



Condensed consolidated interim financial statements
(Expressed in U.S. dollars)
(unaudited)

For the three months ended March 31, 2024 and 2023

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

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared 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 in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BLACK IRON INC.

Condensed consolidated interim statements of financial position
(Expressed in U.S. dollars)

	March 31, 2024	December 31, 2023
ASSETS		
Current		
Cash and cash equivalents	\$ 812,606	\$ 1,099,337
Amounts receivable and prepaid expenses	48,606	66,008
Total current assets	861,212	1,165,345
Equipment	1,317	1,554
Total assets	\$ 862,529	\$ 1,166,899
LIABILITIES		
Accounts payable and accrued liabilities (Note 5 and Note 9)	\$ 1,303,172	\$ 1,320,848
Total liabilities	1,303,172	1,320,848
SHAREHOLDERS' (DEFICIENCY) EQUITY		
Common shares (Note 6)	84,237,825	84,237,825
Share based payments reserve (Note 7)	1,458,157	1,507,926
Warrant reserve (Note 8)	782,878	782,878
Accumulated other comprehensive loss	(184,888)	(187,378)
Accumulated deficit	(86,734,615)	(86,495,200)
Total shareholders' (deficiency) equity	(440,643)	(153,949)
Total shareholders' (deficiency) equity and liabilities	\$ 862,529	\$ 1,166,899

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 9 and Note 10)

Approved by the Board of Directors on May 6, 2024

"BRUCE HUMPHREY", Director

"JOHN DETMOLD", Director

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

BLACK IRON INC.

Condensed consolidated interim statements of loss and comprehensive loss
(Expressed in U.S. dollars)

	Three months ended March 31, 2024	Three months ended March 31, 2023
Expenses		
Consulting and management fees (Note 9)	\$ 110,515	\$ 371,944
Professional fees expense	65,500	11,179
General office expenses	49,109	31,868
Exploration and evaluation expenses (Note 4)	84,295	135,992
Share-based compensation (Note 7 and Note 9)	10,891	22,555
Travel expenses	43	-
Shareholder communications and filing fees	21,468	27,071
Gain on foreign exchange	(3,314)	(7,678)
Interest income	(38,484)	(15,870)
Net loss for the period	\$ 300,023	\$ 577,061
Other comprehensive loss (income)		
Items that may be subsequently classified to net loss:		
Cumulative exchange translation adjustments	(2,490)	(1,155)
Total other comprehensive loss (income)	(2,490)	(1,155)
Comprehensive loss for the period	\$ 297,533	\$ 575,906
Basic and diluted loss per share	\$ -	\$ -
Weighted average number of common shares outstanding - basic and diluted	304,120,438	303,792,298

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

BLACK IRON INC.

Condensed consolidated interim statements of changes in shareholders' equity
(Expressed in U.S. dollars)

	Common shares		Share based payments	Accumulated deficit	Warrants	Accumulated other comprehensive loss	Total shareholders' (deficiency) equity
	#	\$	\$	\$	\$	\$	\$
Balance, December 31, 2022	303,798,548	84,144,021	1,426,978	(88,617,674)	4,543,066	(190,148)	1,306,243
Net loss and comprehensive loss	-	-	-	(577,061)	-	1,155	(575,906)
Stock option vesting (Note 7)	-	-	11,695	-	-	-	11,695
Deferred share units (Note 7)	-	-	10,860	-	-	-	10,860
Balance, March 31, 2023	303,798,548	84,144,021	1,449,533	(89,194,735)	4,543,066	(188,993)	752,892
Balance, December 31, 2023	304,126,688	84,237,825	1,507,926	(86,495,200)	782,878	(187,378)	(153,949)
Net loss and comprehensive loss	-	-	-	(300,023)	-	2,490	(297,533)
Deferred share units (Note 7)	-	-	10,839	-	-	-	10,839
Options expired (Note 8)	-	-	(60,608)	60,608	-	-	-
Balance, March 31, 2024	304,126,688	84,237,825	1,458,157	(86,734,615)	782,878	(184,888)	(440,643)

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

BLACK IRON INC.

Condensed consolidated interim statements of cash flows
(Expressed in U.S. dollars)

	Three months ended March 31, 2024	Three months ended March 31, 2023
OPERATING ACTIVITIES		
Net loss for the period	\$ (300,023)	\$ (577,061)
Adjustment for:		
Share-based compensation (Note 7)	10,891	22,555
Interest income	(38,484)	(15,870)
Depreciation	237	966
Net cash outflow before working capital changes	(327,379)	(569,410)
Net change in non cash working capital	921	288,507
Cash used in operating activities	(326,458)	(280,903)
INVESTING ACTIVITIES		
Purchase of equipment	-	-
Interest received	38,484	15,870
Cash provided by investing activities	38,484	15,870
Effect of exchange rate changes on cash and cash equivalents	1,243	(68,343)
CHANGE IN CASH AND CASH EQUIVALENTS	(286,731)	(333,376)
CASH AND CASH EQUIVALENTS, beginning of period	1,099,337	2,263,511
CASH AND CASH EQUIVALENTS, end of period	\$ 812,606	\$ 1,930,135

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

BLACK IRON INC.

Notes to the condensed consolidated interim financial statements
(Expressed in U.S. dollars)

For the three months ended March 31, 2024 and 2023

1. Nature of operations and going concern

Black Iron Inc. (the "Company") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated June 29, 2010. The principal activity of the Company is the exploration and development of ferrous metals in Ukraine, namely the Shymanivske iron ore project located in Kryvyi Rih, Ukraine. The head office of the Company is located at 198 Davenport Road, Toronto, Ontario, M5R 1J2, Canada.

As at March 31, 2024, Black Iron Inc. held 100% of the shares of Black Iron (Cyprus) Limited which in turn holds a 100% interest in Shymanivske Steel LLC.

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries which are listed in the following table:

	Country of incorporation	Percentage of equity interest	
		March 31, 2024	December 31, 2023
Black Iron (Cyprus) Limited	Cyprus	100	100
Shymanivske Steel LLC	Ukraine	100	100

These condensed consolidated interim financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year.

For the three months ended March 31, 2024, the Company incurred a net loss of \$300,023 and as at March 31, 2024, reported an accumulated deficit of \$86,734,615 and negative working capital of \$441,960, including \$812,606 in cash. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt.

In February 2022, Ukraine was subject to an invasion and an act of war. As of the date of approval of these condensed consolidated interim financial statements, all Company work in Ukraine has been reduced to only essential items to keep permits in good standing and progress Ukraine government land transfer for the Shymanivske Iron Ore Project. The Company's status as a going concern is contingent upon the situation being stabilized such that the Company may continue its activities in Ukraine. These matters represent material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These condensed consolidated interim financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the exploration property interests of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves and future profitable operations.

BLACK IRON INC.

Notes to the condensed consolidated interim financial statements
(Expressed in U.S. dollars)

For the three months ended March 31, 2024 and 2023

1. Nature of operations and going concern (continued)

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

2. Basis of presentation

Statement of compliance

The condensed consolidated interim financial statements are in compliance with IAS 34, *Interim Financial Reporting*. Accordingly, certain information and disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's condensed consolidated interim financial statements for the year ended December 31, 2023.

Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis, unless otherwise disclosed. The condensed consolidated interim financial statements have been prepared on an accrual basis except for cash flow information.

3. Significant accounting policies

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2023.

BLACK IRON INC.

Notes to the condensed consolidated interim financial statements
(Expressed in U.S. dollars)

For the three months ended March 31, 2024 and 2023

4. Exploration and evaluation expenditures

Exploration and evaluation expenditures for the periods presented were as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Consulting and technical	\$ 66,602	\$ 91,180
Surface rights and consulting	8,130	28,438
Field office support and administration	9,563	16,374
	\$ 84,295	\$ 135,992

The Company's principal activity is the exploration and development of its Shymanivske project. The Company's mining permit for the Shymanivske project has an expiry date of November 2024 but its expiration is extended by the period of Marshal law in Ukraine which came into force in February 2022.

5. Accounts payable and accrued liabilities

	March 31, 2024	December 31, 2023
Trade payables	\$ 1,000,453	\$ 1,037,644
Accruals	302,719	283,204
	\$ 1,303,172	\$ 1,320,848

Trade payables and accruals are non-interest bearing, unsecured and due on demand.

BLACK IRON INC.

Notes to the condensed consolidated interim financial statements
(Expressed in U.S. dollars)

For the three months ended March 31, 2024 and 2023

6. Share capital

Authorized

Unlimited number of common shares without par value.

	Number of Common shares	Amount
Balance, December 31, 2022	303,798,548	\$ 84,144,021
Option exercise	328,140	15,441
Option valuation	-	78,363
Balance, December 31, 2023 and March 31, 2024	304,126,688	\$ 84,237,825

7. Share-based payments reserve

	Number of stock options	Weighted average exercise price CAD	Carrying amount of options	Number of DSU	Weighted average exercise price CAD	Carrying amount of DSU	Total carrying amount
Balance, December 31, 2022	12,357,500	\$ 0.12	\$ 815,109	10,050,824	\$ 0.07	\$ 611,869	\$ 1,426,978
Granted / Vested	700,000	0.08	59,056	827,629	0.09	43,508	102,564
Expired	(475,000)	0.05	(21,616)	-	-	-	(21,616)
Balance, December 31, 2023	12,582,500	\$ 0.12	\$ 852,549	10,878,453	\$ 0.07	\$ 655,377	\$ 1,507,926
Granted / Vested	-	-	-	293,750	0.08	10,839	10,839
Expired	(2,150,000)	0.03	(60,608)	-	-	-	(60,608)
Balance, March 31, 2024	10,432,500	\$ 0.13	\$ 791,941	11,172,203	\$ 0.08	\$ 666,216	\$ 1,458,157

Option Plan

The Company maintains a stock option plan pursuant to which the Company may grant stock options up to 10% of the number of issued and outstanding common shares of the Company at the time of the stock option grant. The 10% limit includes both the stock option plan and any other share compensation plan, including the Deferred Share Units ("DSU") plan. The terms and conditions of each option granted under the Plan are determined by the Board upon the recommendations of the Compensation Committee.

During the three months ended March 31, 2024, the Company granted no stock options (no stock options granted for the three months ended March 31, 2023) and no options vested (options vested with total value of \$11,695 for the three months ended March 31, 2023).

2,125,000 of the options granted by the Company during the three months ended September 30, 2022 vest in eight equal quarterly installments commencing on the date of grant.

BLACK IRON INC.

Notes to the condensed consolidated interim financial statements
(Expressed in U.S. dollars)

For the three months ended March 31, 2024 and 2023

7. Share-based payments reserve (continued)

At March 31, 2024, outstanding options to acquire common shares of the Company were as follows:

Grant date	Expiry date	Options exercise price (CAD\$)	Options outstanding (#)	Options exercisable (#)	Grant date estimated fair value (\$)	Black-Scholes Inputs				
						Grant date share price (\$)	Expected volatility based on historical share prices	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
18-Oct-19	18-Oct-24	0.08	250,000	250,000	9,051	0.08	109%	5	0%	1.56%
11-Mar-20	11-Mar-25	0.07	100,000	100,000	3,304	0.07	138%	5	0%	0.55%
15-Jun-20	15-Jun-25	0.10	4,300,000	4,300,000	259,807	0.10	133%	5	0%	0.36%
7-Aug-20	7-Aug-25	0.15	2,082,500	2,082,500	129,765	0.14	135%	5	0%	0.32%
18-May-21	18-May-26	0.48	350,000	350,000	108,741	0.45	118%	5	0%	0.95%
13-Aug-21	13-Aug-26	0.37	50,000	50,000	11,747	0.37	113%	5	0%	0.84%
5-Nov-21	5-Nov-26	0.31	300,000	300,000	33,970	0.31	114%	5	0%	1.36%
13-Dec-21	13-Dec-26	0.21	300,000	300,000	57,883	0.21	112%	3	0%	1.00%
9-Mar-22	9-Mar-27	0.12	2,000,000	2,000,000	143,516	0.12	107%	5	0%	1.65%
10-Aug-23	10-Aug-28	0.08	700,000	700,000	34,156	0.08	114%	5	0%	3.93%
			10,432,500	10,432,500	791,940					

DSU Plan

On June 23, 2015, the Company adopted a DSU plan for the benefit of non-executive directors which provided the Company with the ability to issue DSUs from treasury and reserve for issuance of common shares of the Company up to a maximum of 3,000,000 DSUs. On June 27, 2018, shareholders approved an amendment to the DSU plan pursuant to which the maximum number of DSUs granted cannot exceed 5% of the number of issued and outstanding common shares of the Company at the date of grant, subject to an aggregate maximum number of common shares issuable from all share-based compensation plans of 10%.

The DSUs are deferred and will be redeemed in the form of one common share for each DSU held on the date the participant ceases to be an eligible director. During the three months ended March 31, 2024, the Company granted 293,750 DSUs with a fair value of \$10,891 based on the quoted market price of the Company's common shares at the date of grant (209,821 DSUs with a grant date fair value of \$10,860 during the three months ended March 31, 2023). As the DSUs will be settled in shares, the value of the DSUs is recorded in share-based payments reserve at the time of issue.

BLACK IRON INC.

Notes to the condensed consolidated interim financial statements
(Expressed in U.S. dollars)

For the three months ended March 31, 2024 and 2023

8. Warrants

At March 31, 2024, outstanding warrants to acquire common shares of the Company were as follows:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price (CAD)	Estimated fair value at grant date ¹	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
3,384,991	3,384,991	24-Apr-20	24-Apr-24	\$ 0.08	\$ 95,813	\$0.06	117%	4	0%	0.38%
								Number of Warrants	Value (\$)	
Balance, December 31, 2022								20,484,728	4,543,066	
Exercised								(328,140)	(78,425)	
Expired								(16,771,597)	(3,681,763)	
Balance, December 31, 2023 and March 31, 2024								3,384,991	782,878	

9. Related party transactions

Key management personnel compensation

In addition to their contracted fees, executive officers participate in the Company's stock option program (Note 8) and are entitled to participate in the stock option plan. The Company also has a DSU plan which provides non-executive directors with the ability to redeem annual director compensation through the issuance of common shares of the Company. Certain executive officers are subject to mutual termination notices ranging from three to twelve months. Key management personnel compensation paid comprised:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Short term employee benefits	\$ 107,287	\$ 106,978
Share-based payments	10,427	22,084
	\$ 117,714	\$ 129,062

Officers and directors had no options vest during the three months ended March 31, 2024 (900,000 for the three months ended March 31, 2023).

The Company is party to certain management contracts. These contracts require payments of approximately \$1.1 million upon the occurrence of a change in control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately \$376,000 pursuant to the terms of these contracts. As triggering events have not yet taken place, no amounts have been provided for these items.

As at March 31, 2024, the Company had \$3,477 (December 31, 2023 - \$7,596) owing to its management personnel. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment and are due on demand.

BLACK IRON INC.

Notes to the condensed consolidated interim financial statements
(Expressed in U.S. dollars)

For the three months ended March 31, 2024 and 2023

10. Commitments and contingencies

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Contract commitment

The Company has a contract with financial advisors that contains a commitment for five months for a total fee of \$100,000 and a success fee that is payable on consummation of a transaction. As a transaction has not taken place, the contingent payment has not been reflected in these consolidated financial statements.