MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

Oceanic Iron Ore Corp.

Dated April 26, 2022

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 year ended December 31, 2021 (the "Annual Financial Statements"). The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. 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 26, 2022.

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 property (the "Property") in Nunavik, Québec, which the Company acquired in November 2010. The Property comprises three project areas: Hopes Advance (also referred to as the "Project" throughout), Morgan Lake and Roberts Lake, which cover over 35,999 hectares 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. The Company's NSR holders are each entitled to annual advance NSR payments of $100,000 until the commencement of commercial production on the Company's 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 Company's Hopes Advance Project ("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 10 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

Since the prior quarter, the Company has:

- The Company reached an agreement with 154619 Canada Inc. ("154619") in respect of its 2020 and 2021 advance royalty payments of $200,000 through the issuance of an aggregate of 1,800,000 common shares at a price of approximately $0.1111 per common share. The Company also reached an agreement with SPG Royalties Inc. ("SPG") in respect of its 2021 advance royalty payment of $100,000 through the issuance of 900,000 common shares at a price of approximately $0.1111 per common share. The Settlement with 154619 and SPG was approved by the TSX Venture Exchange and was subject to the statutory four-month hold period.

Selected Annual Information

The following table presents selected annual information extracted from the relevant audited financial statements under IFRS:

	December 31, 2021	December 31, 2020	December 31, 2019
Total assets	$ 44,221,173	$ 43,664,476	$ 43,774,328
Non-current financial liabilities	$ 2,363,979	$ 5,974,024	$ 2,309,698
Net income (loss) for the year	$ 3,095,112	$ (4,580,500)	$ (839,492)
Basic earnings (loss) per share	$ 0.03	$ (0.05)	$ (0.01)
Diluted earnings (loss) per share	$ 0.02	$ (0.05)	$ (0.01)
Weighted average number of common shares outstanding			
Basic	94,281,224	92,761,760	70,398,314
Diluted	127,675,647	92,761,760	70,398,314

As the Company has yet make a development decision or achieve commercial production from its mineral asset, 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.

The increase in total assets from December 31, 2020 to December 31, 2021 was predominantly the result of cash inflows related to the completion of the 2021 convertible debenture financing. The increase in net income from December 31, 2020 to December 31, 2021 was predominantly due to a $4,080,126 gain in the fair value of the non-cash derivative liability component contained within the convertible debentures during the year ended December 31, 2021 (December 31, 2020 – loss of $3,573,688), as a result of the decrease in the Company's share price during the year.

Additional factors that have caused changes in results of operations from year ended December 31, 2020 to the year ended December 31, 2021 have been disclosed under the section entitled "Overall Performance and Results of Operations" below.

Discussion of Operations and Fourth Quarter Results

The following information for the years ended December 31, 2021 and 2020 ("FY2021" and "FY2020", respectively) has been derived from the Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements. The information for the three months ended December 31, 2021 and 2020 ("Q4 2021" and "Q4 2020", respectively) was derived in conjunction with the Unaudited Condensed Interim Financial Statements for the three months ended September 30, 2021 and 2020 which are available on www.sedar.com.

	Q4 2021	Q4 2020	FY 2021	FY 2020
Expenses				
Consulting and management fees	**$ 58,750**	$ 58,750	**$ 235,000**	$ 235,000
Directors' fees	**7,500**	7,500	**30,000**	34,000
License and insurance	**8,058**	6,552	**31,932**	25,768
Office and general	**9,938**	11,205	**19,937**	27,585
Professional fees expense	**32,090**	29,434	**88,527**	41,705
Rent	**2,541**	2,816	**10,162**	11,223
Share-based compensation	**39,871**	71,650	**109,601**	313,707
Transfer agent and regulatory	**12,937**	6,569	**25,358**	19,768
Wages and benefits	**16,975**	17,312	**74,035**	69,729
Loss from operations	**(188,660)**	(211,789)	**(624,552)**	(778,485)
Other income (expenses)				
Gain (loss) on non-cash derivative liabilities	**2,618,206**	(2,709,576)	**4,080,126**	(3,573,688)
Convertible debenture accretion expense	**(97,644)**	(58,526)	**(360,463)**	(228,327)
Net income (loss) and comprehensive income (loss) for the year	**$ 2,331,903**	$ (2,979,891)	**$ 3,095,112**	$ (4,580,500)

The factors affecting the change in net loss for the periods presented included:

Share-based compensation

Share-based compensation for Q4 2021 and FY2021 decreased by $31,779 and $204,106, respectively, compared to Q4 2020 and FY2020. The decrease in both periods is related to the fact that during FY2020, the Company granted 3,405,000 stock options compared to 1,045,000 options granted during FY2021.

Expenses associated with convertible debentures

During Q4 2021 and FY2021 the Company recorded fair value gains associated with the convertible debentures in the amount of $2,618,206 and $4,080,126, respectively. This compares to fair value losses recorded in Q4 2020 and FY2020 of $2,709,576 and $3,573,688, respectively. The increases in fair value gains on convertible debentures during both periods was predominantly driven by the reduction in the Company's share price during Q4 2021 and FY 2021.

Accretion expense for Q4 2021 and FY2021 increased by $39,118 and $132,136, respectively, compared to Q4 2020 and FY2020. This was primarily due to the 2021 Debentures issued during FY 2021.

Liquidity, Capital Resources and Going Concern

While the 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. As at December 31, 2021, the Company had an accumulated deficit of $32,863,178 and working capital deficit of $1,571,630.

The Company's ability to continue on a going concern basis for and beyond the next twelve months depends on its ability to successfully raise additional financing for continued operations and for the necessary capital expenditures required to achieve planned principal operations. The Company continues to pursue a number of options to improve its financial capacity, including securing a strategic partner to further advance the Hopes Advance project. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

Factors that could affect the availability of financing include the Company's performance, the state of international debt and equity markets which may be adversely impacted by uncertainty arising from the ongoing novel coronavirus ("COVID-19") pandemic, investor perceptions and expectations, the retention of key executive management and the state of global financial and metals markets.

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

		Q4 2021		Q4 2020		YTD 2021		YTD 2020
Cash used in operating activities	$	**(53,773)**	$	(31,283)	$	**(817,116)**	$	(150,234)
Cash used in investing activities		**(4,874)**		-		**(114,907)**		(90,134)
Cash provided by (used in) financing activities		**(67,045)**		(33,947)		**1,178,553**		(135,788)
Change in cash during the period		**(125,692)**		(65,230)		**246,530**		(376,156)
Cash, beginning of period		**418,854**		111,862		**46,632**		422,788
Cash, end of period	$	**293,162**	$	46,632	$	**293,162**	$	46,632

The Company's undiscounted commitments as at December 31, 2021 were as follows:

December 31, 2021

		Less than 1 year		1 - 3 years		4 - 5 years		Total
Accounts payable and accrued liabilities	$	295,591	$	-	$	-	$	295,591
Due to related parties		249,974		-		-		249,974
Convertible debenture - liability component		1,011,365		1,166,058		1,714,967		3,892,392
Advance royalty payable		200,000		400,000		400,000		1,000,000
	$	1,756,930	$	1,566,058	$	2,114,967	$	5,437,957

December 31, 2020

		Less than 1 year		1 - 3 years		4 - 5 years		Total
Accounts payable and accrued liabilities	$	348,541	$	-	$	-	$	348,541
Due to related parties		501,613		-		-		501,613
Convertible debenture - liability component		135,788		1,780,249		-		1,916,038
Advance royalty payable		400,000		400,000		400,000		1,200,000
	$	1,385,942	$	2,180,249	$	400,000	$	3,966,192

Additionally, in order to maintain current rights of tenure to exploration tenements, the Company is required to incur minimal expenditures of $45,340 in respect of claim renewal fees and minimum work requirements during 2022.

As at December 31, 2021, the convertible debentures and non-cash derivative liabilities have a combined carrying value of $3,104,997, representing the discounted face value of the debentures of $770,018 and the fair value of the non-cash embedded derivative liability of $2,334,979. However, the total future cash outflows associated with the repayment of the principal of the 2017 Debentures ($760,000), 2018 Debentures ($837,500) and 2021 Debentures ($1,557,548) cannot exceed the combined amount of principal of $3,155,048 plus any accrued interest. Furthermore, provided that the Company's share price trade at levels in excess of the prevailing conversion price of the 2017 Debentures and the 2018 Debentures ($0.10/unit), management expects that the 2017 Debentures and 2018 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 2021 Debentures ($0.19/unit) exceeds the Company's share price at December 31, 2021, future cash outflows associated with the redemption of the 2021 Debentures could be as high as $1,557,548 plus any accrued interest.

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

In addition, management expects that the conversion of the 2017 and 2018 Debentures could in fact result in cash inflows to the Company as the associated warrants are exercisable at prices of $0.10 per warrant and $0.05 per warrant, respectively, which were lower or equal to the Company's current prevailing share price as at December 31, 2021 ($0.11 / share).

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, 2021, the Company had no off-balance sheet arrangements.

Summary of Quarterly Results

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

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Revenues (Note 1)	$ -	$ -	$ -	$ -
Share-based compensation	$ (39,871)	$ (7,608)	$ (31,188)	$ (30,934)
Loss from Operations	$ (188,660)	$ (127,857)	$ (150,335)	$ (157,700)
Gain (loss) on non-cash derivative liabilities	$ 2,618,206	$ 1,013,687	$ 512,051	$ (63,818)
Net income (loss)	$ 2,331,903	$ 789,369	$ 266,114	$ (292,274)
Basic earnings (loss) per share	$ 0.03	$ 0.01	$ 0.02	$ 0.02
Diluted earnings (loss) per share	$ 0.02	$ 0.01	$ 0.00	$ (0.00)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2019
Revenues (Note 1)	$ -	$ -	$ -	$ -
Share-based compensation	$ (71,650)	$ (88,045)	$ (146,742)	$ (7,270)
Loss from Operations	$ (211,789)	$ (191,512)	$ (256,381)	$ (118,806)
Gain (loss) on non-cash derivative liabilities	$ (2,709,576)	$ (507,102)	$ (573,086)	$ 216,076
Net income (loss)	$ (2,979,890)	$ (756,147)	$ (886,053)	$ 41,588
Basic and diluted earnings (loss) per share	$ (0.03)	$ (0.01)	$ (0.01)	$ 0.00

Note 1 – As the Company has yet to make a development decision or commercial production from its mineral related assets, the Company has no revenue to report during the financial reporting periods noted above.

As demonstrated in the above table, the differences in net income (loss) from one quarter to another is predominantly due to the non-cash losses or gains recognized on the fair value adjustments to the derivative liability component contained in the convertible debentures. The Company uses option pricing models to value the derivative component of the convertible debentures, and this 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.

Critical Accounting Policies and Critical Accounting Estimates

Full disclosure of the Company's accounting policies and significant accounting judgments and estimation uncertainties in accordance with IFRS can be found in Note 3 of the Company's Annual Financial Statements.

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 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's cash and cash equivalents are invested in business accounts and 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, 2021 are included in the "*Liquidity and Capital Resources*" 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.

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.

The Company's financial instruments are not subject to significant fluctuation due to changes in equity prices of investments included 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 instruments with a history of returns. A 1% change in interest rates would have a negligible impact on 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 and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short-term nature.

Related Party Transactions and Key Management Compensation

a) Key management compensation

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

		Year ended December 31, 2021		Year ended December 31, 2020
Wages and benefits	**$**	**60,000**	$	60,000
Directors' fees		**30,000**		34,000
Share-based payments*		**84,246**		301,622
	$	**174,246**	$	395,622

**Share-based payments based on Options and RSUs granted to Individuals*

b) Payments for services by related parties

During the year ended December 31, 2021, the Company incurred corporate consulting fees of $115,000 (year ended December 31, 2020 - $115,000), to Sirocco Advisory Services Ltd., a company controlled by a director and officer of the Company. As at December 31, 2021, the Company owed $95,834 to Sirocco relating to unpaid consulting fees (December 31, 2020: $268,333).

During the year ended December 31, 2021, the Company incurred corporate consulting fees of $60,000 (year ended December 31, 2020 - $60,000) to Sinocan Consultant Hong Kong Ltd. ("Sinocan"), a company controlled by an officer of the Company. As at December 31, 2021, the Company owed $10,000 to Sinocan relating to unpaid consulting fees (December 31, 2020: $5,000).

As at December 31, 2021, the Company owed $52,500 in directors' fees to certain directors of the Company (December 31, 2020 - $66,500). As at December 31, 2021, the Company owed unpaid salaries and benefits of $50,000 to an officer of the Company (December 31, 2020 - $80,000).

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, 2021, the Company incurred $41,640 (December 31, 2020 - $20,293) in shared lease, overhead, and service costs. As at December 31, 2021, the Company owed $21,779 to Artemis (December 31, 2020: $21,779).

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

Subsequent Event

On March 21, 2022 the Company issued 95,335 common shares as a result of the settlement of RSUs.

Outstanding Share Data

As at the date of this MD&A, there were 96,768,302 common shares issued and outstanding.

As at the date of this report, there were 8,415,500 stock options, 20,125,000 common share purchase warrants, and 264,825 RSUs outstanding. As at the date of this MD&A, the Company also the following convertible debentures outstanding:

- 2017 convertible debentures - $760,000 convertible into units at a conversion price of $0.10 per unit. Each unit will be comprised of one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.10 per common share and mature on September 26, 2022.
- 2018 convertible debentures - $837,500 convertible into units at a conversion price of $0.10 per unit. Each unit will be comprised of one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.05 per common share and mature on November 29, 2023.
- 2021 convertible debentures - $1,557,548 convertible into units at a conversion price of $0.19 per unit. Each unit will be comprised of one common share and one share purchase warrant exercisable into one common share of the Company at a price of $0.19 per common share and mature on March 10, 2026.

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:

COVID-19

Since March 2021, several measures have been implemented in Canada and the rest of the world in response to the increased impact from COVID-19. The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time and could have an adverse impact on the Company's future business, results of operations, financial position, and cash flows in 2022. In particular, the valuation of the derivative liability which is measured at fair value using a combination of observable and unobservable market inputs, may be impacted.

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.sedar.com.