

Oceanic Iron Ore Corp.

Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine months ended December 31, 2015 and 2014
(Stated in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Oceanic Iron Ore Corp. ("the Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Oceanic Iron Ore Corp.

Consolidated Statements of Financial Position

	December 31, 2015	March 31, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 948,172	\$ 1,944,510
Receivables (Note 3)	17,692	132,577
Prepaid expenses and deposits	97,413	251,673
Restricted cash	34,500	34,500
	1,097,777	2,363,260
Equipment	141,021	230,266
Mineral properties (Note 4)	40,924,216	40,500,238
	\$ 42,163,014	\$ 43,093,764
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 58,167	\$ 126,857
Due to related parties (Note 8)	22,292	23,056
Current portion of advance royalty payable (Note 4(c))	250,125	175,227
Current portion of convertible debenture - liability component (Note 5)	121,520	2,707,066
	452,104	3,032,206
Non-current portion of advance royalty payable (Note 4(c))	344,263	440,377
Non-current portion of convertible debenture (Note 5)	1,465,059	-
	2,261,426	3,472,583
Shareholders' equity		
Share capital (Notes 6(a),6(b))	56,372,208	55,331,590
Contributed surplus (Notes 6(c),6(d), 6(e))	9,911,031	9,091,588
Convertible debenture - equity component (Note 5)	339,739	562,011
Deficit	(26,721,390)	(25,364,008)
	39,901,588	39,621,181
	\$ 42,163,014	\$ 43,093,764

Nature of operations and going concern (Note 1)
 Commitments (Note 7)
 Subsequent events (Note 10)

Approved by the Board:

" Steven Dean "	Director
" Gordon Keep "	Director

Oceanic Iron Ore Corp.

Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended December 31, 2015 and 2014

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Expenses				
Consulting and management fees	\$ 56,250	\$ 114,367	\$ 168,750	\$ 389,367
Directors' fees	7,500	7,500	22,500	22,500
Investor relations and corporate development	23,360	45,841	71,348	152,390
License and insurance	7,512	10,410	24,370	36,550
Office and general	7,981	17,515	25,640	56,578
Professional fees	8,973	25,872	26,520	107,286
Rent	8,767	25,772	60,245	77,040
Share-based payments (Note 6(c)(d))	122,889	195,592	273,379	269,660
Transfer agent and regulatory	18,011	21,327	16,719	49,393
Travel	2,024	3,222	2,921	6,273
Wages and benefits	106,002	100,718	318,505	318,452
Loss from operations	369,269	568,136	1,010,897	1,485,489
Other income (expenses)				
Interest and other income (loss)	(24,112)	5,708	(17,562)	14,465
Interest and other financing expense	(140,271)	(145,548)	(453,943)	(424,462)
Net loss before income taxes	(533,652)	(707,976)	(1,482,402)	(1,895,486)
Deferred income tax recovery	125,020	-	125,020	246,758
Net loss and comprehensive loss for the period	\$ (408,632)	\$ (707,976)	\$ (1,357,382)	\$ (1,648,728)
Loss per common share - basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.04)	\$ (0.07)
Weighted average number of common shares outstanding	38,047,088	33,619,945	36,044,138	24,297,549

Oceanic Iron Ore Corp.

Consolidated Statements of Changes in Equity

For the three and nine months ended December 31, 2015 and 2014

	Share capital		Contributed surplus	Convertible debenture	Deficit	Total equity
	Number of shares	Amount				
Balance - April 1, 2015	35,048,136	\$ 55,331,590	\$ 9,091,588	\$ 562,011	\$ (25,364,008)	\$ 39,621,181
Share-based payments recognized	-	-	273,379	-	-	273,379
Partial settlement of Convertible debenture (Note 5)	6,835,000	974,671	-	-	-	974,671
Extinguishment of Convertible debenture (Note 5)	-	-	562,011	(562,011)	-	-
Recognition of New Convertible debenture (Note 5)	-	-	-	464,759	-	464,759
Deferred income tax on convertible debenture (Note 5)	-	-	-	(125,020)	-	(125,020)
Partial settlement of Advanced Royalty Payment (Note 4c)	318,674	50,000	-	-	-	50,000
Settlement of Restricted Stock Units	106,314	15,947	(15,947)	-	-	-
Net loss for the period	-	-	-	-	(1,357,382)	(1,357,382)
Balance - December 31, 2015	42,308,124	\$ 56,372,208	\$ 9,911,031	\$ 339,739	\$ (26,721,390)	\$ 39,901,588

	Share capital		Contributed Surplus	Convertible debenture	Deficit	Total equity
	Number of shares	Amount				
Balance - April 1, 2014	19,661,822	\$ 52,719,225	\$ 8,308,310	\$ 562,011	\$ (23,063,238)	\$ 38,526,308
Share-based payments recognized	-	-	280,760	-	-	280,760
Settlement of Restricted Stock Units	137,564	20,635	(20,635)	-	-	-
Private Placement - October 9, 2014	15,248,750	2,668,531	381,219	-	-	3,049,750
Share issue costs	-	(76,800)	-	-	-	(76,800)
Net loss for the period	-	-	-	-	(1,648,728)	(1,648,728)
Balance - December 31, 2014	35,048,136	\$ 55,331,591	\$ 8,949,654	\$ 562,011	\$ (24,711,966)	\$ 40,131,290

Oceanic Iron Ore Corp.
Consolidated Statement of Cash Flows
For the three and nine months ended December 31, 2015 and 2014

	Three Months ended December 31, 2015	Three Months ended December 31, 2014	Nine Months ended December 31, 2015	Nine Months ended December 31, 2014
Operating activities				
Net loss for the period	\$ (408,632)	\$ (707,976)	\$ (1,357,382)	\$ (1,648,728)
Adjustments for:				
Deferred income tax (recovery)	(125,020)	-	(125,020)	(246,758)
Share-based payments	122,889	195,592	273,379	269,660
Interest income	24,112	(5,708)	17,562	(14,465)
Interest and financing expense	140,271	145,548	453,943	424,462
Net changes in non-cash working capital balances:				
Prepaid expenses and deposits	(36,810)	46,126	22,377	65,325
Receivables	(8,205)	26,360	92,496	94,610
Accounts payable and accrued liabilities	2,748	(171,351)	(69,867)	(125,293)
Due to related parties	1,955	3,417	(764)	1,605
	(286,692)	(467,992)	(693,276)	(1,179,582)
Investing activities				
Mineral property expenditures	(40,971)	(834,589)	(168,062)	(1,776,283)
Interest income received	-	1,439	-	8,288
	(40,971)	(833,150)	(168,062)	(1,767,995)
Financing activities				
Proceeds from Private Placement net of issuance costs	-	2,972,950	-	2,972,950
Interest paid on convertible debenture (Note 5)	(45,000)	(45,000)	(135,000)	(135,000)
	(45,000)	2,927,950	(135,000)	2,837,950
Change in cash and cash equivalents during the period	(372,663)	1,626,808	(996,338)	(109,627)
Cash and cash equivalents, beginning of period	1,320,835	357,462	1,944,510	2,093,897
Cash and cash equivalents, end of period	\$ 948,172	\$ 1,984,270	\$ 948,172	\$ 1,984,270
Cash and cash equivalents are comprised of the following:				
Cash	\$ 48,172	\$ (15,730)	\$ 48,172	\$ (15,730)
Term deposits	\$ 900,000	\$ 2,000,000	\$ 900,000	\$ 2,000,000
	\$ 948,172	\$ 1,984,270	\$ 948,172	\$ 1,984,270
Non cash investing and financing activities				
Accretion on debt portion of convertible debenture	140,271	145,548	453,943	424,672
Accretion on advance royalty payable	32,007	26,612	78,785	82,226
Change in mineral property expenditures in accounts payable	7,965	(487,899)	1,175	(495,910)
Depreciation of equipment charged to mineral properties	29,857	29,858	89,245	89,246

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2015 and 2014

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 activity on the Property.

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, there are certain conditions and events that may cast significant doubt on the validity of this assumption. For the nine months ended December 31, 2015, the Company reported a loss of \$1,357,382 and as at that date had an accumulated deficit of \$26,721,390 and working capital of \$645,672. The Company will need to raise sufficient funds in order to finance ongoing exploration, development and administrative expenses over the coming 12 months. The success of raising such funds cannot be assured. Factors that could affect the availability of financing include the Company’s performance, the state of international debt and equity markets, investor perceptions and expectations, the retention of key executive management and the state of global financial and metals markets. 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 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. These condensed interim consolidated 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 financial statements for the year ended March 31, 2015. The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in note 3 of the Company’s audited annual financial statements for the year ended March 31, 2015.

These condensed interim consolidated financial statements include the accounts of the Company and its inactive subsidiary incorporated in Canada.

The Board of Directors approved these condensed interim financial statements on February 24, 2016.

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended December 31, 2015 and 2014

3. RECEIVABLES

	December 31, 2015	March 31, 2015
Input tax credits	\$ 14,820	\$ 19,201
Refundable exploration tax credits	-	100,000
Interest and other receivables	2,872	13,376
	\$ 17,692	\$ 132,577

4. MINERAL PROPERTIES - UNGAVA BAY

a) Acquisition costs

	Nine months ended December 31, 2015	Nine months ended December 31, 2014
Balance - Beginning of period	\$ 18,489,528	\$ 18,207,341
Additions		
Accretion of advance royalty payable	78,785	82,226
Balance - End of period	\$ 18,568,313	\$ 18,289,567

b) Exploration costs

	Nine months ended December 31, 2015	Nine months ended December 31, 2014
Cumulative exploration costs - Beginning of period	\$ 22,010,710	\$ 20,786,867
Expenditures during the year		
Permitting & claims	33,424	149,591
Drilling	-	10,000
Fieldwork & geology	-	69,152
Consultants	2,600	225,039
Salaries*	-	133,600
Fuel	(1,750)	9,145
Mapping & imagery	-	66,414
Assays & metallurgy	-	25,447
Equipment, supplies & rentals	115,207	65,177
Office and accommodation	104,414	121,236
Transportation	200	216,673
Equipment depreciation	89,245	89,246
Exploration tax credit refund claim	1,853	-
Exploration expenditures for the period	345,193	1,180,720
Cumulative exploration costs - End of period	\$ 22,355,903	\$ 21,967,587
Grand total - mineral properties	\$ 40,924,216	\$ 40,257,154

* Includes a portion of share-based payments of \$nil (2014: \$11,100).

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2015 and 2014

4. MINERAL PROPERTIES - UNGAVA BAY (continued)

c) Exploration costs (continued)

Under the terms of the acquisition of the Property, the Company must pay advance net smelter return ("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 Vendors until the estimated date of commencement of commercial production.

On September 29, 2015, the Company signed an amendment to the royalty agreement with 154619 Canada Inc., whereby the annual advance royalty payment of \$100,000, originally due November 30, 2015, may be deferred, at the discretion of the Company, by a period of up to one year. As of the date on which these financial statements were approved by the Board, the \$100,000 advance royalty payment had not been made. 154619 Canada Inc. is a corporation controlled by Mr. Peter Ferderber, who assigned his original 1% NSR to the numbered company in 2012.

The remaining 1% NSR advance royalty payment is due to SPG Royalties Inc. ("SPG"), the assignee of the late Mr. John Patrick Sheridan. On November 4, 2015, the Company signed an amendment in respect of its royalty agreement with SPG, whereby the Company settled the \$100,000, 2015 advance royalty payment by making a partial cash payment of \$50,000, with the remainder of the balance settled through the issuance of common shares of the Company. The price at which the common shares were issued in partial payment of the advanced royalty was \$0.1569, which was 110% of the price determined through the partial conversion of the Company's debenture with Sino-Canada Resources Fund I ("Sino-Canada") announced on November 23, 2015 (refer to Note 5). As such, a total of 318,674 common shares were issued to SPG on November 30, 2015.

The Company discounted the advance NSR payments using a discount rate of 20%, representing the estimated rate of return of similar investments at the date of acquisition. 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 December 31, 2015 is \$900,000 (March 31, 2015: \$1,000,000) (Note 7). For the nine months ended December 31, 2015, accretion of the advance royalty payable totaled \$78,785 (2014: \$82,226). At December 31, 2015, the total Advance Royalty payable was \$594,388 (March 31, 2015: \$615,604), with \$250,125 (March 31, 2015: \$175,227) recognized as a current liability and \$344,263 recognized as a long term liability (March 31, 2015: \$440,377).

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended December 31, 2015 and 2014

5. CONVERTIBLE DEBENTURE

	Liability component	Equity component	Total
Opening balance - April 1, 2014	\$ 2,312,720	\$ 562,011	\$ 2,874,731
Amortization of issuance costs	60,979	-	60,979
Accretion of discount	513,367	-	513,367
Interest payments	(180,000)	-	(180,000)
Balance - March 31, 2015	\$ 2,707,066	\$ 562,011	\$ 3,269,077
Amortization of issuance costs	40,653	-	40,653
Accretion of discount	413,290	-	413,290
Partial settlement of convertible debenture	(974,671)	-	(974,671)
Extinguishment of convertible debenture (Old)	(2,025,329)	(562,011)	(2,587,340)
Recognition of convertible debenture (New)	1,560,570	464,759	2,025,329
Deferred income tax liability	-	(125,020)	(125,020)
Interest payments	(135,000)	-	(135,000)
Balance - December 31, 2015	\$ 1,586,579	\$ 339,739	\$ 1,926,318

On September 22, 2015, the Company signed an amending agreement to its convertible debenture with Sino-Canada. Pursuant to the amending agreement, on November 23, 2015, the Company made a partial repayment on the convertible debenture through the issuance of common shares of the Company. The partial repayment of the principal amount and the number of common shares issued, were determined such that the principal amount and number of common shares issued resulted in Sino-Canada holding, in the aggregate following conversion, 19.9% of the issued and outstanding common shares of the Company. The conversion price and resulting reduction in the principal owing on the debenture was determined based on the volume weighted average trading price of the Company's common shares on the TSXV for the 20 trading days ending on November 20, 2015, which was \$0.1426. As such, a total of 6,835,000 shares were issued to Sino-Canada on November 23, 2015, thereby reducing the principal balance of the debenture by \$974,671 to \$2,025,329.

Pursuant to the amending agreement, the maturity date of the remaining principal amounts of the convertible debenture were extended to November 23, 2017, an extension of 24 months from the original maturity date, and the conversion price for the remaining principal amount of the convertible debenture was reduced from \$1.60 per share to \$0.43 per share.

The amendment was accounted for as a debt extinguishment, which resulted in the original debenture being derecognized and a new debenture recognized. For accounting purposes, the new debenture was separated into its liability and equity components using the effective interest rate method. The fair value of the new liability component at the date of recognition was calculated as the discounted cash flows for the convertible debenture under the amended terms of the agreement assuming a 20% effective interest rate which was the estimated rate for a convertible debenture without a conversion feature. This resulted in a fair value of \$1,560,570 being recognized as the new liability component. The fair value of the equity component (conversion feature under amended agreement) was determined to be \$464,750, which was the difference between the face value of the new convertible debenture and the fair value of the new liability component, less a deferred income tax adjustment to reflect the book to tax difference in value of the convertible debenture at the date of the amendment.

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2015 and 2014

5. CONVERTIBLE DEBENTURE (continued)

As at the original maturity date of November 23, 2015, the equity component of the original debenture was out of the money, the \$562,011 original equity component balance was reclassified to contributed surplus.

Accretion and other financing expense on the Company's convertible debenture for the three and nine months ended December 31, 2015 was \$140,271 and \$453,943, respectively (2014: \$145,548 and \$424,462).

6. SHARE CAPITAL

(a) *Share Capital*

Unlimited common and preferred shares without par value

(b) *Issued and fully paid common shares*

On July 2, 2014, the Company's common shares were consolidated on the basis of one post-consolidated share for every ten pre-consolidated shares. All common share, share option, share purchase warrant, restricted share unit and per share amounts in these financial statements have been retrospectively restated to present post-consolidation amounts.

On October 9, 2014, the Company completed a non-brokered private placement issuing 15,248,750 units at \$0.20 per unit for aggregate gross proceeds of \$3,049,750. Each unit consisted of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at a price of \$0.30 per share until April 9, 2017. The Company incurred cash share issue costs in the amount of \$76,800 in connection with the private placement. The share capital was valued using the closing stock price of the Company on the completion date of the private placement, with the residual amount of \$381,219 allocated to the warrants and recognized in contributed surplus.

(c) *Restricted Share Units ("RSUs")*

The RSU plan provides for the issuance of common shares from treasury upon the exercise of vested RSUs at no additional consideration. The current maximum number of common shares authorized for issue under the RSU plan is 3,491,057. The RSUs have vesting conditions determined by the Board of Directors.

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended December 31, 2015 and 2014

6. SHARE CAPITAL (continued)

c) *Restricted Share Units (“RSUs”) (continued)*

A summary of the changes in RSUs is as follows:

	Number of RSUs
Balance - April 1, 2014	476,406
Granted	1,225,806
Settled	(137,564)
Forfeited	(82,813)
RSUs outstanding - March 31, 2015	1,481,835
Granted	1,233,333
Settled	(106,314)
Forfeited	(12,500)
RSUs outstanding - December 31, 2015	2,596,354

On December 2, 2015, the Company granted a total of 1,233,333 RSUs to directors and officers of the Company. The vesting period for the RSUs granted is as follows: 1/3 on the grant date, 1/3 on the twelve month anniversary date, and 1/3 on the twenty four month anniversary date. Each RSU has a fair value of \$0.15 which was the closing share price at the grant date.

RSU expense for the three months ended December 31, 2015 was \$61,390 (2014: \$44,665), of which \$61,390 (2014: \$43,747) was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss and \$nil (2014: \$918) was capitalized to mineral properties. RSU expense for the nine months ended December 31, 2015 was \$171,509 (2014: \$124,211) of which \$171,509 (2014: \$117,814) was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss and \$nil (2014: \$6,397) was capitalized to mineral properties.

d) *Stock options*

The Company has established a rolling stock option plan (the “Plan”) in compliance with the TSX Venture Exchange’s policy for granting stock options. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares and the term of any option granted under the Plan may not exceed ten years. The exercise price of each option shall not be less than the market price of the Company’s stock at the date of grant. Each option vesting period is determined on a grant by grant basis. Stock options are settled through the issuance of the Company’s common shares.

As at December 31, 2015, the Company had a total of 4,184,100 stock options outstanding with a weighted average exercise price of \$0.17.

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended December 31, 2015 and 2014

6. SHARE CAPITAL (continued)

d) Stock options (continued)

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

	Options	Weighted average
Options outstanding - April 1, 2014	1,964,350	0.20
Granted	1,440,000	0.16
Options outstanding - March 31, 2015	3,404,350	0.18
Expired	(60,250)	0.16
Granted	840,000	0.15
Options outstanding - December 31, 2015	4,184,100	0.17
Options exercisable - December 31, 2015	3,624,100	0.19

The following table summarizes information about stock options outstanding at December 31, 2015:

Number of Options	Number of Options outstanding	Exercise Price CAD	Expiry Date	Options Exercisable
43,750	43,750	0.20	January 13, 2016	43,750
261,900	261,900	0.20	February 12, 2016	261,900
25,000	25,000	0.20	May 28, 2017	25,000
522,350	522,350	0.20	November 30, 2020	522,350
250,000	250,000	0.20	January 5, 2021	250,000
30,000	30,000	0.20	January 11, 2021	30,000
10,000	10,000	0.20	April 5, 2021	10,000
110,600	110,600	0.20	May 18, 2021	110,600
222,500	222,500	0.20	December 16, 2021	222,500
100,000	100,000	0.20	May 25, 2022	100,000
150,000	150,000	0.20	October 18, 2022	150,000
253,000	253,000	0.20	January 18, 2023	253,000
1,340,000	1,340,000	0.155	November 25, 2024	1,340,000
25,000	25,000	0.155	December 15, 2024	25,000
840,000	840,000	0.15	December 2, 2025	280,000
4,184,100	4,184,100			3,624,100

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended December 31, 2015 and 2014

6. SHARE CAPITAL (continued)

e) Share purchase warrants

As at December 31, 2015 the Company had a total of 15,536,250 share purchase warrants outstanding with a weighted average exercise price of \$0.48.

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

	Number	Weighted average exercise price	Expiry date
Balance - April 1, 2014	3,783,750	\$ 9.39	-
Issued	15,248,750	0.30	April 9, 2017
Balance - March 31, 2015	19,032,500	2.11	
Expired	(3,496,250)	9.34	
Balance December 31, 2015	15,536,250	\$ 0.48	

The following table summarizes information about share purchase warrants outstanding at December 31, 2015:

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average remaining contractual life (years)
287,500	10.00	December 22, 2016	1.0
15,248,750	0.30	April 9, 2017	1.3
15,536,250	\$ 0.48		1.3

7. COMMITMENTS

Effective March 1, 2011 (amended on July 1, 2012 and January 1, 2014) the Company entered into an agreement with an affiliated company, with directors and officers in common, in respect of shared lease, overhead and service costs. Under the agreement, the Company is billed quarterly for office rental and other services relating to its office in Vancouver. The agreement expires on September 29, 2017. Either party may terminate the agreement by providing 90 days' notice.

Effective May 25, 2012, the Company entered into an agreement with Monit International Inc. in respect of the leasing of office space in Montreal, Québec. The agreement expires on January 31, 2023, but the Company may terminate the agreement effective December 31, 2016 with six months' notice.

As part of the acquisition of the Ungava Bay mineral properties, commencing on November 30, 2011, Oceanic must pay advance NSR payments of \$200,000 per year, which will be credited against all future NSR payments payable from production. Please refer to Notes 4(c) as it pertains to payments made in 2015.

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended December 31, 2015 and 2014

7. COMMITMENTS (continued)

The committed charges for the Company are as follows:

December 31,	Vancouver office rent	Montreal office rent	NSR payments	Total commitments
2016	33,942	209,568	300,000	543,510
2017	16,971	-	200,000	216,971
Thereafter	-	-	400,000	400,000
	\$ 50,913	\$ 209,568	\$ 900,000	\$ 1,160,481

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

a) Key Management Compensation

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

	Three months ended December 31, 2015	Three months ended December 31, 2014	Nine months ended December 31, 2015	Nine months ended December 31, 2014
Wages and benefits	\$ 85,250	\$ 142,708	\$ 247,750	\$ 211,458
Directors' fees	7,500	15,000	22,500	22,500
Share-based payments	70,427	162,383	218,421	198,780
	\$ 163,177	\$ 320,091	\$ 488,671	\$ 432,738

b) Payments for services by related parties

During the three and nine months ended December 31, 2015, the Company incurred corporate consulting fees of \$41,250 and \$123,750, respectively (2014: \$55,000 and \$220,000, respectively) to Sirocco Advisory Services Ltd., a company controlled by a director and officer of the Company.

During the three and nine months ended December 31, 2015, the Company incurred corporate consulting fees of \$nil (2014: \$18,542 and \$98,542, respectively) to Shariff Advisory Services Ltd., a company controlled by a former officer of the Company.

As disclosed in Note 7, the Company is charged shared lease, overhead, and service costs by Atlantic Gold Corporation, a company with a director and officer in common. For the three and nine month period ended December 31, 2015, the Company incurred \$18,386 and \$109,591, respectively (2014: \$38,852 and \$111,705, respectively) in shared lease, overhead, and service costs. Refer to Note 7 for a listing of future commitments in respect of such lease costs.

During the three months ended December 31, 2015, the Company wrote off a \$25,812 related party balance deemed uncollectible. Amounts due to related parties at December 31, 2015 totalled 22,292 (March 31, 2015: \$23,056). All related party transactions were made on terms equivalent to those that prevail in arm's length transactions. None of the amounts due to/from related parties are secured against assets of the Company.

Oceanic Iron Ore Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2015 and 2014

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The carrying values of cash and cash equivalents, receivables, accounts payable, accrued liabilities, liability component of the convertible debenture, advance royalty payable, and due to related parties approximate their fair values due to their short term nature.

10. SUBSEQUENT EVENTS

On January 13, 2016 and February 12, 2016, 43,750 and 261,900 stock options expired, respectively.