The following discussion is management's assessment and analysis of the results and financial condition of Oceanic Iron Ore Corp. ("Oceanic" or the "Company"), and should be read in conjunction with the accompanying unaudited condensed interim financial statements and related notes for the period ended December 31, 2012. The Company reports its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward looking statements. Forward looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. Please see page 21 of this document for further detail on forward looking statements. The effective date of this report is February 27, 2013.

Description of Business

The Company was incorporated on March 8, 1986 under the British Columbia Business Corporations Act. Its common shares are traded on the TSX Venture Exchange and the OTCQX in the United States.

The Company is focused on the development of the Ungava Bay iron property (the "Property") in Nunavik, Québec, which the Company acquired in November, 2010. The Property comprises three project areas: Hopes Advance, Morgan Lake and Roberts Lake, which cover over 300 kilometres of iron formation and are located within 20 – 50 km of tidewater. The Company has a 100% interest, subject to a 2% net smelter returns royalty ("NSR") in the Property. All three project areas have been explored historically (in the 1950's and 1960's), including sampling, drilling and metallurgical work to support the planning and development of iron mines. The Company is currently focused on continuing its fast-track development of the Hopes Advance project.

Hopes Advance Project Update

In November 2012, the Company published an NI 43-101 Pre-Feasibility Study in respect of the Hopes Advance project (the "Pre-Feasibility Study"), outlining a pre-tax net present value of the project of $5.6 billion, a proven and probable reserve of approximately 1.36 billion tonnes at 32.2% Fe, and highlighting the extensive metallurgical test work undertaken to date, including the completion of bench scale testing and a pilot plant program (see below).

In the coming months the Company will be focused on continuing to fast-track the development of the project, including:

- Strategic Partnering and offtake agreements. Confidentiality agreements are in place and discussions are ongoing with a number of potential strategic partners and off-takers interested in participating in the development of the Hopes Advance project

- Pot Grate Pelletizing test work, due to be completed in Q2 2013

- Process and Product Optimization Study, aimed at enhancing the Company's understanding of the full range of process and product capabilities for the Hopes Advance project, led by Met-Chem, due to be completed in Q2 2013

- Marketing Study, led by Vulcantech Technologies Pty Ltd., focused on broadening the Company's strategic understanding of the market for its future Hopes Advance products, due to be completed in Q2 2013

- Completion of a bankable Feasibility Study
- Completion of the environmental impact assessment and permitting
- Negotiation of Stakeholder Impact and Benefits Agreement with the Inuit community

Achievements to Date – Hopes Advance Project

Active development of the Hopes Advance project commenced in March 2011 with the start of the Company's resource verification program.

Since then, milestones have been achieved in a number of areas:

1. *Project Technical Study and Economics*
    - In November 2012, the Company published its Pre-Feasibility Study which reports an estimated pre-tax NPV of $5.6 bn, and pre-tax IRR of 20.5% over a 31 year projected mine life at an 8% discount rate (see "Pre-Feasibility Study" below).
2. *Resource definition*
    - In November 2012, as part of its Pre-Feasibility Study, the Company published an updated NI 43-101 compliant In-Pit Mineral Resource Estimate for the Hopes Advance project of 774,241,000 tonnes at 32.2% Fe measured, 613,796,000 tonnes at 32.0% Fe indicated and 222,188,000 tonnes at 32.5% Fe inferred. Inferred resources are not included in the Pre-Feasibility mine plan or project economics.
3. *Economic Mineral Reserves*
    - In November 2012, as part of its Pre-Feasibility Study, the Company published an NI 43-101 compliant mineral reserve estimate of 763,276,000 tonnes at 32.3% Fe proven and 595,990,000 tonnes at 32.1% Fe probable for a total proven and probable reserve of 1,359,266,000 tonnes at 32.2% Fe.
4. *Metallurgy*
    - Metallurgical bench scale testing program conducted by SGS Mineral Services Lakefield over approximately 600 composite samples from various deposits at the Hopes Advance project which demonstrated high weight recoveries with a high percentage of iron recovery from the gravity process, as well as low levels of deleterious materials.
    - Completion of pilot plant testwork program also conducted by SGS to determine a flowsheet for the recovery of hematite and magnetite. The pilot plant testwork was also used to determine the appropriate size of equipment for the flowsheet as well as optimal grinding equipment and power requirements.
5. *Infrastructure*
    - Defined a project implementation and development schedule independent of third party infrastructure with construction and operations to commence with self-generated power and self-constructed port and marine infrastructure.

- Completion of a marine logistics study by AMEC Environment and Infrastructure acknowledging the viability of constructing a deep water port facility at Hopes Advance and that year-round shipping using Cape Size vessels is feasible.

- Construction of a camp facility near the village of Aupaluk as a base for crews supporting the completion of the Pre-Feasibility Study, as well as future fieldwork.

6. *Community Relations and Support*

    - Establishment of positive relations with the Inuit community including signing of a letter of intent setting the terms and conditions on which the Company plans to develop the Hopes Advance project.

7. *Environmental*

    - Acceptance of the Project Description by the Canadian Environmental Assessment Agency under new regulations in accordance with the Canadian Environmental Assessment Act 2012.
    - Receipt of Project Guidelines from the Canadian Environmental Assessment Agency.
    - Receipt of Project Guidelines from Kativik Environmental Quality Commission through the Québec Ministry of Sustainable Development, Environment and Parks, Administration of Environmental Assessment for Northern Mining Projects 'Ministère du Développement durable, de l'Environnement et des Parcs Direction de l'évaluation environnementale des projets nordiques et miniers', which advances the Hopes Advance project to the next stage of the overall assessment process provincially.

    - Acceptance of a ruling provided by the Hon. Peter Kent, Minister of Environment, regarding the marine portion of the Hopes Advance project to the Nunavik Marine Region Impact Review Board ("NMRIRB") for a Part 5 Review in association with the Canadian Environmental Assessment Act 2012 ("CEAA 2012") and the Nunavik Inuit Land Claims Agreement, whereby the review process of the Company's Environmental Impact statement will be streamlined such that only one submission will be needed and will respond to both CEAA 2012 as well as the NMRIRB requirements under the Nunavik Inuit Land Claims Agreement.

Pre-Feasibility Study

The base case in the Pre-Feasibility Study for the Hopes Advance project assumes initial production of 10 million tonnes of concentrate per annum commencing in 2017 utilizing self-generated power, expanding to production of 20 million tonnes of concentrate per annum using hydroelectric power from 2027, following connection to the grid in 2025 and construction to support the expansion in 2025 and 2026.

The Pre-Feasibility Study has been based on the Mineral Resource prepared by Eddy Canova, P.Geo., OGQ reported in a Company news release on April 2, 2012 and filed on SEDAR on May 17, 2012.

<u>Pre-Feasibility Metrics</u>

Table 1 below lists the key Pre-Feasibility Study metrics. The analysis is based on the assumption that production begins in 2017.

Table 1 – Pre-Feasibility Study Results

Variable	**Results**	
Price assumption – FOB	$100 / tonne	
Net Present Value (8%) (pre-tax/post-tax)	$5.6 billion	$3.2 billion
Pre-tax IRR (unlevered / levered)	20.5%	23.2%
Post-tax IRR (unlevered / levered)	16.8%	19.2%
Post-tax Payback	5 years	
Mine Life	31 years	
10 Million Tonne Initial Capital Costs	$2.85 billion	
20 Million Tonne Expansion Capital Costs	$1.61 billion	
Sustaining Capital Expenditure (LOM)	$0.77 billion	
Life of Mine Operating Cost per tonne	$30.18/tonne	
Strip Ratio Years 1 – 15	*0.57*	
Strip Ratio Life of Mine	*1.17*	

As noted above, the Pre-Feasibility Study assumes a concentrate selling price of $100/tonne FOB and also takes into consideration the 2% royalty payable to the vendors of the project. The Pre-Feasibility Study assumes that the Company exercises its right to purchase half of this royalty for $3 million in 2017, the first year of commercial production. Analysis of the economics has been undertaken on both a pre-tax and post-tax basis and IRR is presented on both an unlevered and levered basis. In respect of the leveraged case, the key assumptions are as follows:

- Initial capital 60% debt financed;
- Annual interest rate of 8%;
- Upfront financing fee of 3%;
- 7 year term post commencement of commercial production;
- Expansion capital is assumed funded through operating cashflow.

Operating Costs

A summary of the estimated operating costs is set out in Table 2 below:

Table 2 – Operating Costs (excluding royalty)

Category	Years 2017 - 2024 (10 MM T/YR & Self-Generated Power)	Years 2025 - 2026 (10 MM T/Y & Hydroelectric Power)	Years 2027 – 2047 (Post Expansion - 20 MM T/YR)	Life of Mine Average
Mining *($/tonne all material)*	$1.57	$1.59	$1.23	$1.27
Mining *($/tonne product)*	$5.46	$6.30	$7.78	$7.37
Concentrator *($/tonne product)*	$20.87	$18.35	$17.45	$18.02
Port *($/tonne product)*	$2.13	$2.13	$1.45	$1.58
Site Services *($/tonne product)*	$3.33	$2.77	$2.04	$2.27
G&A (Site only) *($/tonne product)*	$1.38	$1.38	$0.85	$0.95
Total Operating Cost / tonne product (excluding royalty)	***$33.17***	***$30.93***	***$29.57***	***$30.18***

The low operating costs are a function of a number of factors including:

- No rail component given the project's proximity to the identified port site at Pointe Breakwater;
- A very low strip ratio, averaging 0.57:1 waste to ore in the first 15 years of production and 1.17:1 over the life of mine;
- Straightforward metallurgy and high Fe recoveries, reflected in the simple flowsheet and low operating costs.

Metallurgical Pilot Plant Program

Background

In September 2011, the Company took the decision to accelerate its metallurgical test work program in order to continue the fast-track development of the Hopes Advance project. This included the completion of a comprehensive metallurgical bench scale testing program earlier this year by SGS.

In addition to the bench scale work, SGS has undertaken a pilot plant testwork program to determine a flow sheet for the recovery of hematite and magnetite. The pilot plant test work was also used to determine the appropriate size of equipment for the flow sheet as well as the optimum grinding equipment and power requirements.

Bulk Samples and Composites

During the 2011 field season, the Company collected bulk samples to support the bench scale test work and the pilot plant.

The 180.1 tonne Castle Mountain bulk sample was collected from the same three trenches that provided samples for historic metallurgical work conducted in the late 1950's. A 95.1 tonne sample was composited and blended from the Castle Mountain bulk sample for the pilot plant test.

Bench Scale Testing

Bench scale work was conducted on a sample of the Castle Mountain bulk sample and included head mineralogy, bench-scale grindability testing, bench-scale gravity and low intensity magnetic separation (LIMS) testing. A full suite of grindability testing was conducted on the sample. The sample was classified as soft to very soft in terms of rod and ball milling (RWI and BWI) and very soft in terms of autogenous milling (AWI). This bench work complements the Mozley Table and Davis Tube test work conducted on drill core composites earlier this year at SGS.

Pilot Plant Testing

The initial flowsheet for the pilot plant test was designed based on historic metallurgical work with modifications indicated by the results of bench scale Mozley Table and Davis Tube tests conducted on drill core composites from Hopes Advance earlier this year (noted above).

The pilot plant test work concluded that an optimized flowsheet composed of single-stage semi autogeneous milling (SAG), followed by rougher, cleaner, and recleaner spirals was optimal. The rougher spiral tails were sent to a LIMS Cobber for recovery of the remaining magnetite. The Cobber concentrate (12.9% of the feed) is then sent to a regrind mill for further liberation of the magnetite. The liberated magnetite is then sent to the two-stage cleaning LIMS to produce an iron rich magnetite concentrate of 70.0% Fe.

The Castle Mountain composite, with a Head Fe of 34.2% and a magnetite content of 11.8% (Table 3) responded well to the optimized pilot plant flowsheet. With a target grind of 300 microns the gravity circuit produced concentrate with a SiO_2 content of 4.8%. Not only did the gravity circuit recover hematite, it recovered 46.7% of the magnetite (Table 4). The LIMS circuit with a target grind of 37 microns (minus 400 mesh) produced concentrate with a SiO_2 content of 3.0%. The LIMS circuit recovered another 49.8% of the magnetite. The optimized circuit produced a combined concentrate with 4.5% SiO_2 with a weight recovery of 37.6% and an iron recovery of 73.1%.

Figure 1 – Optimized Flowsheet

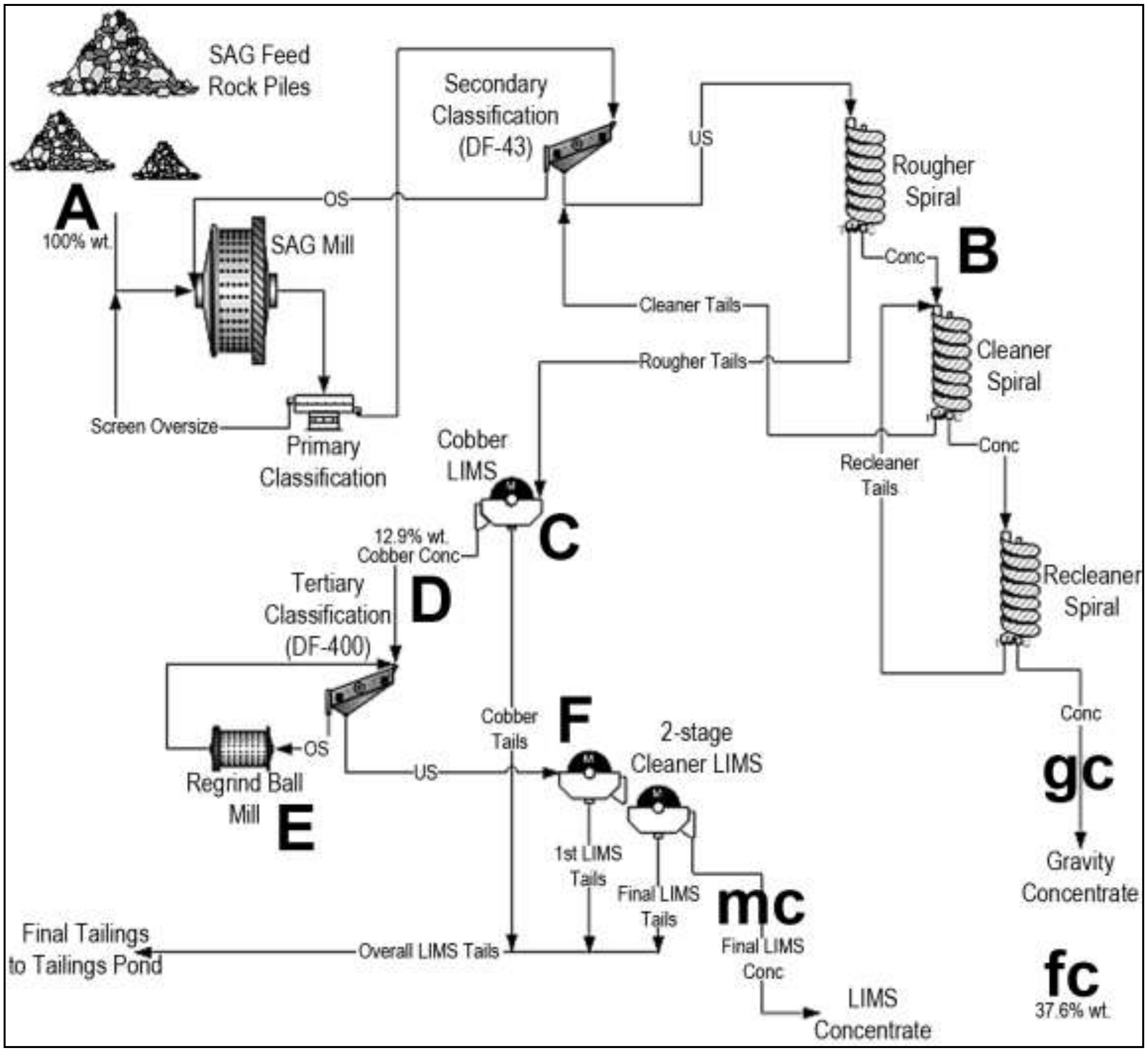

Figure 1 above sets out the optimized flowsheet. A description of the process is set out below:

A. Crushed ore is fed into a SAG mill (no ball mill required at this stage), where the ore is ground to minus 50 mesh (300 microns);
B. Ground ore is passed through a series of spirals to recover hematite, coarse magnetite, and aggregates of hematite and magnetite. A gravity concentrate (gc) is recovered;
C. Tailings (rougher tails) from the spirals are sent to a magnetic cobber (low intensity magnetic cobber) where particles containing magnetite are separated from particles that do not contain magnetite;
D. Only 12.9% by weight of ore requires fine grinding for magnetic separation processing;
E. Residual magnetite containing particles are ground to minus 400 mesh (37 microns);
F. Ground magnetic material is passed through LIMS to recover the remaining magnetite. The magnetite concentrate (mc) is combined with the gravity concentrate (gc) to form the final

concentrate (fc). By recovering the magnetite after gravity separation the amount of material that has to be finely ground is significantly reduced.

Table 3 - Analysis of Head for Optimized Castle Mountain Pilot Plant Test

Composite	Fe%	Satmagan%
Castle Mountain	34.2	11.8

Table 4 - Optimized Pilot Plant product quality and recovery

Composite / Streams	Mass Dist. %	K80 µm	Grade % Fe	Grade % SiO_2	Distribution (%) Fe	Distribution (%) Satmagan
Castle Mountain						
Recleaner Spiral Concentrate	31.5	144	65.9	4.8	60.6	46.7
Secondary LIMS Cleaner Con.	6.1	33	70.0	3.0	12.5	49.8
Combined Concentrate	37.6		66.6	4.5	73.1	96.5

The results of the pilot plant test work on the composite suggest that Castle Mountain iron ore:

- Is soft;
- Can be processed with a simple flow sheet;
- Produces a concentrate with low SiO_2 and low deleterious elements;
- Produces concentrate with approximately 37.6% weight recovery and approximately 73.1% iron recovery, with 96.5% magnetite content recovery (Satmagan) (see Table 4 above).

The other zones at Hopes Advance can be expected to respond well to a similar flowsheet given the similarity in response to bench scale testing by Mozley Table and Davis tube as indicated by the results shown in Table 5 below.

Table 5 - Summary of overall concentrate grade from Mozley Table and Davis Tube bench tests

Deposit	Overall Concentrate Grade Fe %	SiO_2 %	Al_2O_3 %	Sat %	MnO %	Overall Recovery Wt %	Fe %	SiO_2 %	Sat %
Castle Mountain	65.87	4.42	0.02	30.84	0.33	39.34	78.60	4.34	73.97
Iron Valley	65.97	4.64	0.04	25.48	0.33	40.49	80.58	4.76	62.92
Bay Zone	66.96	4.46	0.03	59.15	0.28	40.08	81.01	4.38	81.06
West Zone	66.20	4.31	0.03	42.55	0.58	40.19	76.93	4.49	73.11

Resource Estimate – Hopes Advance Project

In November 2012, the Company published an updated NI 43-101 compliant In-Pit Mineral Resource Estimate for the Hopes Advance project of 774,241,000 tonnes at 32.2% Fe measured, 613,796,000 tonnes at 32.0% Fe indicated and 222,188,000 tonnes at 32.5% Fe inferred. In addition, mineral reserves have been estimated at 763,276,000 tonnes at 32.3% Fe proven and 595,990,000 tonnes at 32.1% Fe probable for a total proven and probable reserve of 1,359,266,000 tonnes at 32.2% Fe.

Mineral reserves for the Hopes Advance project have been estimated as summarized in Table 6 below. Mineral reserves have not been estimated for the Bay Zone B or West Zone 2 pits as they are classified as inferred resources.

The open pit reserves, summarized below, are based on a 25% Fe cut-off grade. The reserves shown below are calculated based on industry standard pit optimization techniques guiding detailed pit designs including ramps and surface constraints. The mineral reserve is contained within the mineral resource. The effective date of the mineral reserve estimate is September 19, 2012.

Table 6 – NI 43-101 In-Pit Mineral Reserve Estimate Hopes Advance Bay (25% Fe Cut-off)

Category	Tonnes	Fe (%)	Wt. Recov. (%)	Concentrate Tonnes
Proven Reserves	763,276,000	32.3%	37.4%	285,428,000
Probable Reserves	595,990,000	32.1%	37.1%	221,246,000
Proven & Probable Reserves	1,359,266,000	32.2%	37.3%	506,675,000

The ultimate pit limits are based on the economic Lerchs-Grossmann algorithm designed to honour the property boundary and the setback from the lakes. The mine plan developed in this feasibility study is based on Measured and Indicated resources only. There is opportunity to upgrade some minor amounts of the inferred resource mineralization to ore classification with additional infill drilling.

There are no known legal, political, environmental or other risks that could materially affect the potential development of the mineral reserve.

The Pre-Feasibility Study mine schedule and economic analysis does not include inferred resources of approximately 72.7 million tonnes of 32.8% Fe. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The mineral resource estimates are classified as "measured", "indicated", or "inferred" as defined by CIM. According to the CIM definitions, a Mineral Resource must be potentially economic in that it must be "in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction". For the Hopes Advance iron deposit, an iron cut-off grade was assigned based on economic assumptions and metallurgical parameters and was used in the resource estimations.

The "April, 2012" mineral resource estimate is effective as of 2 April 2012 and was prepared by Micon International Limited ("Micon") under the direction of Eddy Canova, the Company's Director of Exploration and a Qualified Person as defined in NI 43-101.

The "September, 2012" mineral resource estimate is effective as of 19 September 2012 and was prepared by Micon International Limited ("Micon") under the direction of Eddy Canova. B. Terrence Hennessey, P. Geo., has reviewed this work and is the QP for this resource estimate update.

Further information in respect of the Company's Resource Estimate and Pre-Feasibility Study is available in the full NI 43-101 technical reports available for access on the Company's website (www.oceanicironore.com) and on SEDAR (www.sedar.com).

Environmental Review

The Company has been recently advised by the Canadian Environmental Assessment Agency (the "Agency") that the Hopes Advance project will be reviewed under new guidelines in accordance with the

Canadian Environmental Assessment Act 2012. A re-submission of the Company's Project Description was made on August 3, 2012, and was subsequently accepted by the Agency on August 24, 2012 and subsequently the CEAA issued Project Guidelines.

In September 2012, the Company received Project Guidelines from the Kativik Environmental Quality Commission ("KEQC") through the Québec Ministry of Sustainable Development, Environment and Parks, Administration of Environmental Assessment for Northern Mining Projects 'Ministère du Développement durable, de l'Environnement et des Parcs Direction de l'évaluation environnementale des projets nordiques et miniers', which advances the Hopes Advance project to the next stage of the overall assessment process provincially.

The Company also appointed Québec based GENIVAR Inc. in September 2012 to lead the completion of the Environmental Impact Assessment in respect of the Hopes Advance project.

Finally, in January 2013, the Company received a ruling provided by the Hon. Peter Kent, Minister of Environment, regarding the marine portion of the Hopes Adavance project to the Nunavik Marine Region Impact Review Board ("NMRIRB") for a Part 5 Review in association with the Canadian Environmental Assessment Act 2012 ("CEAA 2012") and the Nunavik Inuit Land Claims Agreement, whereby the review process of the Company's Environmental Impact statement will be streamlined such that only one submission will be needed and will respond to both CEAA 2012 as well as the NMRIRB requirements under the Nunavik Inuit Land Claims Agreement.

Product Optimization Study and Pot Grate Test Work

In January 2013, the Company commissioned a process and product optimization study, which will enable the Company to determine the potential range of sinter feed and pellet feed product quantities and qualities that can be produced from the Hopes Advance project.

The Study is being undertaken to further enhance the Company's understanding of the full range of process and product capabilities for the Hopes Advance project, helping to ensure a broad base for future off-take product agreements, including the maximization of potential premiums and the optimization of the Company's targeting of potential future end user markets and potential development partners.

The Study is being led by Met-Chem, who led the process flow sheet design in respect of the Company's pre-feasibility study, and will be supported by SGS Mineral Services Lakefield for the required laboratory testwork.

The Company anticipates that the Study, together with the pot grate laboratory testwork, commenced in 2012, which supports the transformation of concentrate to pellets and confirms the technical specifications and product quality, will be concluded during the second quarter of 2013 allowing any required changes to the process flowsheet to be incorporated into the feasibility study results.

Marketing Study

In February 2013, the Company awarded a Marketing Study to Vulcantech Technologies Pty Limited ("Vulcantech") in order to broaden the Company's strategic understanding of the market for its future Hopes Advance iron ore products.

Market analysis will be performed summarizing best fit between Hopes Advance iron products and end users taking into consideration geography and technical parameters, in particular focusing on how high quality iron products from the Hopes Advance project might blend with current steel manufacturer feed sources to enhance steel quality and blast furnace results. The Study will also report on potential premiums and recommendations in respect of optimizing revenues based on end user demand profiles.

Vulcantech will recommend a comprehensive marketing strategy to Oceanic in order to optimize the product placement and revenues associated with future production, currently planned to commence at 10 million tonnes per annum during 2017. The Company anticipates that the Study will conclude during the second quarter of 2013.

The Study is being led by Mr. Paul Vermeulen, Founder and Director of Vulcantech. Mr. Vermeulen is a Metallurgical Engineer with significant experience in iron ore, as well as iron and steel making. Paul has spent eleven years in various operational and management positions at the then Iscor South Africa (Arcelor-Mittal South Africa), and has gained an intimate knowledge of coke making, sintering, iron making and steel making.

Eddy Canova, P.Geo., OGQ(403), the Director of Exploration for the Company and a Qualified Person as defined by NI 43-101, has reviewed and is responsible for the technical information contained in this document.

Demand Loan Facility

The Company is eligible to receive a refundable tax credit of 38.75% of eligible exploration expenditures incurred in Québec ("Exploration tax credits"). The refundable tax credit can only be claimed in conjunction with the filing of the Company's annual corporate tax return.

In order to monetize the expected refundable tax credits due for the year ended March 31, 2012, the Company entered into a demand loan agreement with National Bank of Canada ("National Bank") on December 5, 2011 to borrow up to $4,500,000, representing a proportion of the estimated Québec Exploration refundable tax credits receivable from Revenu Québec based on the Company's eligible expenditures to March 31, 2012.

The Company has provided the bank security by way of charges on its 2011 and 2012 Québec Exploration tax credits receivable, a general assignment of the Company's personal and movable property and a $150,000 cash pledge to Investissement Québec, the guarantor of the loan. The Company did not provide the Property as security against the loan. The loan is scheduled to be repaid on the earlier of (a) August 31, 2013 or (b) upon collection of the Québec Exploration tax credits, which were assigned to Investissement Québec. However, the demand loan may be called at any time at the discretion of National Bank. The demand loan bears interest at National Bank's prime rate payable on a monthly basis. Interest expense for the three and nine months ended December 31, 2012 was $23,617 (2011: $833) and $59,522 (2011: $833) respectively. Upon executing the demand loan agreement, the Company incurred transaction costs associated with the demand loan of $245,137, which were expensed in the statement of loss and comprehensive loss in the prior year.

Appointment of President and Chief Operating Officer

On May 25, 2012, the Company announced the appointment of Alan Gorman as Chief Operating Officer. Mr. Gorman has 30 years of operations and technical experience with mining companies and projects, both in Canada and internationally. He has been involved with, led or managed large projects and mining operations for both intermediate and senior mining companies, and has extensive experience operating in northern and Arctic environments. Most recently, Mr. Gorman was Executive Vice President of Operations for Goldbrook Ventures Inc. ("Goldbrook") until Goldbrook was acquired in a successful takeover bid. Prior to his tenure at Goldbrook, Mr. Gorman was Vice President of Operations for Jien Canada Mining Ltd's Nunavik Nickel Project, as well as Operations Manager for Baffinland Iron Mines Corp. On September 24, 2012, Mr. Gorman was appointed President of the Company. Mr. Gorman is based out of the Company's Montreal office.

Overall Performance and Results of Operations

Total assets increased to $45,121,295 at December 31, 2012 from $43,648,201 at March 31, 2012. The most significant assets at December 31, 2012 were mineral properties of $36,631,188 (March 31, 2012: $30,518,549), cash of $3,365,760 (March 31, 2012: $6,968,160), and receivables of $4,248,822 (March 31, 2012: $4,894,801). The Company's net working capital position at December 31, 2012 is $4,339,167.

The increase in mineral properties of approximately $6.1 million reflects the costs incurred in the continued development of the Hopes Advance project, including fieldwork and associated costs to complete the Pre-Feasibility Study, as well as costs to prepare the NI 43-101 Mineral Resource estimate update.

The decrease in cash during the period of $3,602,400 resulted from $2,188,328 incurred in operating activities, $6,383,034 in investing activities, partially offset by $4,968,962 received from financing activities. Expenditures incurred in investing activities included $6,113,561 spent on mineral property expenditures, $301,824 spent on equipment additions less interest income received of $32,351. Financing activities comprised primarily proceeds from a non-brokered private placement of $3,157,340 (net of share issue costs), proceeds on exercise of warrants of $78,167, proceeds from the Company's demand loan facility of $1,792,977, less interest expense on the demand loan of $59,522.

The decrease in receivables of $645,979 resulted from a refund of $358,611 in exploration tax credits for eligible exploration expenditures incurred for the year ended March 31, 2011, while the remaining decrease is attributed to the reimbursement from the CRA of input tax credits paid by the Company in prior months.

Three Month Period Ended December 31, 2012 and 2011

The Company incurred a net loss of $673,756 during the three month period ended December 31, 2012 (2011: $1,599,936). The most significant operating expenses incurred were share-based payments of $203,338 (2011: $644,066), consulting and management fees of $227,500 (2011: $233,411), investor relations and corporate development expenses of $185,600 (2011: $165,674), and wages and benefits of $122,256 (2011: $25,066). Share-based payments represent the Black-Scholes calculated fair value of the stock options issued to directors, officers, consultants and charities during the current and prior year. The decrease in consulting and management fees relates to officers' compensation as well as other consulting fees incurred to support the overall expansion of the Company's operations as it moved from the resource verification stage through to the preparation of the Pre-Feasibility Study. The increase in investor relations and corporate development costs during the period reflected increased investor, marketing and corporate development activities including participation in conferences and other general marketing efforts undertaken to support the fast-track development of the Hopes Advance project and raise the Company's profile. The increase in salaries and wages relates to wages relating to the creation of the position and appointment of a President and COO to lead the development of the Pre-Feasibility Study.

During the three month period ended December 31, 2012, the Company recorded $23,617 of interest and other financing expense (2011: $240,720), which comprise interest charges and other transaction costs on the demand loan with National Bank. The reduction over the prior period is largely due to transaction costs incurred upon executing the demand loan with National bank in the third quarter of 2011. The Company also recorded a gain on marketable securities of $48,700 (2011: $Nil) to recognize the increase in market value of an investment previously written-off by the Company.

Nine Month Period Ended December 31, 2012 and 2011

The Company incurred a net loss of $1,886,419 during the nine month period ended December 31, 2012 (2011: $4,200,523). The most significant operating expenses incurred were share-based payments of $356,374 (2011: $1,318,482), consulting and management fees of $781,468 (2011: $642,078), investor relations and corporate development expenses of $441,231 (2011: $280,911), and wages and benefits of $387,348 (2011: $104,947). Share-based payments represent the Black-Scholes calculated fair value of the stock options issued to directors, officers, consultants and charities during the current and prior year. The decrease in share-based payments in the period compared the same period in the prior year is due to the fact that a significantly lower number of options were granted during the nine months ended December 31, 2012 compared to the same period in the prior year. The increase in consulting and management fees relates to directors' and officers' compensation as well as other consulting fees incurred to support the overall expansion of the Company's operations. The increase in investor relations and corporate development costs during the period reflected increased investor, marketing and corporate development activities including participation in conferences and other general marketing efforts undertaken to support the fast-track development of the Hopes Advance project and raise the Company's profile. The increase in salaries and wages relates to recruitment costs and wages relating to the Company's newly appointed President and COO, Alan Gorman.

During the nine month period ended December 31, 2012, the Company recorded interest income of $33,066 (2011: $95,261), which consisted of interest earned on the Company's term deposits. The Company recorded income relating to renounced exploration expenditures of $198,830 (2011: $479,568), a non cash item which reflects the sale of tax benefits to flow through shareholders in the period. The Company incurred $59,522 of interest and other financing expense (2011: $240,720), most of which comprises interest charges on the demand loan with National Bank, whereas in the prior period, the Company incurred transaction costs associated with the execution of the demand loan. The Company also recorded a gain on marketable securities of $48,700 (2011: $Nil) to recognize the increase in market value of an investment previously written-off by the Company.

Liquidity and Capital Resources

While the unaudited condensed 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, there are certain conditions and events that may cast significant doubt on the validity of this assumption. For the nine months ended December 31, 2012, the Company reported a loss of $1,886,419 and as at that date had an accumulated deficit of $19,915,377.

The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. 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, and the global financial and metals markets.

The Company had sufficient cash resources to settle outstanding liabilities at December 31, 2012.

The Company has a demand loan facility in place with the National Bank of Canada. Under the facility agreement, the Company must maintain an adjusted long-term debt to net worth ratio of 2.5:1. As at December 31, 2012, the Company was in compliance with this covenant.

Off-Balance Sheet Arrangements

As at December 31, 2012, the Company had no Off-Balance sheet arrangements.

Summary of Quarterly Results (unaudited)

Below is a summary of results for the eight most recently completed quarters in accordance with IFRS:

	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Revenues (**Note 1**)	12,260	$ (2,165)	$ 31,384	$ 31,957
Net loss for the period	$ (673,756)	$ (589,800)	$ (622,862)	$ (984,848)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Revenues (**Note 1**)	$ 21,390	$ 27,896	$ 50,459	$ 52,150
Net loss for the period	$ (1,599,936)	$ (1,275,568)	$ (1,325,021)	$ (2,943,389)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)

Note 1 – Revenues comprise interest income earned on bank deposits and other income based on accounting and administrative services provided to a related party.

The net loss in the first quarter of 2012 decreased from the fourth quarter of 2011, primarily due to the decrease in share based payments of $2,025,869 in the first quarter of 2012 compared to the fourth quarter of 2011. Operating expenses and overall net loss remained fairly consistent from the first to the third quarters of 2012 as the Company continued to advance the 2011 resource verification program. In the fourth quarter of 2012, the net loss for the period decreased significantly, most of which can be attributed to a decrease in recognition of share-based payments to officers, directors, consultants and charities, partially offset by an increase in consulting and management fees as performance bonuses were accrued for key management personnel. The net loss further decreased significantly from Q1 to Q3 2013 given the fact that management bonuses were paid in Q4 2012 and transaction costs were also incurred in Q4 in conjunction with the demand loan towards the end of the 2012 fiscal year, both of which are non-recurring costs quarter over quarter.

Critical Accounting Estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Areas requiring the use of estimates include mineral property impairment assessment, and measurement and recovery of deferred tax benefits. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the notes to the annual audited financial statements where applicable.

Financial Instruments and Other Instruments

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and cash equivalents and receivables. The Company has concentration of risk with respect to cash being held with 2 large Canadian financial institutions. The Company's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets noted above.

Liquidity Risk

The Company's cash and cash equivalents are invested in business accounts and term deposits which are available on demand. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and the Company's cash needs over the short term. Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2012 and March 31, 2012 are presented below.

December 31, 2012

	Less than 1 year	1 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 347,983	$ -	$ -	$ 347,983
Due to related parties	36,162	-	-	36,162
Demand loan	3,123,190	-	-	3,123,190
Advance royalty payable	200,000	600,000	-	800,000

March 31, 2012

	Less than 1 year	1 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 1,053,264	$ -	$ -	$ 1,053,264
Due to related parties	412,640	-	-	412,640
Demand loan	1,688,824	-	-	1,688,824
Advance royalty payable	200,000	600,000	200,000	1,000,000

The Company's ability to continue operations in the normal course of business is dependent on several factors, including the ability to secure additional financing. In addition, the recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production, all of which are uncertain. Further information relating to liquidity risk is disclosed in Note 1 to the unaudited condensed interim financial statements for the three and nine months ended December 31, 2012.

Market Risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in trading its marketable securities as well as its cash and cash equivalents. The Company's financial instruments are not subject to significant fluctuation due to changes in commodity prices or foreign exchange rates.

The Company also invests surplus cash in fixed rate term deposits. It is the Company's policy to reduce interest rate risk over future cash flows through the use of fixed rate instruments. A 1% change in interest rates would have a negligible impact on net loss and comprehensive loss as the Company currently has little cash invested in fixed rate term deposits.

Fair value

The fair value of financial instruments at December 31, 2012 and March 31, 2012 is summarized as follows:

	December 31, 2012			March 31, 2012	
	Carrying amount	**Fair value**		Carrying amount	Fair value
Financial assets					
Held for trading					
Marketable Securities	48,700	48,700		-	-
Loans and receivables					
Cash and cash equivalents	3,365,760	3,365,760		6,968,160	6,968,160
Amounts receivable - at amortized cost	4,248,822	4,248,822	(i)	4,894,801	4,894,801
Restricted cash	184,500	184,500	(i)	184,500	184,500
Financial liabilities at amortized cost					
Accounts payable and accrued liabilities	$ 347,983	$ 347,983	(i)	$ 1,053,264	$ 1,053,264
Due to related parties	36,162	36,162	(i)	412,640	412,640
Demand loan	3,123,190	3,123,190	(i)	1,688,824	1,688,824
Advance royalty payable	507,611	507,611	(i)	612,673	612,673

i. The carrying amount of cash, receivables, restricted cash, accounts payable, accrued liabilities, due to related parties, and the demand loan approximate fair value due their short-term nature.

Commitments

Effective March 1, 2011 (amended on July 1, 2012); the Company entered into an agreement with an affiliated company, with a director and officer 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 Head Office in Vancouver. The agreement expires on September 29, 2015, but 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. The Company made its second payment to the Vendors on November 16, 2012.

The committed charges for the Company are as follows:

March 31,	Vancouver office rent	Montreal office rent	NSR Payments	Total Commitments
2013	$ 12,589	$ 38,684	$ -	$ 51,273
2014	-	132,122	200,000	332,122
2015	-	126,312	200,000	326,312
2016	-	127,684	200,000	327,684
thereafter	-	170,973	200,000	370,973
	$ 12,589	$ 595,775	$ 800,000	$ 1,408,363

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 President and Chief Operating Officer. Compensation awarded to key management is presented in the table below:

	Three months ended December 31, 2012	Three months ended December 31, 2011	**Nine months ended December 31, 2012**	Nine months ended December 31, 2011
Salaries and other short-term benefits	**$ 73,205**	-	**$ 163,814**	$ -
Consulting fees	**122,500**	127,500	**412,500**	382,500
Directors fees	**7,500**	11,500	**26,500**	35,000
Share-based payments	**190,963**	560,276	**282,051**	1,201,078
	$ 394,168	$ 699,276	**$ 884,865**	$ 1,618,578

b) Payments for services by related parties

As disclosed in the section entitled "Commitments", the Company is charged shared lease and overhead, and service costs by an affiliated company, with a director and officer in common. For the nine months ended December 31, 2012, the Company incurred $90,589 in shared lease and overhead, and service costs (2011: $106,586). For the three months ended December 31, 2012, the Company incurred $26,413 in shared lease and overhead, and service costs (2011: $38,343). Refer to the section entitled "Commitments" for a listing of future commitments in respect of such lease costs.

c) Services provided to related parties

During the three and nine months ended December 31, 2012, the Company provided accounting, administrative and geological services to an affiliated company with a director and an officer in common. For the nine months ended December 31, 2012, the Company earned income totalling $10,658 for accounting, administrative and geological services (2011: $Nil). For the three months ended December 31, 2012, the Company earned income totalling $3,650 for accounting, administrative and geological services (2011: $Nil).

Amounts due to related parties at December 31, 2012 amounted to $36,162 (March 31, 2012 - $412,640). All related party transactions were made on terms equivalent to those that prevail in arm's length transactions. None of the amounts due to related parties are secured against assets of the Company.

Outstanding Share Data

As at the date of this report, there were 196,618,231 common shares issued and outstanding.

As at the date of this report, there were 19,660,166 stock options and 37,837,500 common share purchase warrants outstanding.

Risks and Uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties in Québec, Canada. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily exploration), the following risk factors, among others, will apply:

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

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, 2012, the Company reported a loss of $1,886,419 and as at that date had an accumulated deficit of $19,915,377. The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. 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, and the 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 balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate, and these adjustments could be material.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

There is no certainty that the expenditures made by the Company toward the search and evaluation of minerals will result in discoveries of mineral resources, Mineral Reserves or any other mineral occurrences.

Political Stability and Government Regulation Risks

The operations of the Company are currently conducted in Canada. As such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitudes in any of these countries may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

Fluctuations in Metal Prices

The price of the common shares, and the financial results and exploration, development and mining activities of the Company, may in the future be significantly and adversely affected by declines in the prices of iron ore and other metals or minerals. The prices of iron ore and other metals or minerals fluctuate widely and are affected by numerous factors beyond the control of the Company such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market prices of gold or other metals or minerals could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the prices of iron ore and other metals and minerals, cash flow from mining operations could not be sufficient and the Company may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's properties is dependent upon the prices of gold and other metals and minerals being adequate to make these properties economically viable.

In addition to adversely affecting the resource estimates of the Company and its financial condition, declining commodity prices can affect operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or interrupt operations until the reassessment can be completed.

Key Personnel

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of us in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

Forward Looking Statements

This document includes certain "Forward-Looking Statements" as that term is used in applicable securities law. All statements included herein, other than statements of historical fact, including, without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "scheduled", "believes", or variations of such words and phrases or statements that certain actions, events or results "potentially", "may", "could", "would", "might" or "will" be taken, occur or be achieved. There can be no assurance that such statements will prove to be accurate, and actual results could differ materially from those expressed or implied by such statements. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the forward-looking statements in this presentation, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) there being no significant disruptions affecting operations, whether due to labour/supply disruptions, damage to equipment or otherwise; (2) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (3) certain price assumptions for iron ore; (4) prices for availability of natural gas, fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (5) the accuracy of current mineral resource estimates on the Company's property; and (6) labour and material costs increasing on a basis consistent with the Company's current expectations. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Filing Statement dated

November 22, 2010 (a copy of which is publicly available on SEDAR at www.sedar.com under the Company's profile) and elsewhere in documents filed from time to time, including MD&A, with the TSX Venture Exchange and other regulatory authorities. Such factors include, among others, risks related to the ability of the Company to obtain necessary financing and adequate insurance; the economy generally; fluctuations in the currency markets; fluctuations in the spot and forward price of iron ore or certain other commodities (e.g., diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; the possibility of cost overruns or unanticipated expenses; employee relations. Accordingly, readers are advised not to place undue reliance on Forward-Looking Statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Statements, whether as a result of new information, future events or otherwise.

Additional information relating to the Company is available on SEDAR at www.sedar.com.