MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2024

Oceanic Iron Ore Corp.

Dated April 24, 2025

OCEANIC
IRON ORE CORP

The following is management's discussion and analysis ("MD&A") of the results and financial condition of Oceanic Iron Ore Corp. ("Oceanic" or the "Company") and should be read in conjunction with the accompanying audited consolidated financial statements and related notes for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"). The Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). 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 the section entitled "Forward Looking Statements" of this document for further detail on forward looking statements. The effective date of this report is April 24, 2025.

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 (the "TSXV") under the symbol "FEO".

The Company is focused on the exploration and development of the Ungava Bay iron ore properties (the "Property") in Nunavik, Québec, which the Company acquired in November 2010. The Property comprises three project areas: Hopes Advance (or the "Hopes Advance Project"), Morgan Lake and Roberts Lake, which cover over 36,040 hectares and 861 mineral claims with iron ore formations and are located within 20 to 50 km from tidewater. The Company has a 100% interest, subject to a 2% net smelter returns royalty ("NSR") in the Property. The Company's two NSR holders are each entitled to annual advance NSR payments of $100,000 until the commencement of commercial production at the Hopes Advance Project. Advanced royalty payments are deductible from actual royalty payments subsequent to the commencement of commercial production.

In December 2019, the Company announced the results of a revised and re-scoped National Instrument 43-101 Preliminary Economic Assessment in respect of the Hopes Advance Project (the "Study"). The objective of the Study was to rescope the Project profile and production scale using measured and indicated mineral resources estimated within three of the ten defined deposits from Hopes Advance in order to reduce the up-front capital required to bring the Project to commercial production. The Company continues to pursue a number of options to improve its financial capacity, including securing a strategic partner to further advance the Hopes Advance Project, and obtaining cash flow through other forms of financing. The success of raising such funds cannot be assured.

Qualified Person

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

Highlights and key business developments

On September 24, 2024, the Company completed a non-brokered private placement financing in the amount of $2,385,000 by way of issuance of the Series E Debentures which earn interest at a rate of 8.5% per annum over a 60-month term, payable quarterly in cash or common shares, at the election of the Company, at the market price of the common shares at the time of settlement. The principal amount of the Debentures will be convertible to units during the term at the election of the subscriber. The conversion price during the first year of the term is $0.075 per unit, increasing to $0.10 per unit for the remainder of the term. Each unit will be comprised of one common share and one common share purchase warrant exercisable into one common share of the Company at a price of $0.075 per common share for a period of 5 years after closing of the financing.

On November 28, 2024, the Company paid the remaining $50,000 of its 2023 advance royalty payment to 154619 Canada Inc. and partially paid its 2024 advance royalty payment of $50,000, with the remaining $50,000 having been agreed to be deferred until November 30, 2025. On November 28, 2024, the Company paid its 2024 advance royalty payment of $100,000 to SPG Royalties Inc.

Discussion of Operations and Selected Annual Information

The following information for the years ended December 31, 2024, 2023 and 2022 ("FY 2024", "FY 2023", and "FY 2022", respectively) has been derived from the Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements which are available on SEDAR+ at www.sedarplus.ca.

		FY 2024		FY 2023		FY 2022
Expenses						
Consulting and management fees	**$**	**320,163**	$	303,645	$	307,927
Directors' fees		**30,000**		30,000		30,000
Insurance		**18,220**		25,481		27,831
Office and general		**22,530**		25,470		28,118
Professional fees		**102,661**		33,161		102,286
Rent		**10,670**		10,670		10,484
Share-based compensation		**167,579**		109,270		50,388
Transfer agent and regulatory		**32,973**		33,439		23,860
Loss from operations		**(704,796)**		(571,136)		(580,894)
Other (expenses) income						
(Loss) gain on change in fair value of derivative liabilities		**(3,274,558)**		1,162,015		(24,558)
Convertible debenture accretion expense		**(698,230)**		(539,281)		(454,455)
Total other (expenses) income		**(3,972,788)**		622,734		(479,013)
Net (loss) income and comprehensive (loss) income	**$**	**(4,677,584)**	$	51,598	$	(1,059,907)
Diluted (loss) income per common share	**$**	**(0.04)**	$	0.00	$	(0.01)

The most significant factors affecting the change in net (loss) income for the periods presented included:

(Loss) gain on change in fair value of derivative liabilities

The derivative liabilities of the Company are carried at fair value, which fair value is derived by the use of binomial option pricing models. The Company recognized a loss on change in fair value of derivative liabilities of $3,274,558 during FY 2024 as the Company's share price increased from the beginning of the year to the end of the year. Conversely, the company recognized a gain on change in fair value of derivative liabilities of $1,162,015 during FY 2023 as the Company's share price decreased from the beginning of the comparative year to the end of the comparative year. Included within the loss or gain on change in fair value of derivative liabilities was amortization of deferred loss of $1,236,718 and $807,796 for FY 2024 and FY 2023, respectively.

Professional fees

Professional fees for FY 2024 increased $69,500 compared to FY 2023 due to additional corporate secretarial and securities costs incurred in FY 2024.

Share-based compensation

Share-based compensation for FY 2024 increased by $58,309 compared to FY 2023 due to the vesting of previously granted stock options granted in FY 2023 and new stock options and RSUs granted in FY 2024.

As the Company has yet make a development decision or achieve commercial production from its mineral properties, the Company has no revenue to report during the financial reporting periods noted above, nor has the Company declared any dividends in the past three fiscal years.

Summary of Quarterly Results

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

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Revenue	$ -	$ -	$ -	$ -
Share-based compensation	$ (72,207)	$ (43,091)	$ (42,843)	$ (9,438)
Loss from operations	$ (229,491)	$ (182,294)	$ (153,872)	$ (139,139)
Gain (loss) on change in fair value of derivative liabilities	$ 1,992,863	$ (2,968,741)	$ (2,045,156)	$ (253,524)
Net income (loss)	$ 1,539,814	$ (3,372,771)	$ (2,335,573)	$ (509,054)
Basic and diluted net income (loss) per share	$ 0.01	$ (0.03)	$ (0.02)	$ (0.00)

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenue	$ -	$ -	$ -	$ -
Share-based compensation	$ (32,686)	$ (32,924)	$ (43,660)	$ -
Loss from operations	$ (162,287)	$ (145,185)	$ (154,855)	$ (108,809)
Gain (loss) on change in fair value of derivative liabilities	$ (52,668)	$ 1,181,978	$ 1,021,577	$ (988,872)
Net (loss) income	$ (350,370)	$ 900,783	$ 732,041	$ (1,230,856)
Basic and diluted net (loss) income per share	$ (0.00)	$ 0.01	$ 0.01	$ (0.01)

As demonstrated in the above table, the differences in net income (loss) from one quarter to another is predominantly due to the non-cash gains or losses recognized on the fair value adjustments to the embedded derivative liability component contained in the convertible debentures. The Company uses binomial option pricing models to value the embedded derivative component of the convertible debentures which relies on a combination of observable and unobservable market inputs (including changes in the Company's share price from one period-end to another).

Fluctuations in loss from operations correlate largely with changes in the amount of share-based compensation recognized in any particular period. The amount of share-based compensation varies predominantly based on (i) the number of stock options granted during a fiscal year and (ii) the price of the Company's common shares at the grant date.

Liquidity, Capital Resources and Going Concern

While the Annual Financial Statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events result in a material uncertainty casting significant doubt on the validity of this assumption. For the year ended December 31, 2024, the Company had an accumulated deficit of $38,549,071, and a working capital deficit of $8,404,472.

While the Company completed a non-brokered private placement in the amount of $2,385,000 by way of issuance of the Series E Debentures during Q3 2024, the Company's ability to continue on a going concern basis for and beyond the next twelve months depends on its ability to negotiate an extension to the maturity of its Series C Debentures (with a face value of $1,477,558 and currently maturing on March 10, 2026) or to successfully raise additional financing for continued operations, the necessary capital expenditures required, and to service its current obligations. The Company continues to pursue a number of options to improve its financial capacity, including securing a strategic partner to further advance the Hopes Advance Project. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

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.

	As at December 31, 2024	As at December 31, 2023	As at December 31, 2022
Assets			
Cash	**1,420,984**	269,513	662,818
Other current assets	**23,084**	19,871	12,845
Current assets	**1,444,068**	289,384	675,663
Mineral properties	**44,899,434**	44,453,858	44,178,442
TOTAL ASSETS	**46,343,502**	44,743,242	44,854,105
Liabilities			
Current liabilities	**9,848,540**	4,488,245	5,223,322
Non-current financial liabilities	**416,283**	423,652	423,221
TOTAL LIABILITIES	**10,264,823**	4,911,897	5,646,543
NET ASSETS	**36,078,679**	39,831,345	39,207,562
WORKING CAPITAL DEFICIT (1)	**(8,404,472)**	(4,198,861)	(4,547,659)

(1) Working capital is calculated as current assets less current liabilities

The change in total assets as at December 31, 2024 compared to December 31, 2023 was predominantly due to the proceeds received from the Series E Debentures in 2024. The change in net assets as at December 31, 2024 compared to December 31, 2023 was primarily due to a non-cash fair value loss on the embedded derivative liability contained within the convertible debentures and the addition of the Series E Debentures in 2024.

The Company's cash flow activities have been summarized as follows:

	Q4 2024	Q4 2023	**FY 2024**	FY 2023
Cash used in operating activities	**$ (97,968)**	$ (10,795)	**$ (797,470)**	$ (231,128)
Cash used in investing activities	**(158,506)**	(12,402)	**(250,808)**	(87,177)
Cash (used in) from financing activities	**(185,251)**	(75,000)	**2,199,749**	(75,000)
Change in cash during the period	**(441,725)**	(98,197)	**1,151,471**	(393,305)
Cash, beginning of period	**1,862,709**	367,710	**269,513**	662,818
Cash, end of period	**$ 1,420,984**	$ 269,513	**$ 1,420,984**	$ 269,513

The Company's undiscounted commitments as at December 31, 2024 were as follows:

	Less than 1 year	**1 -3 years**	**More than 3 years**	**Total**
Accounts payable and accrued liabilities	$ 257,674	$ -	$ -	$ 257,674
Due to related parties	249,069	-	-	249,069
Convertible debenture - liability component	560,369	4,221,042	3,639,329	8,420,740
Advance royalty payable	250,000	400,000	400,000	1,050,000
	$ 1,317,112	$ 4,621,042	$ 4,039,329	$ 9,977,483

Contractual commitments related to the convertible debenture – liability component represent principal and interest payments. The convertible debentures are assumed to be held to maturity. Of this balance, the interest component of $1,828,182 may be settled in common shares at the election of the Company.

Additionally, in order to maintain current rights of tenure to exploration tenements, the Company is required to incur minimal expenditures of $58,336 in respect of claim renewal fees and minimum work requirements during 2025.

As at December 31, 2024, the convertible debentures and non-cash embedded derivative liabilities have a combined carrying value of $9,125,047, representing the discounted face value of the debentures of $5,045,906 (partially offset by a deferred loss balance of $2,958,597), and fair value of the non-cash embedded derivative liabilities of $13,067,633 (partially offset by a deferred loss balance of $6,029,895).

The total future cash outflows associated with the repayment of the principal of the Series A Debentures ($760,000), Series B Debenture ($837,500), Series C Debentures ($1,477,558), Series D Debentures ($1,132,500) and Series E Debentures ($2,385,000) cannot exceed the combined amount of principal of $6,592,558 plus any accrued interest. Furthermore, provided that the Company's share price trades at levels in excess of the prevailing conversion price of the Series A Debentures ($0.10 per unit), the Series B Debenture ($0.10 per unit), the Series D Debentures ($0.10 per unit), and the Series E Debentures ($0.075 per unit), management expects these debentures may be converted into units (comprised of one common share and one share purchase warrant each) and the resulting cash outflow could be as low as $nil. As the conversion price of the Series C Debentures ($0.19 per unit) exceeds the Company's share price of $0.135 per share as at December 31, 2024, future cash outflows associated with the redemption of the Series C Debentures could be as high as $1,447,558.

Interest associated with the debentures above can be settled in cash or common shares quarterly at the election of the Company.

The fair value of the non-cash embedded derivative does not represent a future cash liability to the Company.

The debentures are secured with a first ranking charge against the assets of the Company, ranking pari-passu with all other secured debenture holders.

Off-Balance Sheet Arrangements

As at December 31, 2024 and 2023, the Company had no off-balance sheet arrangements.

Related Party Transactions and Key Management Compensation

Key management compensation

Key management includes the Company's directors (Cathy Chan, Steven Dean, Gordon Keep, Thomas Lau (Tao Liu), Hon. John D. Reynolds P.C.), Chief Executive Officer and Director (Chris Batalha) and Chief Financial Officer and Corporate Secretary (Gerrie van der Westhuizen). Compensation awarded to key management, which includes compensation to the former Interim Chief Executive Officer (Bing Pan) who resigned August 22, 2024, is also presented in the table below:

		Q4 2024		Q4 2023		**FY 2024**		FY 2023
Directors' fees	**$**	**7,500**	$	7,500	**$**	**30,000**	$	30,000
Consulting and management fees		**80,000**		73,750		**311,022**		295,000
Share-based compensation*		**70,513**		26,083		**153,307**		86,564
	$	**158,013**	$	107,333	**$**	**494,329**	$	411,564

**Share-based compensation is valued based on the fair value of stock options and RSUs granted to individuals*

Payments for services by related parties

During the year ended December 31, 2024, the Company incurred corporate consulting fees of $110,000 (2023: $115,000), to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director of the Company. As at December 31, 2024, the Company owed $33,333 (2023: $143,750) to Sirocco relating to unpaid consulting fees.

During the year ended December 31, 2024, the Company incurred corporate consulting fees of $36,022 (2023 - $nil) to Chris Batalha, the Company's Chief Executive Officer. As at December 31, 2024 and 2023, the Company owed $nil to Chris Batalha for unpaid consulting fees.

During the year ended December 31, 2024, the Company incurred corporate consulting fees of $45,000 (2023: $60,000) to Sinocan Consultant Hong Kong Ltd. ("Sinocan"), a company controlled by the former Interim Chief Executive Officer. As at December 31, 2024, the Company owed $nil (2023: $20,000) to Sinocan relating to unpaid consulting fees.

During the years ended December 31, 2024 and 2023, the Company incurred corporate consulting fees of $60,000 to Timbavati Consult Inc. ("Timbavati"), a company controlled by the Chief Financial Officer. As at December 31, 2024, the Company owed $20,000 (2023: $60,000) to Timbavati relating to unpaid consulting fees.

During the years ended December 31, 2024 and 2023, the Company incurred corporate consulting fees of $60,000 to Fiore Management & Advisory Corp. ("Fiore"), a company controlled by a director of the Company. As at December 31, 2024, the Company owed $20,000 (2023: $75,000) to Fiore relating to unpaid consulting fees

As at December 31, 2024, the Company owed $67,500 (2023: $87,500) in directors' fees to certain directors of the Company.

The Company was charged shared lease, overhead, and service costs by Artemis Gold Inc. ("Artemis"), a company with common management and directors. For the year ended December 31, 2024, the Company incurred $18,796 (2023: $19,842) in shared lease, overhead, and service costs. As at December 31, 2024, the Company owed $108,236 (2023: $89,440) to Artemis.

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

Changes in Accounting Policies

Accounting standards adopted January 1, 2024

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

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

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

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

Accounting standards and amendments issued but not yet adopted

Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* ("Amendments to IFRS 9 and IFRS 7"): In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. Amendments to IFRS 9 and IFRS 7 is effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impact of this standard on its disclosures.

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

Financial Instruments and Other Instruments

Financial Risk Management

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

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, amounts due to related parties, advance royalty payable, and convertible debentures. These financial instruments are designated as follows: cash is a financial asset measured at amortized cost, accounts payable and accrued liabilities and amounts due to related parties are financial liabilities measured at amortized cost, the measurement of the advance royalty payable is disclosed in Note 5 of the Annual Financial Statements, and the measurement of the convertible debentures is disclosed in Note 6 of Annual Financial Statements.

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 receivables. The Company has concentration of risk with respect to cash being held with one large Canadian financial institution. 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 carrying value of the financial assets noted above.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. 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, 2024 are included in the "*Liquidity, Capital Resources and Going Concern*" section of this MD&A.

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 is 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 the "*Liquidity, Capital Resources and Going Concern*" section of this MD&A.

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 its cash and cash equivalents. The Company manages market risk by investing funds with a reputable financial institution that provides competitive rates of return.

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. A 1% change in interest rates would not have a significant impact on the Company's net loss and comprehensive loss.

Fair value

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, receivables, prepaid expenses and deposits, accounts payable and accrued liabilities, amounts due to related parties, advance royalty payable, and convertible debentures approximate their fair values due to their short-term nature. The embedded derivative liabilities included in the convertible debentures are measured under a level 3 hierarchy due to certain inputs that are not based on observable market data.

Outstanding Share Data

As at the date of this MD&A, there were 115,741,367 common shares issued and outstanding and 9,615,000 stock options, 50,000 RSUs, and 535,285 common share purchase warrants outstanding.

As at the date of this MD&A, the Company also had the following convertible debentures outstanding:

- Series A Debentures - $760,000 convertible into units at a conversion price of $0.10 per unit. The conversion price during the first year of the term was $0.07 per unit, following which (on September 26, 2023) increased to $0.10 per unit for the remainder of the term. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.07 per common share and maturing on September 26, 2027.

- Series B Debenture - $837,500 convertible into units at a conversion price of $0.10 per unit. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.07 per common share and maturing on November 29, 2028.

- Series C Debentures - $1,477,558 convertible into units at a conversion price of $0.19 per unit. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.19 per common share and maturing on March 10, 2026.

- Series D Debentures - $1,112,500 convertible into units at a conversion price of $0.10 per unit. The conversion price during the first year of the term was $0.07 per unit, following which (on September 26, 2023) increased to $0.10 per unit for the remainder of the term. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.07 per common share and maturing on September 26, 2027.

- Series E Debentures - $2,385,000 convertible into units at a conversion price of $0.075 per unit. The conversion price during the first year of the term is $0.075 per unit, following which (on September 24, 2025) increases to $0.10 per unit for the remainder of the term. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.075 per common share and maturing on September 24, 2029.

Subsequent Events

Subsequent to year-end, there was a partial conversion of the Series D Debentures in the amount of $20,000, resulting in the issuance of 200,000 common shares and 200,000 share purchase warrants.

Subsequent to year-end, the Company issued 430,000 common shares for proceeds of $54,100 pursuant to the exercise of share purchase warrants.

Subsequent to year-end, the Company elected to settle an aggregate of $139,802 in accrued interest payable under the Company's previously issued convertible debentures through the issuance of 776,676 common shares of the Company, at a price of $0.18 per share.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses are provided in the Company's statements of (loss) income and comprehensive (loss) income contained in its Annual Financial Statements, which are available on SEDAR+ at www.sedarplus.ca.

Risks and Uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. At present, the mineral properties owned by the Company are located 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 Annual 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. Factors that may impact the Company's ability to continue as a going concern are described in the *Liquidity, Capital Resources and Going Concern* section of this MD&A. The 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.

Exploration and Development 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.

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 Québec, 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 Québec or Canada more broadly 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 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 iron ore 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 iron ore 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; (6) labour and material costs increasing on a basis consistent with the Company's current expectations; and (7) the ability to achieve the required financing from equity markets, debt markets and/or a strategic partner/off-taker to facilitate the development and eventual construction of the Company's projects. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risks and Uncertainties" in this MD&A. 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.sedarplus.ca.