The following discussion is management's assessment and analysis of the results and financial condition of Oceanic Iron Ore Corp. (formerly Pacific Harbour Capital Ltd.) ("Oceanic" or the "Company"),and should be read in conjunction with the accompanying unaudited condensed interim financial statements and related notes.The Company reports its financial statements in accordance with International Financial Reporting Standards ("IFRS"). Previously the Company reported its interim and annual financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The Company's 2011 comparatives in this MD&A have been presented in accordance with IFRS, as the Company's IFRS transition date was April 1, 2010. 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. The effective date of this report is February 27, 2012.

Description of Business

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

The Company is focused on the development of the Ungava Bay iron property (the "Property") in Nunavik, Québec. The Property comprises three project areas: Hopes Advance, Morgan Lake and Roberts Lake, which cover over 300 kilometres of iron formation and are located within 20 – 50 km of tidewater. The Company has a 100% interest, subject to a 2% net smelter returns royalty ("NSR") in the Property. All three project areas have been explored historically (in the 1950's and 1960's), including sampling, drilling and metallurgical work to support the planning and development of iron mines, and an NI 43-101 Resource estimate and Preliminary Economic Assessment was published in November 2011 in respect of the Hopes Advance project.

The Company completed the acquisition of the Property in November 2010 (see "Acquisition of Iron Ore Mining Claims" below), concurrently raising approximately $20 million through private placement financings (see "Private Placement Financings" below). In January 2011, the Company appointed the senior management team and since then the Company has been focused on fast-tracking the development of the Property, in particular focusing on the development of the Hopes Advance project area.

Achievements to Date

The Company commenced its 2011 resource verification program in March 2011, and since then has made significant progress advancing the development of the Hopes Advance project.

Key achievements to date include:

- Definition of an NI 43-101 compliant "In-Pit Mineral" Resource Estimate for Hopes Advance of 358,362,000 tonnes at 31.8% Fe indicated and 872,423,000 tonnes at 32.4% Fe inferred (see "Resource Estimate" below)

- Completion of a Preliminary Economic Assessment ("PEA") in respect of Hopes Advance, which under the Company's optimal production scenario of 20 million tonnes per annum of concentrate, achieves a pre-tax NPV of $10.4 bn, and pre-tax IRR of 34 % at an 8% discount rate (see "Preliminary Economic Assessment" below)

- Completion of initial metallurgical testwork including grind grade tests which indicate that good hematite and magnetite liberation is achieved with a relatively coarse grind

- Shipment of a 10 tonne bulk sample in July 2011 from the Castle Mountain deposit as well as a 250 tonne bulk sample in October 2011, representative of the principal deposits in Hopes Advance, for the purposes of pilot plant tests and flowsheet development

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

- Establishment of positive relations with the Inuit community including signing of an LOI setting the terms and conditions on which the Company is to develop the Hopes Advance project

- Submission to the government of Québec for infrastructure under Québec's Plan Nord supported by the Inuit community

Next steps

- Resource estimate update in respect of Hopes Advance, taking into account data from 43 exploration drill holes that were not included as part of the initial Hopes Advance resource calculation, expected to be published in March 2012

- Results from ongoing metallurgical testing on some 700 composite samples, expected to be published in Spring 2012

- Commencement in April 2012 of pilot plant testing and flowsheet development

- Preparation of a pre-feasibility study underway, expected to be published in September 2012, to be followed by a feasibility study

- Continuing provincial and federal government and Inuit interaction in regards to infrastructure under the Plan Nord

- Ongoing environmental review in support of the pre-feasibility study and environmental impact assessment

Third Quarter Financial Highlights

Total assets increased to $43,333,904 at December 31, 2011 from $40,979,373 at September 30, 2011. The most significant assets at December 31, 2011 were mineral properties of $33,021,582 (September 30, 2011: $31,391,514) and cash and cash equivalents of $8,221,510 (September 30, 2011: $7,992,917). Excluding the demand loan which matures on the earlier of August 31, 2013 and the receipt of Québec Exploration Tax Credits, the Company's net working capital position at December 31, 2011 is $8,489,672.

The increase in mineral properties of approximately $1.6 million reflects the continued work on the Company's 2011 resource verification program, including fieldwork, lab testing and the completion of the various technical reports including the technical report in respect of the NI 43-101 Mineral Resource Estimate and PEA relating to the Hopes Advance project, discussed in more detail below.

The increase in cash and cash equivalents during the period of $228,593 was the result of proceeds on exercise of warrants and options of $875,000, net proceeds from the Company's demand loan facility of $1,298,937, net proceeds from the December 22, 2011 private placement of $1,978,479, partially offset by $3,036,206 spent on exploration activities and $887,614 incurred in operating activities.

Acquisition of Iron Ore Mining Claims

As noted above, the Company closed the acquisition of the Propertyon November 30, 2010.

As consideration for the acquisition, Oceanic issued 30,000,000 common shares, of which 12,000,000 common shares are free trading as at the date of this report and 18,000,000 are in escrow. The shares held in escrow will be released as follows: 4,500,000 shares on each of the dates that are 18 months, 24 months, 30 months and 36 months following December 3, 2010, respectively.

Commencing on November 30, 2011, Oceanic must pay minimum advance NSR payments of $200,000 per year, which will be credited against all future NSR payments payable from production. On November 25, 2011, the Company made its first required minimum advance NSR payment of $200,000 to the Vendors.

Oceanic may purchase 50% of the NSR by paying $3,000,000 at any time in the first two years following the commencement of commercial production from the Property.

The Property was the subject of a dispute between Kataria Holdings Limited, a British Virgin Islands Company, Atulkumar Patel and Ramzy Abdul-Majeed, both of Dubai, UAE, (collectively the "Kataria Group") and the Vendors. The Vendors and the Kataria Group have made the necessary filings to dismissall legal proceedings in respect of the Property and have entered into full and final releases.

On closing ofthe acquisition, Oceanic paid the Kataria Group US$2,000,000 and issued the Kataria Group 8,000,000 common shares, of which 4,000,000 common shares were to be held in escrow and only released upon receipt of an independent report under National Instrument 43-101 which validates a resource equal to or greater than 450 million metric tonnes of 35% or higher iron content. The shares were released from escrow on December 5, 2011.

Finder's fees of $50,000 and 1,010,000 common shares (fair value $384,252) were paid in relation to the acquisition. Other transaction costs relating to the acquisition totalled $171,085.

Private Placement Financings

Concurrently with closing of the acquisition of the Property, Oceanic completed two non-brokered private placements of units for gross proceeds of $19,972,500.In the first private placement, 13,125,000 units were sold at a price of $0.40 per unit. Of the units, 8,844,500 units consisted of one flow-through common share and one-half of one share purchase warrant and 4,280,500 units consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.65 per share on or before November 30, 2015.

In the second private placement, 28,400,000 units were sold. Of the Units, 17,950,000 units were sold at a price of $0.50 per unit. Each unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to purchase one common share at aprice of $1.00 per share on or before November 30, 2015. The balance of 10,450,000 units were sold at aprice of $0.55 per unit, each unit consisting of one flow-through common share and one warrant, each warrant entitling the holder to purchase one common share at a price of $1.00 per share on or before November 30, 2015.

As at December 31, 2011, all flow through funds in respect of the above mentioned issuances have been spent on the Company's 2011 resource verification program and on corporate expenditures.

On June 9, 2010, the Company completed a private placement and issued 40,000,000 common share units at a price of $0.075 per unit for gross proceeds of $3,000,000. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of $0.10 per share, expiring on June 9, 2012. As at the date of this report, 38,318,333 of the 40,000,000 warrants had been exercised, leaving 1,681,667 warrants outstanding.

On December 22, 2011, the Company completed a private placement issuing 5,750,000 units at $0.35 per unit for aggregate gross proceeds of $2,012,500. Each Unit consisted of one flow-through common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one non flow-through common share of the Company at a price of $1.00 per share until December 22, 2016. As at December 31, 2011, no flow-through funds have been spent with respect to this financing.

The Company incurred cash share issue costs in the amount of $1,361,083 in connection with the private placements noted above.

Demand Loan Facility

The Company is eligible to receive a refundable tax credit of 38.75% of the eligible exploration expenditures incurred in Québec ("Exploration tax credits"). The refundable tax credit can only be claimed in conjunction with filing of the Company's annual corporate tax return, expected to occur in mid-2012.

In order to monetize expected refundable tax credits due for the period ending March 31, 2012 prior to the Company's fiscal year end, on December 5, 2011, the Company entered into a demand loan agreement with National Bank of Canada ("National Bank") to borrow up to $4,500,000, representing a proportion of the Québec Exploration refundable tax credits from Revenu Québec that the Company expects to apply for based on its estimate of eligible Québec Exploration expenditures incurred as part of its 2011 Exploration and resource verification program. The Company is expected to claim approximately $4.8 million in Exploration tax credits based on eligible explorations incurred up to December 31, 2011. There is no receivable recorded in respect of the Exploration tax credit for the period ended December 31, 2011.

The Company has provided the bank security by way of charges on its 2011 and 2012 Exploration tax credits receivable, a general assignment of the Company's personal and movable property and a $150,000 cash pledge to Investissement Québec, the guarantor of the loan. The loan is not secured against the Company's mineral properties. The loan is repayable on the earlier of (a) August 31, 2013 or (b) upon collection of the Exploration tax credits, which were assigned to Investissement Québec. However, the demand loan may be called at any time at the discretion of National Bank. The demand loan bears interest at National Bank's prime rate payable on a monthly basis.

Resource Estimate

On September 21, 2011 the Company announced an NI 43-101 resource estimate prepared by Micon International Limited ("Micon") in respect of the Hopes Advance project.

Eight different mineralized areas were identified at Hopes Advance for inclusion into the resource estimate. These eight areas included Castle Mountain, Zone 2, Zone 4, Iron Valley, Bay Zone F, Bay Zone E, Bay Zone D, and Bay Zone C. Three additional historically identified mineralized areas (Bay Zones A and B, and McDonald Zone) were not considered in the resource estimate due to limited available historic drill hole results and assays from recent drill holes that had not yet been received. Each individual mineralized area was developed separately as a discrete block model and estimated using inverse distance cubed interpolation. Based on the very strong correlation between the historic and modern drilling, the historic drillhole data was also used in the resource estimate. An updated resource estimate taking account of assays that had not been received as of September 9, 2011 is expected to be published in March 2012.

Using a 25% total iron cut-off, the global mineral inventory is shown below in Table 1.

Table 1 – NI 43-101 Global Mineral Inventory for Hopes Advance (at a 25% Fe cut-off)

Resource Classification	Resource Tonnes	Fe (%)	Crude to Concentrate Weight Recovery
Indicated	461,533,000	32.0	38.5%
Inferred	1,030,455,000	32.3	38.9%

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.
(2) The mineral resources presented here were estimated using a block model with parent blocks of 50x50x15 meters sub-blocked to a minimum size of 25x25x1 meters and using Inverse Distance Cubed methods for grade estimation. A total of 8 individual mineralized areas were identified and each estimated into a separate block model. Given the continuity of the iron assay values, no top cuts were applied. All resources are reported using an iron cut-off of 25%.
(3) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
(4) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010.

Using each block model, Whittle economic pit optimization was completed and economic pit shells developed. These shells were then used to develop detailed mine designs including ramps and berms from which an in-pit mineral resource estimate was generated. Table 2 below describes the in-pit mineral resources for the Hopes Advance project.

Table 2 – NI 43-101 In-Pit Mineral Resource Estimate for Hopes Advance (25% Cut-off)

Category	Tonnes	Total Fe (%)	Weight Recovery (%)
Indicated	358,362,000	31.8%	38.2%
Inferred	872,423,000	32.4%	39.0%

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.
(2) The mineral resources were estimated using a block model with parent blocks of 50x50x15 sub-blocked to a minimum size of 25x25x1 and using Inverse Distance Cubed methods for grade estimation. A total of 8 individual mineralized domains were identified and estimated. Given the continuity of the iron assay values, no top cuts were applied. For a "potential open pit" mineral resource a cut-off grade of 25% total iron is based on a Whittle optimized pit shell and a mining recovery of 100%. Using this Whittle optimized shell as a basis, mineable pit shapes were developed for each mineralizing domain.
(3) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
(4) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council November 27, 2010.

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

The mineral resource estimate presented in Tables 1 and 2 is effective as of 9 September 2011. The mineral resources listed in Tables 1 and 2 were estimated by Sam J. Shoemaker, Jr., M.AusIMM, and Registered Member-SME. Mr. Shoemaker is a Qualified Person as defined in NI 43-101 and is independent of the Company.

The mineral resource estimates use the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010.

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

Preliminary Economic Assessment ("PEA")

On September 22, 2011, the Company outlined the results of the PEA prepared by Micon in respect of the Hopes Advance project using the NI 43-101 Mineral Resource Estimate noted above. The full 43-101 report in respect of the PEA and Resource Estimate was released on SEDAR on November 4, 2011 and is available for review on the Company's website (www.oceanicironore.com) and SEDAR (www.sedar.com).

The PEA presents four potential project scenarios:

- Scenario 1 assumes production of 10 million tpa of 66.5% iron concentrate;
- Scenario 2 assumes production of 20 million tpa of 66.5% iron concentrate;
- Scenario 3 assumes production of 20 million tpa of iron pellets
- Scenario 4 assumes production of 10 million tpa of 66.5% iron concentrate and 10 million tpa iron pellets

In all four scenarios, the PEA demonstrates positive project economics. The Company will continue to study each alternative in detail through the pre-feasibility study stage prior to making a final decision as to the optimal scenario at the feasibility study stage.

The PEA is preliminary in nature and it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the conclusions in the PEA will be realized.

The table below lists the key PEA metrics. The analysis is based on the assumption that production would begin in 2016.

Table 3 – PEA Results (Pre-tax)

Category	Scenario 1 10m tpa con	Scenario 2 20m tpa con	Scenario 3 20m tpa pellet	Scenario 4 10m tpa con 10m tpa pellet
Price assumption	$115 / tonne	$115 / tonne	$150 / tonne	$115 / tonne con $150/tonne pellet
Pre-tax NPV (8%)	$5.5 billion	$10.4 billion	$12.0 billion	$11.0 billion
Pre tax IRR (%)	26.9%	34.0%	26.2%	28.4%
Payback (years)*	3.1 years	2.4 years	3.25 years	3.0 years
Mine Life (years)	47.7	23.8	25.9	24.8
Initial Capital Costs	$2.4 billion	$3.7 billion	$6.4 billion	$5.2 billion
Strip ratio	1.12	1.12	1.12	1.12

**post tax, unlevered*

The PEA assumes a concentrate selling price of $115/tonne and also takes into consideration the 2% NSR payable to the vendors of the project.The Company can purchase 1% of the NSR payable to the vendors at any time within the first two years of commencement of commercial production for a one-time payment of CAD $3 million.

In the PEA, the Company also reported its initial findings on metallurgy, port and shipping feasibility and environmental and social impacts:

Metallurgy

Two metallurgical programs are necessary to assess the resource at the Hopes Advance project.

The first program has been designed to provide weight recovery and concentrate quality data on the composites from the drill holes at Hopes Advance that will be used to further define the mineral resource. Approximately 700 composite samples constituting representative samples from the mineral resources at Hopes Advance are in the process of being analyzed for ore characterization purposes and are expected to be completed in Spring, 2012. Preliminary results indicate good hematite and magnetite liberation is achieved with a relatively coarse grind.

The second program will develop the process flowsheet. In September and October, 2011, a 250-tonne bulk sample was collected from four zones, Castle Mountain, Zone 2, Zone 4 and Bay Zone F, which are the principal deposits included in the resource estimate. The bulk sample will be used for pilot plant tests and flowsheet development, commencing in April 2012.

Marine Logistics Study

The Company engaged AMEC Environment and Infrastructure to identify a location for a port facility in Hopes Advance Bay and prepare an initial report as to the feasibility of the construction of the facility at Breakwater Point, located approximately 21 kilometres from where a concentrator could be located at Hopes Advance.

The key conclusions from the AMEC report are as follows:

- Construction of a marine facility in Hopes Advance Bay is viable
- Breakwater Point has been identified as an ideal port location in terms of iron ore shipping logistics and marine facility construction costs
- Year round shipping to European and Asian markets using Cape size vessels is feasible
- The estimated incremental shipping cost from Hopes Advance Bay to Rotterdam is $5/tonne compared to the cost to ship to Rotterdam from the port of Sept-Iles. The optimum shipping cost is attained by direct shipment using ice class vessels from Hopes Advance Bay to Rotterdam
- The optimum shipping cost from Hopes Advance Bay to China is attained by direct shipping during summer and through trans-shipment during the winter season. The estimated weighted incremental shipping cost from Hopes Advance Bay to China ranges between $6 to $8/tonne in comparison to the shipping cost from Sept-Iles Bay

The Company continues to work with AMEC with respect to marine facility and port logistics in conjunction with the Pre-Feasibility study.

Environmental Review

The Company engaged Golder Associates of Montreal to advance the work necessary to provide an Environmental and Social Impact Assessment ("ESIA") on Hopes Advance.

The report reviewed the various areas requiring further study including the importance of continuing to inform and engage the Inuit community that resides in proximity to the project area, the need to complete a review of the presence of any species at risk or valued indigenous species and the potential impact of new infrastructures including energy sources for the project on the environment and local communities.

The report also notes that Golder has completed its first field survey and data collection at Hopes Advance, focused on aquatic habitats and that Golder has initiated consultations with the Inuit people, having now met with representatives of both Makivik Corporation and Aupaluk Landholdings, to exchange information about the environmental and social studies undertaken by the Company as well as increase the understanding of traditional land-use within the project study area. Golder has recently submitted the Project Notice in relation to the ESIA and is undergoing additional desktop work and consultations in the coming months as well as additional field surveys to support the completion of the ESIA.

Pre-Feasibility Study

On February 14, 2012, the Company announced the commencement of preparation of the pre-feasibility study, which is being led by Micon and Met-Chem Canada Inc. ("Met-Chem"). Met-Chem is leading the engineering component of the Pre-Feasibility study, focusing on processing plant, infrastructure, and metallurgical support, while Micon will be leading the overall project management of the study. The Company expects that the Pre-Feasibility study will be published in Q3 2012.

Other Developments

Since the date of the last MD&A, the Company has also:

- appointed Rodney Johnson as VP Metallurgy. Dr. Johnson has been with the Company in a consulting role over the last 11 months and is a seasoned mining professional with 26 years of experience specializing in the geometallurgy, geology, an mineralogy of iron ore deposits;

- appointed Norm Vocino as VP Aboriginal & Community Relations. Mr. Vocino, has been working with the Company in a consulting role over the past 11 months, and is a leading expert in establishing strong alliances between the first nation population (Indian and Inuit), the business world and the different levels of government in which they operate

- announced initial assay results from Kayak Bay, located in the Roberts Lake Project Area, which resulted in better than expected assays when compared to historical data

- announced a further set of assay results from Hopes Advance, which continue to validate historical assay results

Eddy Canova, P.Geo., the Exploration Manager for the Company and a Qualified Person as defined by NI 43-101, has reviewed and is responsible for the technical information contained in the MD&A.

Overall Performance and Results of Operations

Total assets increased to $43,333,904 at December 31, 2011 from $38,666,793 at March 31, 2011. The most significant assets at December 31, 2011 were mineral properties of $33,021,582 (March 31, 2011: $18,459,328) and cash and cash equivalents of $8,221,510 (March 31, 2011: $19,082,521).

The increase in mineral properties during the period was a result of the continued activity at the Property in respect of the resource verification program including fieldwork, lab testing and the completion of the various technical reports including the technical report in respect of the NI 43-101 Mineral Resource Estimate and PEA relating to the Hopes Advance project. The decrease in cash and cash equivalents during the period was the result of $14,418,848 spent on exploration activities, $2,084,273 incurred in operating activities, partially offset by proceeds on exercise of warrants and options of $2,192,733, net proceeds from the Company's demand loan facility of $1,298,937, net proceeds from the December 22, 2011 private placement of $1,978,479 and proceeds on the sale of marketable securities of $171,962.

Three Month Period Ended December 31, 2011 and 2010

The Company incurred a net loss of $1,363,160 during the three month period ended December 31, 2011 (2010: $2,193,427). The most significant expenses incurred were share-based payments of $644,066 (2010: $1,864,566), consulting and management fees of $233,411 (2010: $138,050), investor relations expenses of $144,424 (2010: $Nil) and deferred tax expense of $110,802 (2010: nil). The stock-based compensation represents the Black-Scholes calculated fair value of the stock options issued to directors, consultants and employees during the quarter as well as the continued recognition of expense for employee grants in prior quarters with vesting provisions. The increase in consulting and management fees relates to directors and officers compensationas well as other consulting fees. The majority of the increase in the deferred tax expense is due to the increased book to tax difference on the Company's mineral properties.

During the three month period ended December 31, 2011, the Company recorded interest income of $16,906 (2010: $1,440), which consisted of interest earned on the Company's term deposits. The Company recorded other income relating to renounced exploration expenditures of $53,290 (2010: nil), a non cash item which reflects the sale of tax benefits to flow through shareholders in the period under IFRS.

The increase in cash and cash equivalents during the period of $228,593 was the result of proceeds on exercise of warrants and options of $875,000, net proceeds from the Company's demand loan facility of $1,298,937, net proceeds from the December 22, 2011 private placement of $1,978,479, partially offset by $3,036,206 spent on exploration activities and $887,614 incurred in operating activities.

Nine Month Period Ended December 31, 2011 and 2010

The Company incurred a net loss of $3,963,747 during the nine month period ended December 31, 2011 (2010: $2,417,479). The most significant expenses incurred were share-based payments of $1,318,482 (2010: $1,864,566), consulting and management fees of $642,078 (2010: $175,050), investor relations expenses of $252,161 (2010: $Nil) and deferred tax expense of $1,655,576 (2010: nil). The stock-based compensation represents the Black-Scholes calculated fair value of the stock options issued to directors, officers and employees during the period. The increase in consulting and management fees relates to directors and officers compensation as well as other consulting fees. The majority of the increase in the deferred tax expense is due to the increased book to tax difference on the Company's mineral properties.

During the nine month period ended December 31, 2011, the Company recorded interest income of $95,261 (2010: $7,009), which consisted of interest earned on the Company's term deposits. The Company recorded other income relating to renounced exploration expenditures of $479,658 (2010: nil), a non cash item which reflects the sale of tax benefits to flow through shareholders in the period under IFRS.

Liquidity and Capital Resources

Excluding the demand loan which matures on the earlier of August 31, 2013 and the receipt of Québec Exploration Tax Credits, the Company had working capital of $8,489,672 . The Company's cash balance at December 31, 2011 was $8,221,510. Sources of funding can largely be attributed to equity financing through private placements and subsequent exercises of stock options and share purchase warrants with an additional source of funding coming from a demand loan facility. The Company'sability to generate sufficient cash in the future may be affected by items such as market or commodity price changes, economic downturns or contraction of operations due to less than favorable results. The Company expects it has sufficient cash resources to settle outstanding liabilities and carry out the Company's planned expenditures for 2012.

The Company has a demand loan facility in place with the National Bank of Canada. Under the facility agreement, the Company must maintain an adjusted long-term debt to net worth ratio of 2.5:1. As at December 31, 2011, the Company was in compliance with this covenant.

Off-Balance Sheet Arrangements

As at December 31, 2011, the Company had no Off-Balance sheet arrangements.

Summary of Quarterly Results

	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Revenues (**Note 1**)	$ 33,129	$ 228,249	$ 277,186	$ 79,626
Net loss for the period	$ (1,363,160)	$ (1,275,568)	$ (1,325,021)	$ (2,969,334)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding				

	Q3 2011	Q2 2011	Q1 2011	**Note 2** Q4 2010
Revenues (**Note 1**)	$ 37,065	$ 15,214	$ (3,895)	$ (6,100)
Net loss for the period	$ (2,193,427)	$ (156,448)	$ (67,604)	$ (91,190)
Basic and diluted loss per share	$ (0.03)	$ (0.00)	$ (0.01)	$ (0.01)

Note 1 – Revenues consist of interest income, gain on sale of marketable securities and income relating to exploration expenditures renounced to flow through shareholders.

Note 2 – Quarterly results from Q3 to Q4, 2010 are based on results presented in accordance with Canadian GAAP.

From the fourth quarter of 2010 to the first quarter of 2011, revenues and net loss remained fairly consistent given the limited level of activity of the business at the time. Revenues and net loss began to increase in Q2 2011 as the Company began to raise money for the acquisition of the Property. The net loss then significantly increased in Q3 and Q4 2011 due to the increased business activity with the acquisition of the Property, advancement of the Company's resource verification program. The net loss in the first quarter of 2012 decreased from the fourth quarter of 2011, the majority of which is due to the decrease in share based payments of $2,025,869 in the first quarter of 2012 compared to the fourth quarter of 2011. Operating expenses and overall net loss remained fairly consistent from the first to the third quarters of 2012 as the Company continued on its resource verification program.

Critical Accounting Policies

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the unaudited condensed interim financial statements for the period ended June 30, 2011.

Mineral Properties

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition costs are capitalized and deferred until such time as the property is put into production or the property is disposed of, either through sale or abandonment or becomes impaired. If a property is put into production the cost of acquisition will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property. If a property is abandoned, the acquisition costs will be written off to operations.

Recorded costs of mineral properties are not intended to reflect present or future values of the properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amounts.

Although the Company has taken steps that it considers adequate to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title.

Mineral Property Exploration Expenditures

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation and classified as a component of mineral properties. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Impairment of Mineral Properties

The Company regularly reviews the recoverability of the carrying value of each mineral property. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Share Based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

Changes in Accounting Policies Including Initial Adoption

Basis of presentation and adoption of IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and required publicly accountable enterprise to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these condensed interim financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34") and IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). The accounting policies followed in these condensed interim financial statements are the same as those applied in note 3 of the Company's condensed interim financial statements for the period ended June 30, 2011. The Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at April 1, 2010 ("the transition date") and throughout all periods presented, as if these policies had always been in effect.

The accounting policies applied in these condensed interim financial statements are based on IFRS effective for the year ended March 31, 2012, as issued and outstanding as of February 27, 2012, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2012 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS.

Initial elections upon adoption

An IFRS 1 exemption allows the Company to not apply IFRS 2, 'Share-based payment', to equity instruments granted after 7 November 2002 and vested before the date of transition to IFRS. The Company has elected to take the exemption and, as a result, was only required to recalculate the impact on any share based payments that have not vested at the date of transition, April 1, 2010.

Recent Accounting Standards Not Yet Effective

During 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, Financial Instruments ("IFRS 9"), IFRS 10, Consolidated Financial Statements ("IFRS 10"), IFRS 11, Joint Arrangements ("IFRS 11"), IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), IAS 27, Separate Financial Statements ("IAS 27"), IFRS 13, Fair Value Measurement ("IFRS 13")and IFRIC 20, Stripping Costs in the Production Phase of a Mine ("IFRIC 20"). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 9 - Financial Instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income.

IFRS 10 - Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities - Non-monetary Contributions by Venturers.

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IFRIC 20 – Stripping Costs in the Production Phase of a Mine

IFRIC 20 was issued in October, 2011 and is effective for the years beginning January 1, 2013. IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity; useable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. This standard does not have an impact on the Company's financial statements as it is currently in the exploration stage.

Critical Accounting Estimates

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

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

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

Risks and Uncertainties

The Company is exposed to financing risk as it is not in commercial production on any of its mineral resource properties, and accordingly, has no revenues. The Company currently finances its operations by raising capital in the equity markets. Although the Company presently has sufficient financial resources to undertake its currently planned exploration program and 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.

The Company is engaged in the acquisition, exploration and development of mineral properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The Company will seek to counter these risks to the extent possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

Financial Instruments and Other Instruments

Fair value

The fair value of financial instruments at December 31, 2011 and March 31, 2011 is summarized as follows:

	December 31, 2011			March 31, 2011	
	Carrying amount	Fair value		Carrying amount	Fair value
Financial assets					
Held for trading					
Marketable securities	$ -	$ -		$ 171,250	$ 171,250
Loans and receivables					
Cash and cash equivalents	$ 8,221,510	$ 8,221,510		$ 19,082,521	$ 19,082,521
Amounts receivable - at amortized cost	$ 1,230,356	$ 1,230,356	(i)	$ 253,600	$ 253,600
Restricted cash	$ 150,000	$ 150,000	(i)	$ -	$ -
Financial liabilities at amortized cost					
Accounts payable and accrued liabilities	$ 1,196,533	$ 1,196,533	(i)	$ 889,380	$ 889,380
Due to related parties	$ 51,033	$ 51,033	(i)	$ 24,247	$ 24,247
Demand loan	$ 1,452,048	$ 1,452,048	(i)	$ -	$ -

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

Financial Risk Management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk and interest rate risk.

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, receivables and marketable securities. The Company reduces its credit risk by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets noted above.

Liquidity risk

The Company has not generated revenues from operations. These unaudited interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Although the Company presently has sufficient financial resources to fund its current operations and 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.

The Company's cash and cash equivalents are invested in business accounts and term deposits which are available on demand. The company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and cash needs over the short term.

Management has concluded that the Company has adequate financial resources to settle obligations as at December 31, 2011.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arises from the interest rate impact on the cash and cash equivalents and the demand loan. Cash and cash equivalents earn interest based on current market interest rates, which at December 31, 2011 was 1.2%, while the Company is charged National Bank's prime rate on the demand loan, which at December 31, 2011 was 3%.

Based on the amount of cash and cash equivalents invested and demand loan outstanding at December 31, 2011, and assuming that all other variables remain constant, a 1% change in the applicable interest rate would result in an increase/decrease of $23,457 in the interest earned by the Company per annum.

Commitments

Effective March 1, 2011, the Company entered into an agreement with an affiliated company, with a director in common, in respect of shared lease, overhead and service costs. Under the agreement, the Company is billed quarterly for office rental and other services relating to its Head Office in Vancouver. The agreement expires on September 29, 2015, but either party may terminate the agreement provided 90 days' notice.

Effective May 1, 2011, the Company entered into an agreement with Optrust Office Inc. in respect of the leasing of office space in Montreal, Québec. The agreement expires on June 30, 2016, but the Company may terminate the agreement at the end of the second year with one year's notice.

Absent of a termination of the agreements by either party, the committed rent charges for the Company are as follows:

March 31,		
2012	$	19,662
2013		88,653
2014		74,437
2015		75,486
thereafter		55,167
	$	313,405

As noted in note 8, commencing on November 30, 2011, Oceanic must pay minimum advance NSR payments of $200,000 per year, which will be credited against all future NSR payments payable from production. The Company made its first payment to the Vendors on November 25, 2011.

Related Party Transactions and Key Management Compensation

Key management includes the Company's directors, Chief Executive Officer, and Chief Financial Officer. Compensation awarded to key management included:

	Three months ended December 31, 2011	Three months ended December 31, 2010	**Nine months ended December 31, 2011**	Nine months ended December 31, 2010
Rent & Shared Services	$ 38,343	$ -	$ 106,586	$ -
Management/Director Fees	138,500	6,000	417,500	18,000
Share-based payments	560,276	-	1,201,078	-
	$ 737,119	**$ 6,000**	**$ 1,725,164**	**$ 18,000**

Amounts due to related parties at December 31, 2011 amounted to $51,033 (March 31, 2011 - $24,247).

Outstanding Share Data

As at the date of this report, there were 173,061,564common shares issued and outstanding.

As at the date of this report, there were 16,138,500 stock options and 39,519,167 common share purchase warrants outstanding.

Subsequent Events

Subsequent to period end,

a) A total of 3,383,333 warrants were exercised at a price of $0.10.

Forward Looking Statements

This document includes certain "Forward-Looking Statements" as that term is used in applicable securities law. All statements included herein, other than statements of historical fact, including, without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "scheduled", "believes", or variations of such words and phrases or statements that certain actions, events or results "potentially", "may", "could", "would", "might" or "will" be taken, occur or be achieved. There can be no assurance that such statements will prove to be accurate, and actual results could differ materially from those expressed or implied by such statements. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the forward-looking statements in this presentation, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) there being no significant disruptions affecting operations, whether due to labour/supply disruptions, damage to equipment or otherwise; (2) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (3) certain price assumptions for iron ore; (4) prices for availability of natural gas, fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (5) the accuracy of current mineral resource estimates on the Company's property; and (6) labour and material costs increasing on a basis consistent with the Company's current expectations. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Filing Statement dated November 22, 2010 (a copy of which is publicly available on SEDAR at www.sedar.com under the Company's profile) and elsewhere in documents filed from time to time, including MD&A, with the TSX Venture Exchange and other regulatory authorities. Such factors include, among others, risks related to the ability of the Company to obtain necessary financing and adequate insurance; the economy generally; fluctuations in the currency markets; fluctuations in the spot and forward price of iron ore or certain other commodities (e.g., diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; the possibility of cost overruns or unanticipated expenses; employee relations. Accordingly, readers are advised not to place undue reliance on Forward-Looking Statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Statements, whether as a result of new information, future events or otherwise.

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