

# **Oceanic Iron Ore Corp.**

Unaudited Condensed Interim Consolidated Financial Statements  
**For the three and six months ended September 30, 2015 and 2014**  
(Stated in Canadian Dollars)

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

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

# Oceanic Iron Ore Corp.

## Consolidated Statements of Financial Position

	September 30, 2015	March 31, 2015
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,320,835	\$ 1,944,510
Receivables (Note 3)	31,057	132,577
Prepaid expenses and deposits	140,654	251,673
Restricted cash	34,500	34,500
	<b>1,527,046</b>	<b>2,363,260</b>
Equipment	170,877	230,266
Mineral properties (Note 4)	40,785,908	40,500,238
	<b>\$ 42,483,831</b>	<b>\$ 43,093,764</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 47,455	\$ 126,857
Due to related parties (Note 8)	20,337	23,056
Current portion of advance royalty payable (Note 4(c))	96,748	175,227
Convertible debenture - liability component (Note 5)	2,930,738	2,707,066
	<b>3,095,278</b>	<b>3,032,206</b>
Non-current portion of advance royalty payable (Note 4(c))	565,633	440,377
	<b>3,660,911</b>	<b>3,472,583</b>
<b>Shareholders' equity</b>		
Share capital (Notes 6(a),6(b))	55,331,590	55,331,590
Contributed surplus (Notes 6(c),6(d), 6(e))	9,242,078	9,091,588
Convertible debenture - equity component (Note 5)	562,011	562,011
Deficit	(26,312,759)	(25,364,008)
	<b>38,822,920</b>	<b>39,621,181</b>
	<b>\$ 42,483,831</b>	<b>\$ 43,093,764</b>

Nature of operations and going concern (Note 1)

Commitments (Note 7)

Subsequent Events (Notes 5,10)

Approved by the Board:

\_\_\_\_\_  
" Steven Dean " Director

\_\_\_\_\_  
" Gordon Keep " Director

# Oceanic Iron Ore Corp.

## Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended September 30, 2015 and 2014

	Three months ended		Six months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Expenses</b>				
Consulting and management fees	\$ 56,250	\$ 137,500	\$ 112,500	\$ 275,000
Directors' fees	7,500	7,500	15,000	15,000
Investor relations and corporate development	15,000	37,792	47,988	106,549
License and insurance	8,488	11,595	16,858	26,140
Office and general	8,083	15,727	17,659	39,063
Professional fees	5,855	22,385	17,547	81,414
Rent	25,739	26,768	51,478	51,268
Share-based payments (Note 6(c)(d))	70,182	37,236	150,490	74,068
Transfer agent and regulatory	(1,129)	13,967	(1,292)	28,066
Travel	55	1,311	897	3,051
Wages and benefits	104,411	107,010	212,503	217,734
<b>Loss from operations</b>	<b>300,434</b>	<b>418,791</b>	<b>641,628</b>	<b>917,353</b>
<b>Other income (expenses)</b>				
Interest income	1,960	4,242	6,549	8,757
Interest and other financing expense	(159,231)	(141,421)	(313,672)	(278,914)
<b>Net loss before income taxes</b>	<b>(457,705)</b>	<b>(555,970)</b>	<b>(948,751)</b>	<b>(1,187,510)</b>
Deferred income tax recovery	-	88,255	-	246,758
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (457,705)</b>	<b>\$ (467,715)</b>	<b>\$ (948,751)</b>	<b>\$ (940,752)</b>
<b>Loss per common share - basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	<b>\$ (0.05)</b>
<b>Weighted average number of common shares outstanding</b>	<b>35,048,136</b>	<b>19,661,822</b>	<b>35,048,136</b>	<b>19,661,822</b>

# Oceanic Iron Ore Corp.

## Consolidated Statements of Changes in Equity

For the three and six months ended September 30, 2015 and 2014

	Share capital		Contributed surplus	Convertible debenture	Deficit	Total equity
	Number of shares	Amount				
<b>Balance - April 1, 2015</b>	<b>35,048,136</b>	<b>\$ 55,331,590</b>	<b>\$ 9,091,588</b>	<b>\$ 562,011</b>	<b>\$ (25,364,008)</b>	<b>\$ 39,621,181</b>
Share-based payments recognized	-	-	150,490	-	-	150,490
Net loss for the period	-	-	-	-	(948,751)	(948,751)
<b>Balance - September 30, 2015</b>	<b>35,048,136</b>	<b>\$ 55,331,590</b>	<b>\$ 9,242,078</b>	<b>\$ 562,011</b>	<b>\$ (26,312,759)</b>	<b>\$ 38,822,920</b>

	Share capital		Contributed Surplus	Convertible debenture	Deficit	Total equity
	Number of shares	Amount				
<b>Balance - April 1, 2014</b>	<b>19,661,822</b>	<b>\$ 52,719,225</b>	<b>\$ 8,308,310</b>	<b>\$ 562,011</b>	<b>\$ (23,063,238)</b>	<b>\$ 38,526,308</b>
Share-based payments recognized	-	-	79,546	-	-	79,546
Net loss for the period	-	-	-	-	(940,752)	(940,752)
<b>Balance - September 30, 2014</b>	<b>19,661,822</b>	<b>\$ 52,719,225</b>	<b>\$ 8,387,856</b>	<b>\$ 562,011</b>	<b>\$ (24,003,990)</b>	<b>\$ 37,665,102</b>

**Oceanic Iron Ore Corp.**  
**Consolidated Statement of Cash Flows**  
**For the three and six months ended September 30, 2015 and 2014**

	Three Months ended September 30, 2015	Three Months ended September 30, 2014	Six Months ended September 30, 2015	Six Months ended September 30, 2014
<b>Operating activities</b>				
Net loss for the period	\$ (457,705)	\$ (467,715)	\$ (948,751)	\$ (940,752)
Adjustments for:				
Deferred income tax (recovery)	-	(88,255)	-	(246,758)
Share-based payments	70,182	37,236	150,490	74,068
Interest income	(1,960)	(4,242)	(6,549)	(8,757)
Interest and financing expense	159,231	141,421	313,672	278,914
Net changes in non-cash working capital balances:				
Prepaid expenses and deposits	49,212	98,063	59,188	19,199
Receivables	96,122	33,602	100,523	68,250
Accounts payable and accrued liabilities	(38,589)	13,304	(72,615)	46,058
Due to related parties	(6,583)	(8,673)	(2,719)	(1,812)
	<b>(130,090)</b>	<b>(245,259)</b>	<b>(406,761)</b>	<b>(711,590)</b>
<b>Investing activities</b>				
Mineral property expenditures	(68,110)	(446,057)	(127,091)	(941,694)
Interest income received	-	4,157	177	6,849
	<b>(68,110)</b>	<b>(441,900)</b>	<b>(126,914)</b>	<b>(934,845)</b>
<b>Financing activities</b>				
Interest paid on convertible debenture (Note 5)	(45,000)	(45,000)	(90,000)	(90,000)
	<b>(45,000)</b>	<b>(45,000)</b>	<b>(90,000)</b>	<b>(90,000)</b>
Change in cash and cash equivalents during the period	(243,200)	(732,159)	(623,675)	(1,736,435)
Cash and cash equivalents, beginning of period	1,564,035	1,089,621	1,944,510	2,093,897
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,320,835</b>	<b>\$ 357,462</b>	<b>\$ 1,320,835</b>	<b>\$ 357,462</b>
<b>Cash and cash equivalents are comprised of the following:</b>				
Cash	\$ 50,835	\$ 357,462	\$ 50,835	\$ 357,462
Term deposits	\$ 1,270,000	\$ -	\$ 1,270,000	\$ -
	<b>\$ 1,320,835</b>	<b>\$ 357,462</b>	<b>\$ 1,320,835</b>	<b>\$ 357,462</b>
<b>Non cash investing and financing activities</b>				
Accretion on debt portion of convertible debenture	159,231	66,830	313,672	278,914
Accretion on advance royalty payable	15,481	32,730	46,777	55,614
Change in mineral property expenditures in accounts payable	(466)	(630,673)	(6,790)	(8,011)
Depreciation of equipment charged to mineral properties	29,857	29,857	59,389	59,389

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Oceanic Iron Ore Corp. (“Oceanic” or the “Company”) is an exploration stage company engaged in the acquisition and exploration of iron ore properties in Québec, Canada. The Company was incorporated on March 8, 1986 under the British Columbia Business Corporations Act. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, British Columbia. The Company’s registered/records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia. Its common shares are traded on the TSX Venture Exchange under the symbol “FEO”.

The Company acquired a 100% interest in certain mining claims (the “Property”) located near Ungava Bay, Québec, Canada in November, 2010. The Company is currently conducting exploration activity on the Property.

While these financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, there are certain conditions and events that may cast significant doubt on the validity of this assumption. For the six months ended September 30, 2015, the Company reported a loss of \$948,751 and as at that date had an accumulated deficit of \$26,312,759 and a working capital deficit of \$1,568,232. The Company will need to raise sufficient funds in order to finance ongoing exploration, development and administrative expenses over the coming 12 months. The success of raising such funds cannot be assured. Factors that could affect the availability of financing include the Company’s performance, the state of international debt and equity markets, investor perceptions and expectations, the retention of key executive management and the state of global financial and metals markets. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate, and these adjustments could be material.

### 2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Auditing Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board. These condensed interim consolidated financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited annual financial statements for the year ended March 31, 2015. The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in note 3 of the Company’s audited annual financial statements for the year ended March 31, 2015.

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

The Board of Directors approved these condensed interim financial statements on November 26, 2015.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

### 3. RECEIVABLES

	September 30, 2015	March 31, 2015
Input tax credits	\$ 9,030	\$ 19,201
Refundable exploration tax credits	-	100,000
Interest and other receivables	22,027	13,376
	<b>\$ 31,057</b>	<b>\$ 132,577</b>

### 4. MINERAL PROPERTIES - UNGAVA BAY

#### a) Acquisition costs

	Six months ended September 30, 2015	Six months ended September 30, 2014
<b>Balance - Beginning of period</b>	<b>\$ 18,489,528</b>	<b>\$ 18,207,341</b>
<b>Additions</b>		
Accretion of advance royalty payable	46,777	55,614
<b>Balance - End of period</b>	<b>\$ 18,536,305</b>	<b>\$ 18,262,955</b>

#### b) Exploration costs

	Six months ended September 30, 2015	Six months ended September 30, 2014
<b>Cumulative exploration costs - Beginning of period</b>	<b>\$ 22,010,710</b>	<b>\$ 20,786,867</b>
<b>Expenditures during the year</b>		
Permitting & claims	30,706	101,402
Drilling	-	10,000
Fieldwork & geology	-	69,152
Consultants	2,600	207,515
Salaries*	-	110,478
Fuel	(1,750)	12,802
Mapping & imagery	-	65,754
Assays & metallurgy	-	25,447
Equipment, supplies & rentals	73,719	39,030
Office and accomodation	72,176	86,844
Transportation	200	210,739
Equipment depreciation	59,389	59,389
Exploration tax credit refund claim	1,853	-
Exploration expenditures for the period	238,893	998,552
<b>Cumulative exploration costs - End of period</b>	<b>\$ 22,249,603</b>	<b>\$ 21,785,419</b>
<b>Grand total - mineral properties</b>	<b>\$ 40,785,908</b>	<b>\$ 40,048,374</b>

\* Includes a portion of share-based payments of \$nil (2014: \$5,478).

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

### 4. MINERAL PROPERTIES - UNGAVA BAY (continued)

#### c) Exploration costs (continued)

Under the terms of the acquisition of the Property, the Company must pay advance net smelter return ("NSR") payments of \$200,000 per year until the commencement of commercial production. The aggregate advance NSR payments will then be credited against all future NSR payments payable from production. The advance NSR payments included in the purchase price represent the present value of advance payments to the Vendors until the estimated date of commencement of commercial production.

On September 29, 2015, the Company signed an amendment to the royalty agreement with 154619 Canada Inc., whereby the Company and 154619 Canada Inc. agreed that the November 30, 2015 advance royalty payment for the amount of \$100,000 may be deferred, at the discretion of the Company, by a period of up to one year. As of the date on which these financial statements were approved by the Board on November 26, 2015, payment of the \$100,000 royalty had not been made. 154619 Canada Inc. is a corporation controlled by Mr. Peter Ferderber, who assigned his original 1% net smelter royalty to the numbered company in 2012. The remaining 1% net smelter royalty payment is due to SPG Royalties Inc., the assignee of the late Mr. John Patrick Sheridan (Note 10).

The Company discounted the advance NSR payments using a discount rate of 20%, representing the estimated rate of return of similar investments at the date of acquisition. The advance royalty balance will be accreted up to the date of ultimate NSR advance payment, resulting in an increase to mineral property acquisition costs and the advance royalty payable. The total estimated future undiscounted NSR payments as at September 30, 2015 is \$1,000,000 (March 31, 2015: \$1,000,000) (Note 7). For the six months ended September 30, 2015, accretion of the advance royalty payable totaled \$15,481 (2014: \$28,496). At September 30, 2015, the total Advance Royalty payable was \$662,381 (March 31, 2015: \$615,604), with \$96,748 (March 31, 2015: \$175,227) recognized as current and \$565,633 recognized as long term (March 31, 2015: \$440,377).

### 5. CONVERTIBLE DEBENTURE

	Liability component		Equity component		Total
<b>Opening balance - April 1, 2014</b>	\$	<b>2,312,720</b>	\$	<b>562,011</b>	<b>\$ 2,874,731</b>
Amortization of issuance costs		60,979		-	<b>60,979</b>
Accretion of discount		513,367		-	<b>513,367</b>
Interest payments		(180,000)		-	<b>(180,000)</b>
<b>Balance - March 31, 2015</b>	\$	<b>2,707,066</b>	\$	<b>562,011</b>	<b>\$ 3,269,077</b>
Amortization of issuance costs		30,490		-	<b>30,490</b>
Accretion of discount		283,182		-	<b>283,182</b>
Interest payments		(90,000)		-	<b>(90,000)</b>
<b>Balance - September 30, 2015</b>	\$	<b>2,930,738</b>	\$	<b>562,011</b>	<b>\$ 3,492,749</b>

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

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### 5. CONVERTIBLE DEBENTURE (continued)

Accretion and other financing expense on the Company's convertible debenture for the three and six months ended September 30, 2015 was \$159,539 and \$313,672, respectively (2014: \$141,421 and \$278,914).

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

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

### 6. SHARE CAPITAL

#### *(a) Share Capital*

Unlimited common and preferred shares without par value

#### *(b) Issued and fully paid common shares*

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

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

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

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### 6. SHARE CAPITAL (continued)

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

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

A summary of the changes in RSUs is as follows:

	<b>Number of RSUs</b>
Balance - April 1, 2014	476,406
Granted	1,225,806
Settled	(137,564)
Forfeited	(82,813)
<b>RSUs outstanding - March 31, 2015</b>	<b>1,481,835</b>
Forfeited	(12,500)
<b>RSUs outstanding - September 30, 2015</b>	<b>1,469,335</b>

On November 25, 2014, the Company granted a total of 1,225,806 RSUs to directors and officers of the Company. The vesting period for the RSUs granted is as follows: 1/3 on the grant date, 1/3 on the twelve month anniversary date, and 1/3 on the twenty four month anniversary date. Each RSU has a fair value of \$0.16 which was the closing share price at the grant date.

RSU expense for the three months ended September 30, 2015 was \$55,100 (2014: \$39,990), of which \$55,100 (2014: \$37,236) was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss and \$nil (2014: \$2,754) was capitalized to mineral properties. RSU expense for the six months ended September 30, 2015 was \$110,119 (2014: \$79,546) of which \$110,119 (2014: \$74,068) was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss and \$nil (2014: \$5,478) was capitalized to mineral properties.

#### (d) *Stock options*

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

As at September 30, 2015, the Company had a total of 3,344,100 stock options outstanding with a weighted average exercise price of \$0.18.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

### 6. SHARE CAPITAL (continued)

#### (d) Stock options (continued)

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

	Options	Weighted average
Options outstanding - April 1, 2014	1,964,350	0.20
Expired	(60,250)	0.16
Granted	1,440,000	0.16
<b>Options outstanding - March 31, 2015 and September 30, 2015</b>	<b>3,344,100</b>	<b>0.18</b>
<b>Options exercisable - September 30, 2015</b>	<b>2,884,934</b>	<b>0.19</b>

The following table summarizes information about stock options outstanding at September 30, 2015:

Number of Options	Exercise Price CAD	Expiry Date	Options Exercisable
25,000	0.20	May 28, 2017	25,000
522,350	0.20	November 30, 2020	522,350
350,000	0.20	January 5, 2021	350,000
30,000	0.20	January 11, 2021	30,000
10,000	0.20	April 5, 2021	10,000
150,000	0.20	May 18, 2021	150,000
317,500	0.20	December 16, 2021	317,500
100,000	0.20	May 25, 2022	100,000
150,000	0.20	October 18, 2022	150,000
305,500	0.20	January 18, 2023	305,500
1,358,750	0.155	November 25, 2024	907,917
25,000	0.155	December 15, 2024	16,667
<b>3,344,100</b>			<b>2,884,934</b>

#### (e) Share purchase warrants

As at September 30, 2015 the Company had a total of 19,032,500 share purchase warrants outstanding with a weighted average exercise price of \$2.11.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

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### 6. SHARE CAPITAL (continued)

#### (e) Share purchase warrants (continued)

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

	Number	Weighted average exercise price	Expiry date
Balance - April 1, 2014	3,783,750	\$ 9.39	-
Issued	15,248,750	0.30	April 9, 2017
<b>Balance - March 31, 2015 and September 30, 2015</b>	<b>19,032,500</b>	<b>\$ 2.11</b>	

The following table summarizes information about share purchase warrants outstanding at September 30, 2015:

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average remaining contractual life (years)
656,250	\$ 6.50	November 30, 2015	0.2
2,840,000	10.00	November 30, 2015	0.2
287,500	10.00	December 22, 2016	1.2
15,248,750	0.30	April 9, 2017	1.5
<b>19,032,500</b>	<b>\$ 2.11</b>		<b>1.3</b>

### 7. COMMITMENTS

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

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

As part of the acquisition of the Ungava Bay mineral properties, commencing on November 30, 2011, Oceanic must pay advance net smelter royalty ("NSR") payments of \$200,000 per year, which will be credited against all future NSR payments payable from production. Please refer to Notes 4( c) and 10 as it pertains to payments made in 2015.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

### 7. COMMITMENTS (continued)

The committed charges for the Company are as follows:

<b>September 30,</b>	<b>Vancouver office rent</b>	<b>Montreal office rent</b>	<b>NSR payments</b>	<b>Total commitments</b>
2016	39,882	111,938	100,000	251,820
2017	25,457	108,147	300,000	433,604
Thereafter	-	-	600,000	600,000
	<b>\$ 65,339</b>	<b>\$ 220,085</b>	<b>\$ 1,000,000</b>	<b>\$ 1,285,424</b>

### 8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

#### a) Key Management Compensation

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

	<b>Three months ended September 30, 2015</b>	Three months ended September 30, 2014	<b>Six months ended September 30, 2015</b>	Six months ended September 30, 2014
Wages and benefits	\$ 81,250	\$ 68,750	\$ 162,500	\$ 137,500
Directors' fees	7,500	7,500	15,000	15,000
Share-based payments	69,223	36,397	147,994	72,398
	<b>\$ 157,973</b>	<b>\$ 112,647</b>	<b>\$ 325,494</b>	<b>\$ 224,898</b>

#### b) Payments for services by related parties

During the three and six months ended September 30, 2015, the Company incurred corporate consulting fees of \$41,250 and \$82,500, respectively (2014: \$82,500 and \$165,000, respectively) to Sirocco Advisory Services Ltd., a company controlled by a director and officer of the Company. Effective November 1, 2014, in order to preserve the cash balance of the Company, Sirocco Advisory Services Ltd. entered into an amended consulting agreement which reflected a reduced consulting fee. The fees earned for the three and six months ended September 30, 2015 incorporate the reduced fee.

During the three and six months ended September 30, 2015, the Company incurred corporate consulting fees of \$nil (2014: \$40,000 and \$80,000, respectively) to Shariff Advisory Services Ltd., a company controlled by a former officer of the Company. Effective November 1, 2014, in order to preserve the cash balance of the Company, Shariff Advisory Services Ltd. entered into an amended consulting agreement which reflected a reduced consulting fee.

As disclosed in Note 7, the Company is charged shared lease, overhead, and service costs by Atlantic Gold Corporation, a company with a director and officer in common. For the three and six month period ended September 30, 2015, the Company incurred \$34,542 and \$70,393, respectively (2014: \$37,853 and \$72,853, respectively) in shared lease, overhead, and service costs. Refer to Note 7 for a listing of future commitments in respect of such lease costs.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and six months ended September 30, 2015 and 2014

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### 8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

#### b) Payments for services by related parties (continued)

Amounts due to related parties at September 30, 2015 totalled \$20,337 (March 31, 2015: \$23,056). All related party transactions were made on terms equivalent to those that prevail in arm's length transactions. None of the amounts due to related parties are secured against assets of the Company.

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

### 10. SUBSEQUENT EVENTS

- a) On November 4, 2015, the Company signed an amendment in respect of its royalty agreement with SPG Royalties Inc. ("SPG"), whereby the Company will settle the \$100,000 advance royalty payment due November 30, 2015 by making a partial cash payment of \$50,000, with the remainder of the balance settled through the issuance of common shares of the Company. The price at which the common shares will be issued in partial payment of the advanced royalty payment will be \$0.1569, which is 110% of the price determined through the partial conversion of the Company's debenture with Sino-Canada announced on November 23, 2015 (refer to Note 5). As such, a total of 318,674 common shares will be issued to SPG on November 30, 2015. As of the date on which these financial statements were approved by the Board, the Company had made the cash payment of \$50,000 to SPG.
- b) On November 25, 2015, the Company issued 53,763 common shares as a result of the settlement of RSUs.