

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2025

Oceanic Iron Ore Corp.

Dated May 26, 2025



Oceanic Iron Ore Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations For the three months ended March 31, 2025

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 unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2025 and 2024 (the "Interim Financial Statements"), as well as the audited consolidated financial statements and related notes for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"). The Company reports its financial statements 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 May 26, 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 Nunavut, 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 36,040 hectares and 862 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 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 (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.

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Discussion of Operations

The following information for the three months ended March 31, 2025 and 2024 ("Q1 2025" and "Q1 2024", respectively) was derived in conjunction with the Interim Financial Statements which are available on SEDAR+ at www.sedarplus.ca.

	Q1 2025	Q1 2024
Expenses		
Consulting and management fees	\$ 85,480	\$ 75,725
Directors' fees	7,500	7,500
Insurance	5,284	4,420
Office and general	8,111	4,824
Professional fees	44,260	22,975
Rent	2,667	2,667
Share-based compensation	43,807	9,438
Transfer agent and regulatory	15,017	11,590
Loss from operations	(212,126)	(139,139)
Other expenses		
Loss on change in fair value of derivative liabilities	(6,020,177)	(253,524)
Convertible debenture accretion expense	(217,312)	(116,391)
Total other expenses	(6,237,489)	(369,915)
Net loss and comprehensive loss	\$ (6,449,615)	\$ (509,054)
Basic and diluted loss per common share	\$ (0.06)	\$ (0.00)

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

Loss 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 \$6,020,177 during Q1 2025 versus \$253,524 during Q1 2024 as the increase in the Company's share price from the beginning of Q1 2025 to the end of Q1 2025 was greater than the increase in the Company's share price from the beginning of Q1 2024 to the end of Q1 2024. Furthermore, volatilities were higher in Q1 2025 versus Q1 2024. The combined effect of these binomial option pricing model inputs therefore had a greater impact to changes in fair value of derivative liabilities in Q1 2025 versus Q1 2024. In addition, the Series E Debentures were issued in Q3 2024. In Q1 2025, the change in fair value of derivative liabilities associated with the Series E Debentures was \$3,002,398, which was \$nil for Q1 2024.

The increase in loss on change in fair value of derivative liabilities was also due to the amortization of deferred loss for the Series E Debentures, which financing was completed in September 2024. Included within the loss on change in fair value of derivative liabilities was amortization of deferred loss of \$596,559 and \$201,949 for Q1 2025 and Q1 2024, respectively.

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Share-based compensation

Share-based compensation for Q1 2025 increased by \$34,369 compared to Q1 2024 due to the vesting of stock options and RSUs granted in FY 2024.

Summary of Quarterly Results

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

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based compensation	\$ (43,807)	\$ (72,207)	\$ (43,091)	\$ (42,843)
Loss from operations	\$ (212,126)	\$ (229,491)	\$ (182,294)	\$ (153,872)
(Loss) gain on change in fair value of derivative liabilities	\$ (6,020,177)	\$ 1,992,863	\$ (2,968,741)	\$ (2,045,156)
Net (loss) income	\$ (6,449,615)	\$ 1,539,814	\$ (3,372,771)	\$ (2,335,573)
Basic and diluted net (loss) income per share	\$ (0.06)	\$ 0.01	\$ (0.03)	\$ (0.02)

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based compensation	\$ (9,438)	\$ (32,686)	\$ (32,924)	\$ (43,660)
Loss from operations	\$ (139,139)	\$ (162,287)	\$ (145,185)	\$ (154,855)
(Loss) gain on change in fair value of derivative liabilities	\$ (253,524)	\$ (52,668)	\$ 1,181,978	\$ 1,021,577
Net (loss) income	\$ (509,054)	\$ (350,370)	\$ 900,783	\$ 732,041
Basic and diluted net (loss) income per share	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ 0.01

As demonstrated in the above table, the differences in net loss or income from one quarter to another is predominantly due to the non-cash losses or gains 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 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, certain conditions and events result in a material uncertainty casting significant doubt on the validity of this assumption. As at March 31, 2025, the Company had an accumulated deficit of \$44,998,686, and a working capital deficit of \$14,625,271.

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.

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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.

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

	Q1 2025	Q1 2024
Cash used in operating activities	\$ (76,260)	\$ (42,744)
Cash used in investing activities	(24,622)	(9,754)
Cash from financing activities	54,100	-
Change in cash during the period	(46,782)	(52,498)
Cash, beginning of period	1,420,984	269,513
Cash, end of period	\$ 1,374,202	\$ 217,015

The Company's undiscounted commitments as at March 31, 2025 were as follows:

	March 31, 2025			
	Less than 1 year	1 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	\$ 294,020	\$ -	\$ -	\$ 294,020
Due to related parties	325,053	-	-	325,053
Convertible debenture - liability component	551,443	4,135,101	3,571,545	8,258,089
Advance royalty payable	250,000	400,000	400,000	1,050,000
	\$ 1,420,516	\$ 4,535,101	\$ 3,971,545	\$ 9,927,162

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 \$1,685,531 may be settled in common shares at the election of the Company.

As at March 31, 2025, the convertible debentures and non-cash embedded derivative liabilities have a combined carrying value of \$15,202,734, representing the discounted face value of the debentures of \$5,103,417 (partially offset by a deferred loss balance of \$2,881,057), and fair value of the non-cash embedded derivative liabilities of \$18,491,250 (partially offset by a deferred loss balance of \$5,510,876).

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 (\$1,112,500) and Series E Debentures (\$2,385,000) cannot exceed the combined amount of principal of \$6,572,558 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 \$0.18 per share as at March 31, 2025, future cash outflows associated with the redemption of the Series C Debentures could be as high as \$1,447,558.

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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 March 31, 2025, the Company had no off-balance sheet arrangements.

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 4 of the Interim Financial Statements, and the measurement of the convertible debentures is disclosed in Note 5 of the Interim 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 March 31, 2025 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 renegotiate the maturity of the Series C Debentures or to secure additional financing.

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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 and convertible debentures 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. 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's exposure to interest rate risk is not significant and a 1% change in interest rates would not have a significant impact on the Company's net 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.

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:

	Q1 2025		Q1 2024	
Directors' fees	\$	7,500	\$	7,500
Consulting and management fees		80,000		73,750
Share-based compensation*		42,747		8,600
	\$	130,247	\$	89,850

*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 three months ended March 31, 2025, the Company incurred corporate consulting fees of \$25,000 (2024: \$28,750), to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director of the Company. As at March 31, 2025, the Company owed \$58,333 (December 31, 2024: \$33,333) to Sirocco relating to unpaid consulting fees.

During the three months ended March 31, 2025, the Company incurred corporate consulting fees of \$25,000 (2024: \$nil) to the Company's Chief Executive Officer. As at March 31, 2025, the Company owed \$8,333 (December 31, 2024: \$nil) to the Chief Executive Officer relating to unpaid consulting fees.

During the three months ended March 31, 2025 and 2024, the Company incurred corporate consulting fees of \$15,000 to Timbavati Consult Inc. ("Timbavati"), a company controlled by the Chief Financial Officer. As

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at March 31, 2025, the Company owed \$35,000 (December 31, 2024: \$20,000) to Timbavati relating to unpaid consulting fees.

During the three months ended March 31, 2025 and 2024, the Company incurred corporate consulting fees of \$15,000 to Fiore Management & Advisory Corp. ("Fiore"), a company controlled by a director of the Company. As at March 31, 2025, the Company owed \$35,000 (December 31, 2024: \$20,000) to Fiore relating to unpaid consulting fees.

As at March 31, 2025, the Company owed \$75,000 (December 31, 2024: \$67,500) 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 three months ended March 31, 2025, the Company incurred \$5,151 (2024: \$3,971) in shared lease, overhead, and service costs. As at March 31, 2025, the Company owed \$113,387 (December 31, 2024: \$108,236) to Artemis.

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

Outstanding Share Data

As at the date of this MD&A, there were 115,841,367 common shares issued and outstanding and 9,615,000 stock options, 50,000 RSUs and 435,285 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 will consist of one common share of the Company and one common share purchase warrant of the Company, with each whole warrant entitling the holder to purchase one common share at a price of \$0.07 per common share and mature on September 26, 2027.
- Series B Debenture - \$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 \$0.07 per common share and mature on November 29, 2028.
- Series C Debentures - \$1,477,558 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.
- 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 will consist of one common share of the Company and one common share purchase warrant of the Company, with each whole warrant entitling the holder to purchase one common Share at a price of \$0.07 per common share and mature 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 will consist

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of one common share of the Company and one common share purchase warrant of the Company, with each whole warrant entitling the holder to purchase one common Share at a price of \$0.075 per common share and mature on September 24, 2029.

Subsequent Event

Subsequent to period-end, the Company issued 100,000 common shares for proceeds of \$7,000 pursuant to the exercise of share purchase warrants.

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 Company is subject to significant risks. For details of these risks, refer to the risk factors set forth in the Company's most recently filed Annual Financial Statements, which can be found under the Company's corporate profile on SEDAR+ at www.sedarplus.ca. Management is not aware of any significant changes to the risks identified in the Company's most recently filed Annual Financial Statements nor has the Company's mitigation of those risks changed significantly during the three months ended March 31, 2025. These risks could materially affect the Company's business, future prospects and share price and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, future prospects and share price of the Company. If any of the risks actually occur, the business of the Company may be harmed, and its financial condition and results of operations may suffer significantly.

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 the MD&A for the year ended December 31, 2024. 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

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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.