
Partial redemption of convertible debenture	-	-	-	(15,000)	(15,000)
(Gain) loss on change in fair value of derivative liabilities	(653,918)	182,490	41,696	(732,283)	(1,162,015)
Balance - December 31, 2023	**$ 1,078,434**	**$ 1,255,642**	**$ 848,444**	**$ 267,227**	**$ 3,449,747**
Opening balance - January 1, 2024	**$ 1,078,434**	**$ 1,255,642**	**$ 848,444**	**$ 267,227**	**$ 3,449,747**
Transaction costs recovery	**-**	**-**	**-**	**60,103**	**60,103**
Interest expense and accretion	**53,740**	**54,762**	**65,367**	**63,742**	**237,611**
Amortization of transaction costs	**-**	**4,960**	**3,831**	**6,534**	**15,325**
Interest settlements through share issuance	**(32,300)**	**(35,594)**	**(66,196)**	**(51,212)**	**(185,302)**
Loss on change in fair value of derivative liabilities	**432,081**	**496,844**	**500,154**	**869,601**	**2,298,680**
Balance - June 30, 2024	**$ 1,531,955**	**$ 1,776,614**	**$ 1,351,600**	**$ 1,215,995**	**$ 5,876,164**

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. Interest on the convertible debentures may be settled in cash or common shares quarterly, at the election of the Company, at the market price of the common shares at the time of the interest settlement. During the three and six months ended June 30, 2024, the Company settled $92,651 and $185,302 of debenture interest by issuing 1,425,400 and 2,969,585 common shares, respectively (three and six months ended June 30, 2023, the Company settled $92,970 and $280,047 of debenture interest by issuing 1,328,141 and 3,766,275 common shares, respectively).

The Series A Debentures, with a face value of $760,000, 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, with a face value of $837,500, 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 $0.07 per common share. The Series B Debenture bears interest at 8.5% per annum over a five-year term and matures on November 29, 2028.

The Series C Debentures, with a face value of $1,557,548, 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.

(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

4. CONVERTIBLE DEBENTURES (continued)

The Series D Debentures, with a face value of $1,205,000, 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 D Debentures bear interest at 8.5% per annum over a five-year term and mature on September 26, 2027.

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 binomial option pricing model are as follows:

								June 30, 2024
		Series A Debentures		**Series B Debenture**		**Series C Debentures**		**Series D Debentures**
Volatility		88.77%		98.25%		92.98%		88.77%
Stock price	$	0.10	$	0.10	$	0.10	$	0.10
Exercise price of units	$	0.10	$	0.10	$	0.19	$	0.10
Exercise price of warrants	$	0.07	$	0.07	$	0.19	$	0.07
Interest rate		3.83%		3.52%		3.99%		3.83%
Time to maturity (years)		3.2		4.4		1.7		3.2
Dividend yield		0.00%		0.00%		0.00%		0.00%

Because the respective convertible debentures are convertible at the election of the holder, the Company does not control the timing of such conversions and, at the reporting date, is not considered to have an unconditional right to defer settlement (by conversion into equity instruments) for the next twelve months. As a result, the convertible debentures are presented as current liabilities (Note 2).

5. SHARE CAPITAL

a) Share capital

Unlimited common and preferred shares without par value.

b) Restricted Share Units ("RSUs")

As at June 30, 2024, the Company had no RSUs outstanding.

	Number of RSUs
RSUs outstanding - January 1, 2023	**227,491**
Settled	(227,491)
RSUs outstanding - December 31, 2023 and June 30, 2024	**-**

(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 - January 1, 2023	**8,415,500**	**$**	**0.14**
Granted	1,540,000	$	0.095
Forfeited	(1,630,500)	$	0.15
Options outstanding - December 31, 2023	**8,325,000**	**$**	**0.13**
Granted	1,570,000		0.05
Forfeited	(50,000)		0.095
Options outstanding - June 30, 2024	**9,845,000**	**$**	**0.12**
Options exercisable - June 30, 2024	**8,798,333**	**$**	**0.13**

Stock option expense recorded within share-based compensation expense in the condensed consolidated interim statements of loss for the three and six months ended June 30, 2024 was $42,843 and $52,281, respectively (three and six months ended June 30, 2023 - $43,660).

On April 26, 2024, the Company granted 1,570,000 incentive stock options to directors, officers and consultants of the Company, exercisable at a price of $0.05 per share for a period of 10 years expiring on April 26, 2034.

The Company used a Black Scholes option valuation model to determine the grant-date fair value of stock options, applying the following assumptions:

	For the three and six months ended June 30, 2024	For the three and six months ended June 30, 2023
Risk-free interest rate	**3.79%**	2.97%
Expected life (years)	**10.0**	10.0
Annualized volatility	**92.42%**	97.88%
Dividend rate	**0%**	0%
Forfeiture rate	**0%**	0%

(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

5. SHARE CAPITAL (continued)

c) Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable at June 30, 2024:

Total options outstanding				**Total options exercisable**			
Number	Weighted average remaining contractual life (years)	Weighted average exercise price		Number	Weighted average remaining contractual life (years)	Weighted average exercise price	
650,000	0.4	$	0.155	650,000	0.4	$	0.155
355,000	1.4	$	0.15	355,000	1.4	$	0.15
595,000	2.6	$	0.25	595,000	2.6	$	0.25
1,510,000	4.7	$	0.09	1,510,000	4.7	$	0.09
2,780,000	6.0	$	0.14	2,780,000	6.0	$	0.14
150,000	6.8	$	0.215	150,000	6.8	$	0.215
745,000	7.4	$	0.12	745,000	7.4	$	0.12
1,490,000	8.8	$	0.095	1,490,000	8.8	$	0.095
1,570,000	9.8	$	0.05	523,333	9.8	$	0.050
9,845,000	**6.2**	**$**	**0.12**	**8,798,333**	**5.8**	**$**	**0.13**

d) Share purchase warrants

A summary of the changes in the share purchase warrants is as follows:

	Number of share purchase warrants		Weighted average exercise price
Balance - January 1, 2023	**19,500,000**	**$**	**0.05**
Expired	(19,500,000)		0.05
Issued	214,285		0.07
Balance - December 31, 2023 and June 30, 2024	**214,285**	**$**	**0.07**

As at June 30, 2024, the Company had 214,285 share purchase warrants outstanding with an exercise price of $0.07 and a remaining life of 3.2 years.

(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

6. COMMITMENTS

The Company's undiscounted contractual commitments were as follows:

June 30, 2024

	Less than 1 year	1 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	$ 323,060	$ -	$ -	$ 323,060
Due to related parties	611,890	-	-	611,890
Convertible debenture - liability component	463,255	2,122,236	2,903,347	5,488,838
Advance royalty payable	250,000	400,000	400,000	1,050,000
	$ 1,648,205	$ 2,522,236	$ 3,303,347	$ 7,473,788

December 31, 2023

	Less than 1 year	1 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	$ 343,279	$ -	$ -	$ 343,279
Due to related parties	475,690	-	-	475,690
Convertible debenture - liability component	463,255	2,188,429	3,038,429	5,690,113
Advance royalty payable	250,000	400,000	400,000	1,050,000
	$ 1,532,224	$ 2,588,429	$ 3,438,429	$ 7,559,082

Contractual commitments related to the convertible debenture – liability component represent principal and interest payments. The convertible debentures are assumed to be held to maturity.

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 June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Directors' fees	**$ 7,500**	$ 7,500	**$ 15,000**	$ 15,000
Consulting and management fees	**73,750**	73,750	**147,500**	147,500
Share-based payments*	**34,348**	34,588	**42,948**	34,588
	$ 115,598	$ 115,838	**$ 205,448**	$ 197,088

**Share-based payments based on the fair value of stock options granted to individuals*

b) Payments for services by related parties

During the three and six months ended June 30, 2024 and 2023, the Company incurred corporate consulting fees of $28,750 and $57,500, respectively to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director of the Company. As at June 30, 2024, the Company owed $201,250 (December 31, 2023: $143,750) to Sirocco relating to unpaid consulting fees.

During the three and six months ended June 30, 2024 and 2023, the Company incurred corporate consulting fees of $15,000 and $30,000, respectively, to Sinocan Consultant Hong Kong Ltd. ("Sinocan"), a company controlled by the Chief Executive Officer. As at June 30, 2024, the Company owed $15,000 (December 31, 2023: $20,000) to Sinocan for unpaid consulting fees.

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

b) Payments for services by related parties (continued)

During the three and six months ended June 30, 2024 and 2023, the Company incurred corporate consulting fees of $15,000 and $30,000, respectively to Timbavati Consult Inc. ("Timbavati"), a company controlled by the Chief Financial Officer. As at June 30, 2024, the Company owed $90,000 (December 31, 2023: $60,000) to Timbavati relating to unpaid consulting fees.

During the three and six months ended June 30, 2024 and 2023, the Company incurred corporate consulting fees of $15,000 and $30,000, respectively to Fiore Management & Advisory Corp. ("Fiore"), a company controlled by a director of the Company. As at June 30, 2024, the Company owed $105,000 (December 31, 2023: $75,000) to Fiore relating to unpaid consulting fees.

As at June 30, 2024, the Company owed $102,500 (December 31, 2023: $87,500) in directors' fees to certain directors 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. During the three and six months ended June 30, 2024, the Company incurred $4,729 and $8,700 (three and six months ended June 30, 2023: $4,978 and $9,886, respectively) in shared lease, overhead, and service costs. As at June 30, 2024, the Company owed $98,140 (December 31, 2023: $89,440) to Artemis.

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, accounts payable and accrued liabilities, amounts due to related parties, advance royalty payable, and convertible debentures approximate their fair values due to their short-term nature.

The derivative liabilities included in the convertible debentures are measured at level 3 due to certain inputs that are not based on observable market data.

9. SUBSEQUENT EVENT

a) On July 2, 2024, the Company elected to settle an aggregate of $92,651 in accrued interest payable under the Company's previously issued convertible debentures through the issuance of 926,509 common shares of the Company, at a price of $0.10 per share.