

**ANNUAL INFORMATION FORM**  
**OCEANIC IRON ORE CORP.**

**FOR THE FISCAL YEAR ENDED**  
**MARCH 31, 2010**

**April 20, 2011**

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>FORWARD LOOKING INFORMATION .....</b>  | <b>1</b>  |
| <b>GLOSSARY .....</b>   | <b>1</b>  |
| <b>CORPORATE STRUCTURE.....</b>   | <b>5</b>  |
| NAME, ADDRESS AND INCORPORATION.....  | 5         |
| INTER-CORPORATE RELATIONSHIPS .....   | 5         |
| <b>GENERAL DEVELOPMENT OF THE BUSINESS.....</b>                                       | <b>5</b>  |
| HISTORY.....  | 5         |
| ACQUISITION.....  | 5         |
| PRIVATE PLACEMENTS .....  | 6         |
| <b>DESCRIPTION OF THE BUSINESS .....</b>  | <b>6</b>  |
| EMPLOYEES .....   | 6         |
| UNGAVA IRON ORE PROPERTY .....  | 7         |
| <i>Property Description and Location .....</i>  | <i>7</i>  |
| <i>Accessibility, Climate, Local Resources, Infrastructure and Physiography .....</i> | <i>10</i> |
| <i>History .....</i>  | <i>12</i> |
| <i>Historical Resource Estimates .....</i>  | <i>12</i> |
| <i>Geologic Setting.....</i>  | <i>15</i> |
| <i>Exploration .....</i>  | <i>17</i> |
| <i>Mineralization.....</i>  | <i>19</i> |
| <i>Drilling .....</i>   | <i>22</i> |
| <i>Sampling And Analysis .....</i>  | <i>22</i> |
| <i>Security.....</i>  | <i>22</i> |
| <i>Mineral Resource And Mineral Reserve Estimates.....</i>                            | <i>23</i> |
| <i>Exploration And Development.....</i>   | <i>23</i> |
| <i>2011 Drill Program .....</i>   | <i>23</i> |
| RISK FACTORS.....   | 24        |
| <i>New Business .....</i>   | <i>24</i> |
| <i>Ongoing Need for Financing .....</i>   | <i>24</i> |
| <i>Volatile Stock Price.....</i>  | <i>24</i> |
| <i>Exploration and Mining Risks.....</i>  | <i>25</i> |
| <i>No Assurance of Title to Assets.....</i>   | <i>25</i> |
| <i>Commodity Prices.....</i>  | <i>25</i> |
| <i>Uninsurable Risks .....</i>  | <i>25</i> |
| <i>Operating Hazards and Risks .....</i>  | <i>26</i> |
| <i>Competition.....</i>   | <i>26</i> |
| <i>Infrastructure .....</i>   | <i>26</i> |
| <i>Regulatory Matters .....</i>   | <i>26</i> |
| <i>Potential Conflicts of Interest .....</i>  | <i>27</i> |
| <i>Regulatory and Permitting Delays.....</i>  | <i>27</i> |
| <i>Environmental Legislation.....</i>   | <i>27</i> |
| <i>Reliance on Key Personnel .....</i>  | <i>28</i> |
| <i>Liquidity Risk.....</i>  | <i>28</i> |
| <i>Risk Management.....</i>   | <i>29</i> |
| <b>DIVIDENDS.....</b>   | <b>29</b> |
| <b>DESCRIPTION OF CAPITAL STRUCTURE .....</b>   | <b>29</b> |
| SHARE CAPITAL .....   | 29        |
| OPTIONS TO PURCHASE SECURITIES .....  | 29        |

|   |           |
|---|-----------|
| <i>Stock Option Plan</i> .....  | 29        |
| <i>Warrants</i> .....   | 30        |
| <b>MARKET FOR SECURITIES</b> .....  | <b>30</b> |
| TRADING PRICE AND VOLUME .....  | 30        |
| <b>ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS<br/>ON TRANSFER</b> ..... | <b>31</b> |
| <b>DIRECTORS AND OFFICERS</b> .....   | <b>32</b> |
| NAME, POSITION HELD, ADDRESS AND OCCUPATION .....   | 32        |
| CONFLICTS OF INTEREST .....   | 34        |
| CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES .....  | 34        |
| PENALTIES OR SANCTIONS .....  | 35        |
| PERSONAL BANKRUPTCIES .....   | 35        |
| <b>AUDIT COMMITTEE DISCLOSURE</b> .....   | <b>35</b> |
| <b>LEGAL PROCEEDINGS AND REGULATORY ACTIONS</b> .....   | <b>36</b> |
| LEGAL PROCEEDINGS .....   | 36        |
| REGULATORY ACTIONS .....  | 36        |
| <b>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</b> .....                             | <b>36</b> |
| <b>TRANSFER AGENT AND REGISTRAR</b> .....   | <b>36</b> |
| <b>MATERIAL CONTRACTS</b> .....   | <b>36</b> |
| <b>INTEREST OF EXPERTS</b> .....  | <b>37</b> |
| <b>ADDITIONAL INFORMATION</b> .....   | <b>37</b> |
| <b>SCHEDULE "A"</b> .....   | <b>1</b>  |

## **FORWARD LOOKING INFORMATION**

This Annual Information Form contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Oceanic to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

The estimates and assumptions of Oceanic contained in this Annual Information Form which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, damage to equipment or otherwise; (2) permitting, development, expansion and power supply proceeding on a basis consistent with Oceanic's current expectations; (3) permitting and development proceeding on a basis consistent with Oceanic's current expectations; (4) certain price assumptions for iron ore; (5) prices for and availability of natural gas, fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (6) the accuracy of current mineral resource estimates on the Property; and (7) labour and material costs increasing on a basis consistent with Oceanic's current expectations.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this Annual Information Form. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of Oceanic to obtain necessary financing and adequate insurance; successfully manage risks; the economy generally; fluctuations in the currency markets; fluctuations in the spot and forward price of iron ore or certain other commodities (such as diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which Oceanic does or may carry on business; business opportunities that may be presented to, or pursued by Oceanic; Oceanic's ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; actual results of exploration activities; the possibility of cost overruns or unanticipated expenses; employee relations; the speculative nature of mineral exploration and development, including the risks of obtaining and renewing necessary licenses and permits; adverse changes in Oceanic's credit rating; contests over title to properties particularly title to undeveloped properties; First Nations land claims and the occurrence of natural disasters, hostilities, acts of war or terrorism. In addition, there are risks and hazards associated

with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and metal losses (and the risk of inadequate insurance, or inability to obtain insurance to cover these risks). The factors identified above are not intended to represent a complete list of the factors that could affect Oceanic. Additional factors are noted under the heading "*Risk Factors*".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Annual Information Form. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Annual Information Form. All subsequent forward-looking information attributable to Oceanic is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. Oceanic does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Annual Information Form or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

## GLOSSARY

The following is a glossary of certain definitions used in this Annual Information Form. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Abdul-Majeed**" means Ramzy Abdul-Majeed of Dubai, United Arab Emirates;

"**Acquisition**" means the acquisition by Oceanic of a 100% interest in the Property, subject to a 2% net smelter returns royalty, pursuant to the Acquisition Agreement;

"**Acquisition Agreement**" means the agreement to sell and purchase dated October 1, 2010, as amended October 14, 2010, October 27, 2010 and November 15, 2010, among Oceanic and the Vendors pursuant to which Oceanic acquired a 100% interest in the Property, subject to a 2% net smelter returns royalty;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Commencement of Commercial Production**" means (but does not include the extraction of a bulk sample of less than 10,000 tonnes of ore or the milling of ore for the purpose of testing by a pilot plant) and shall be deemed to have occurred on the first day of the month following the first fifteen (15) consecutive days during which products have been produced from the Property at an average rate of not less than seventy percent 70% of the initial rated capacity of the production facilities built on or for the Property;

"**Common Shares**" means the common shares of Oceanic;

"**Company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Computershare**" means Computershare Investor Services Inc.;

"**Endeavour**" means Endeavour Financial Ltd.;

"**Endeavour Administration**" means Endeavour Administration Services Ltd.;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange Inc.;

"**Ferderber**" means Peter Ferderber of Val D'or, Quebec;

"**ICC**" means the International Chamber of Commerce;

"**ICC Arbitration**" means the Request for Arbitration dated March 6, 2007 started by Kataria with the ICC against the Vendors and OIOC in relation to the Property;

"**Kataria**" means Kataria Holdings Limited, a British Virgin Islands company;

"**Kataria Group**" means collectively Kataria, Patel and Abdul Majeed;

"**Micon**" means Micon International Limited;

"**NI 43-101**" means National Instrument 43-101 – "*Standards of Disclosure for Mineral Projects*";

"**NI 51-102**" means National Instrument 51-102 – "*Continuous Disclosure Obligations*";

"**Oceanic**" means Oceanic Iron Ore Corp., a corporation subsisting under the BCBCA;

"**Oceanic Stock Option Plan**" means the Oceanic incentive stock option plan dated September 27, 2010 which provides that the board of directors of Oceanic may, from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers, employees and consultants of Oceanic, and to charitable organizations, non-transferable options to purchase Common Shares;

"**Oceanic Technical Report**" means the report entitled "Technical Report On The Ungava Iron Ore Property, Ungava Bay Region, Quebec, Canada" dated October 29, 2010 prepared by Sam J. Shoemaker B.Sc., MAUSIMM of Micon;

"**Offering**" means the offering and sale by Oceanic, by way of a non-brokered private placement which closed on November 30, 2010, of 13,125,000 Units at a price of \$0.40 per Unit;

"**Offered Shares**" means the 13,125,000 Common Shares of Oceanic comprising part of the Units of which 8,844,500 Common Shares are flow-through shares and 4,280,500 common shares are non-flow-through shares;

"**Offered Warrants**" means the 6,562,500 share purchase warrants of Oceanic comprising part of the Units, each Offered Warrant entitling the holder to purchase one non-flow-through Common Share at a price of \$0.65 per share on or before November 30, 2015;

"**OIOC**" means Oceanic Iron Ore Company Limited, a company incorporated under the federal laws of Canada;

"**Ontario Proceedings**" means the proceedings commenced on December 26, 2006 by the Vendors and OIOC before the Ontario Superior Court of Justice, Court file no. 06CV324879PD2 against the Kataria Group in relation to the Property;

"**Patel**" means Atulkumar Patel of Dubai, United Arab Emirates;

"**Peninsula**" means Peninsula Merchant Syndications Corp. of Vancouver, British Columbia;

"**Person**" means a Company or individual;

"**Promoter**" means (a) a Person who, acting alone or in conjunction with one or more other Persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a Person who, in connection with the founding,

organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10 per cent or more of any class of securities of the issuer or 10 per cent or more of the proceeds from the sale of any class of securities of a particular issue, but a Person who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter with the meaning of this definition if such Person does not otherwise take part in founding, organizing, or substantially reorganizing the business;

**"Property"** means the mineral claims located near Ungava Bay, Quebec as more particularly described under the heading "*Description of the Business – Ungava Iron Ore Property*";

**"SEC"** means the United States Securities and Exchange Commission;

**"Second Offered Shares"** means the 17,950,000 Common Shares of Oceanic comprising part of the Second Units;

**"Second Offered Warrants"** means the 17,950,000 share purchase warrants of Oceanic comprising part of the Second Units, each Second Offered Warrant entitling the holder to purchase one non-flow-through Common Share at a price of \$1.00 per share on or before November 30, 2015;

**"Second Offering"** means the offering and sale by Oceanic, by way of a non-brokered private placement which closed on November 30, 2010, of 17,950,000 Second Units at a price of \$0.50 per Second Unit;

**"Second Units"** means the 17,950,000 units of Oceanic which were offered and sold pursuant to the Second Offering, each Second Unit being comprised of one Second Offered Share and one Second Offered Warrant;

**"Settlement Agreement"** means the Agreement dated August 20, 2010 between Pacific Harbour and Kataria pursuant to which Kataria agreed to settle all claims it may have in respect of the Property, the Ontario Proceedings and the ICC Arbitration;

**"Sheridan"** means John Patrick Sheridan of Toronto, Ontario;

**"Third Offered Shares"** means the 10,450,000 flow-through Common Shares of Oceanic comprising part of the Third Units;

**"Third Offered Warrants"** means the 10,450,000 share purchase warrants of Oceanic comprising part of the Third Units, each Third Offered Warrant entitling the holder to purchase one non-flow-through Common Share at a price of \$1.00 per share on or before November 30, 2015;

**"Third Offering"** means the offering and sale by Oceanic, by way of a non-brokered private placement which closed on November 30, 2010, of 10,450,000 Third Units at a price of \$0.55 per Third Unit;

**"Third Units"** means the 10,450,000 units of Oceanic which were offered and sold pursuant to the Third Offering, each Third Unit being comprised of one Third Offered Share and one Third Offered Warrant;

**"Tri-Partite Agreement"** means the agreement dated August 20, 2010, as amended October 14, 2010, October 27, 2010 and November 15, 2010, between Oceanic, the Kataria Group, the Vendors and OIOC pursuant to which the Vendors on the one hand and the Kataria Group and OIOC on the other hand agreed to dismiss the Ontario Proceedings, withdraw the ICC Arbitration and release each other from all claims in respect thereof;

**"Units"** means the 13,125,000 units of Oceanic which were offered and sold pursuant to the Offering, each Unit being comprised of one Offered Share and one-half of one Offered Warrant;

**"Vendors"** means, collectively, Sheridan and Ferderber.

## **CORPORATE STRUCTURE**

### **Name, Address and Incorporation**

Oceanic was incorporated as Glider Resources Inc. under the *Company Act* (British Columbia) on March 18, 1986 and is now governed by the BCBCA. On November 18, 1988 the name of Oceanic was changed to Glider Developments Inc. and on September 25, 1992 the name of Oceanic was changed to Venture Pacific Development Corporation. On October 21, 2002, Oceanic changed its name to Pacific Harbour Capital Ltd. On September 27, 2010, the authorized capital of Oceanic was changed to an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value, issuable in series. Effective on November 30, 2010 Oceanic changed its name from Pacific Harbour Capital Ltd. to Oceanic Iron Ore Corp. The head office of Oceanic is located at Suite 3083 – 595 Burrard Street, Vancouver, British Columbia V7X 1L3 and its registered office is located at Suite 1600 – 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

### **Inter-corporate Relationships**

Oceanic has no subsidiaries.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

### **History**

For the three fiscal years prior to closing of the Acquisition, Oceanic was in the business of providing administrative services and office space to public companies and investing in land/real estate and marketable securities. On October 7, 2010, Oceanic announced the Acquisition, which closed on November 30, 2010.

### **Acquisition**

Pursuant to the Acquisition Agreement, Oceanic acquired a 100% interest in the Property, in consideration for the issuance to the Vendors of 30,000,000 Common Shares and a 2% net smelter returns royalty payable to the Vendors. The 30,000,000 Common Shares were placed in escrow and are releaseable from escrow as set forth under the heading "Escrowed Securities And Securities Subject to Contractual Restrictions On Transfer". Commencing on November 30, 2011, Oceanic must pay the Vendors minimum advance net smelter returns royalty payments of \$200,000, which will be credited against all future net smelter returns royalties payable from production. Oceanic may purchase 50% of the net smelter returns royalty by paying the Vendors \$3,000,000 at any time within the first two years following the Commencement of Commercial Production from the Property.

The Property was the subject of a dispute between the Kataria Group, the Vendors and OIOC. Concurrently with the execution of the Acquisition Agreement, Oceanic and Kataria entered into the Settlement Agreement and Oceanic, the Kataria Group, the Vendors and OIOC entered into the Tri-Partite Agreement. In consideration for Kataria entering into the Settlement Agreement and agreeing to settle all claims it may have in respect of the Property, the Ontario Proceedings

and the ICC Arbitration, Oceanic paid Kataria U.S.\$2,000,000 and issued Kataria 8,000,000 Common Shares, of which 4,000,000 Common Shares are held in escrow and will only be released upon receipt of an independent report under NI 43-101 which validates a resource on the Property equal to or greater than 450 million tonnes of 35% or more iron ore content. If the independent report does not validate such a resource, and provided that Oceanic has expended not less than U.S.\$25,000,000 on exploration for iron ore on the Property, the 4,000,000 Common Shares will be cancelled. The Vendors, OIOC and the Kataria Group have dismissed the Ontario Proceedings and withdrawn the ICC Arbitration and released each other from all claims in respect thereof.

### **Private Placements**

Concurrently with the closing of the Acquisition, Oceanic completed:

- the Offering of 13,125,000 Units at a price of \$0.40 per Unit for gross proceeds of \$5,250,000. Each Unit consisted of one Offered Share and one-half of one Offered Warrant. Each whole Offered Warrant entitles the holder to purchase one non-flow-through Common Share at a price of \$0.65 per share on or before November 30, 2015;
- the Second Offering of 17,950,000 Second Units at a price of \$0.50 per Second Unit for gross proceeds of \$8,975,000. Each Second Unit consisted of one Second Offered Share and one Second Offered Warrant. Each Second Offered Warrant entitles the holder to purchase one non-flow-through Common Share at a price of \$1.00 per share on or before November 30, 2015;
- the Third Offering of 10,450,000 Third Units at a price of \$0.55 per Third Unit for gross proceeds of \$5,747,500. Each Third Unit consisted of one Third Offered Share and one Third Offered Warrant. Each Third Offered Warrant entitles the holder to purchase one non-flow-through Common Share at a price of \$1.00 per share on or before November 30, 2015;

In June of 2010, Oceanic also completed a private placement of 40,000,000 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, each warrant entitling the holder to purchase one Common Share at a price of \$0.10 per share on or before June 9, 2012.

## **DESCRIPTION OF THE BUSINESS**

### **Employees**

As of March 31, 2011 Oceanic had two employees and engaged three contract personnel.

## Ungava Iron Ore Property

Oceanic is a mineral exploration company and is primarily engaged in the exploration and development of iron ore deposits in northern Quebec. The following information has been summarized from the Oceanic Technical Report.

### *Property Description and Location*

The Property contains several significant, historically identified, undeveloped iron deposits. The locations of these iron deposits range from the Roberts Lake area north of Payne Bay to the Red Dog and Ford Lake areas near Hopes Advance Bay in the south. The Property consist of several blocks of claims on NTS sheets 24K, 24M, 24N, 25C and 25D and include an area of approximately 126,000 hectares. The Property extends between latitude 59°06' N to 60°50' N and from longitude 69°42' W to 71°05' W. The location of the Property is shown in Figures 1.1 and 1.2.

Figure 1.1  
Location of the Ungava Iron property in Northeastern Quebec, Canada.

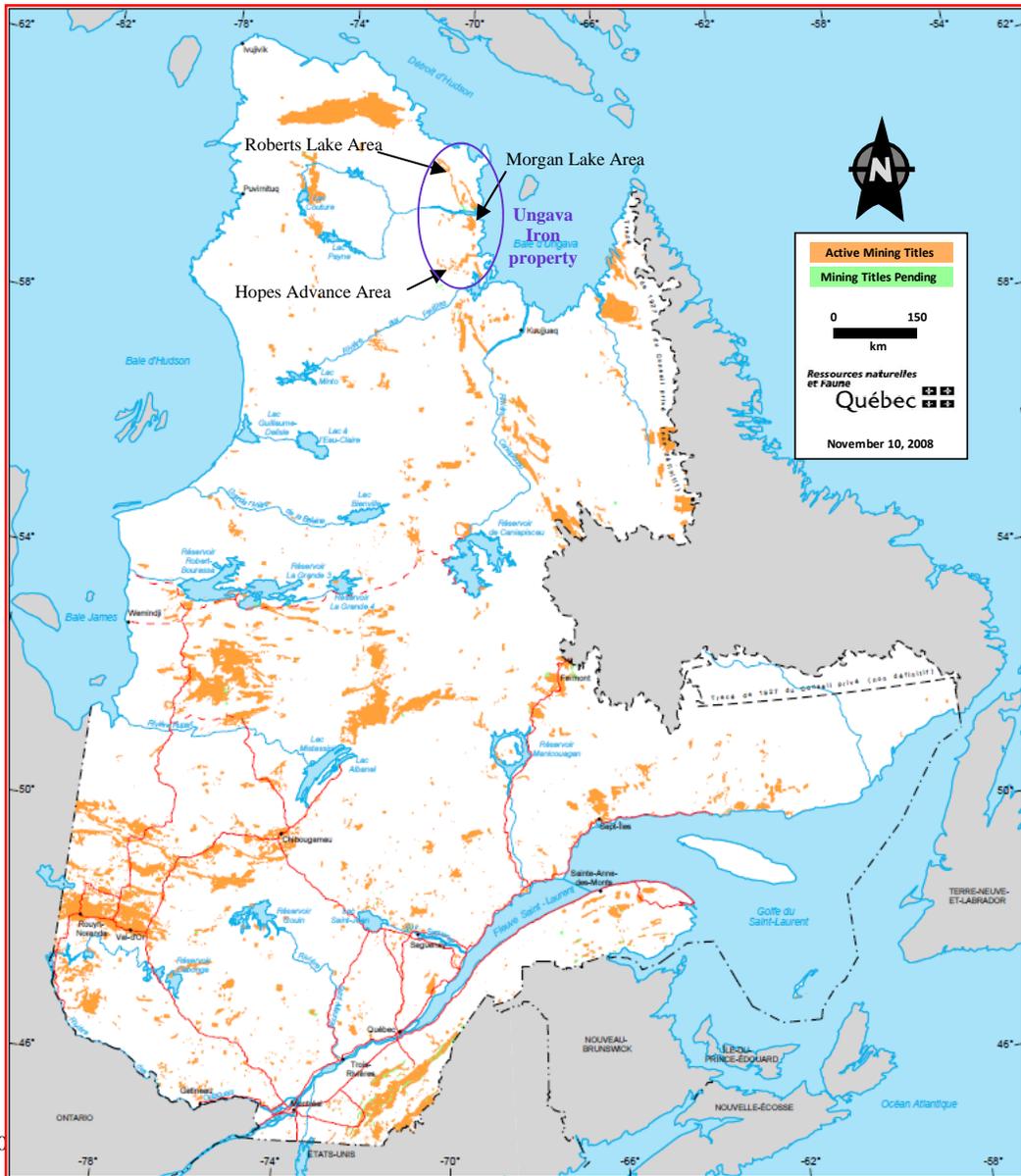
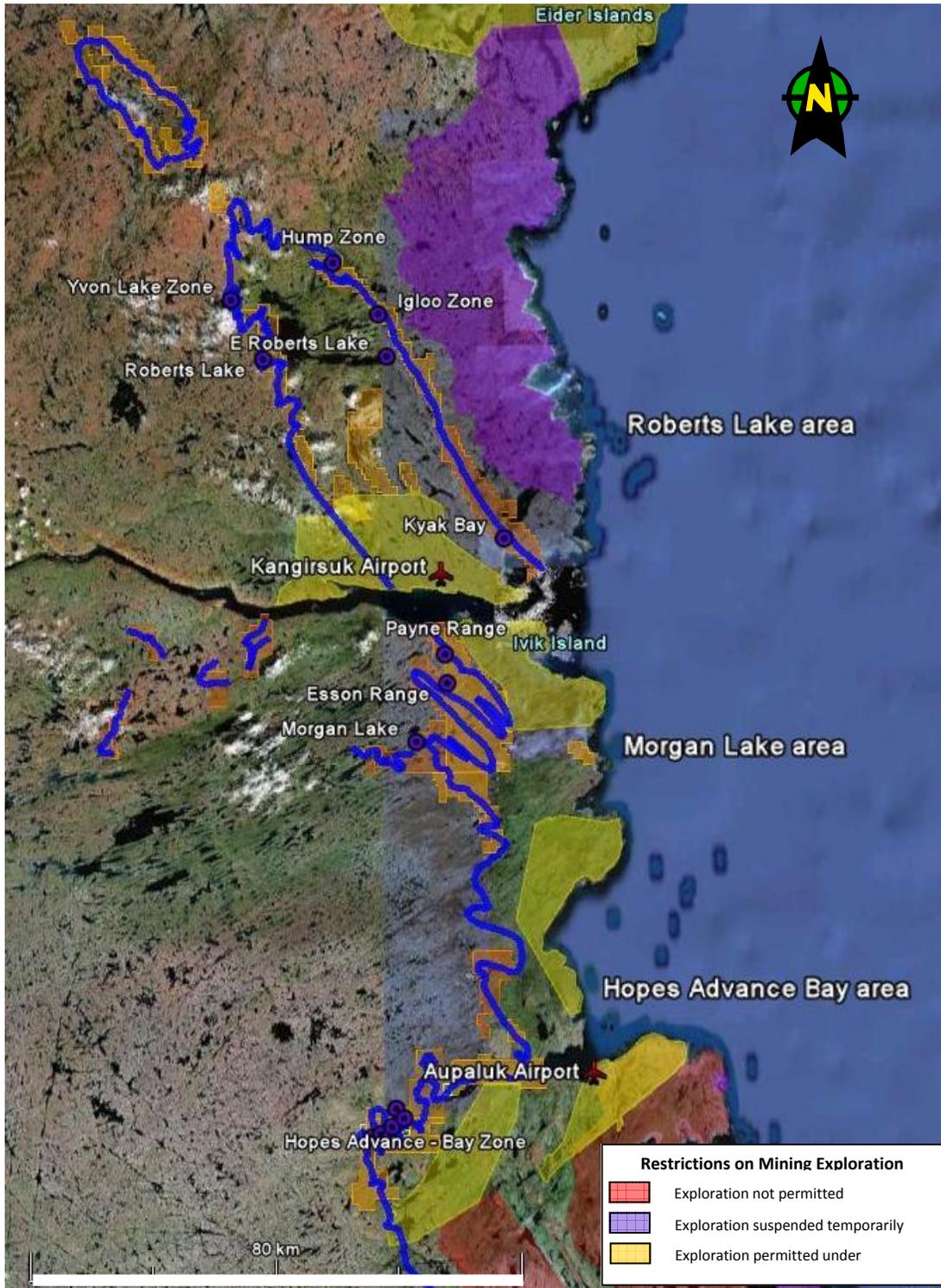


Figure 1.2  
Detail of Ungava Iron property in Northeastern Quebec, Canada.



The blue line is the trace of the iron formation and the orange outlines are the Property.

No current mineral resources, mineral reserves, mine workings, tailings ponds, waste deposits or improvements exist on the property. Important natural features include Ungava Bay to the east of the property (see Figure 1.1).

Exploration claims are established by "paper staking" and do not require that the limits be physically walked or marked. Until April of 2010, obtaining by map designation could be done by mail, fax, electronically or "in person" with the Ministry or at its regional centers. Since April 2010, this can only be done electronically. Another way of acquiring claims under the Mining Act would have been by "staking" done physically, on site. The Vendors have stated that the claims were all obtained through map designation and not by physical staking.

The claim status and obligations were reviewed by legal counsel for Oceanic. The Property consists of 2,949 claims on 16 mapsheets that extend along the known trace of the iron formation. The claims are valid but require annual fee payments of \$275,194.

Exploration activities require an application and approval of the Quebec Ministry of Natural Resources. None of the claims are within parks, forest reserves or other areas that are restricted from exploration and mining. Areas that are restricted from staking or exploration are shown on Figure 1.2.

The annual holding cost for claims coming due in 2010 has already been paid and is \$132,370 for 2011. Work required in lieu of assessment fees is \$797,360. There are no pre-existing surface rights held on the Property.

Exploration activities are subject to the 1988 Quebec Mining Act and the Quebec Environmental Quality Act. These statutes set out the requirements for mineral exploration and the environmental controls required to manage exploration activities on site. The Quebec Mining Act sets up the requirement for the exploration permit and any development permit if the project proceeds to that stage. The Quebec Environmental Quality Act is comprehensive and covers a broad range of protection measures including pollution control, environmental impact assessment, requirements for land protection and rehabilitation, quality of water and waste water, hazardous materials, air quality control, consultation, and residual and hazardous wastes.

The Property is located in Nunavik, the arctic region of Quebec which falls under the jurisdiction of the James Bay and Northern Quebec Agreement (JBNQA). This agreement, negotiated in 1975 between the Government of Quebec, the Grand Council of the Crees of Quebec and the Northern Quebec Inuit Association, has led to specific provisions of Chapter II of the Quebec Environmental Quality Act (EQA). An environmental advisory committee, composed of Native, provincial and federal representatives, serves as the official forum to implement and address environmental protection and management in the region.

In 2005, the Nunavik Inuit Land Claims Agreement was reached between the Government of Canada and the Makivik Corporation, the development company that manages the heritage funds of the Nunavik Inuit as provided for in the JBNQA. The 2005 land claims agreement a) affirms the existing aboriginal and treaty rights as recognized under the Constitution Act of 1982; and b) provides additional certainty regarding land ownership and use of terrestrial and marine resources. Three new entities, the Nunavik Marine Region Wildlife Board (NMRWB), the

Nunavik Marine Region Planning Commission (NMRPC), and the Nunavik Marine Region Impact Review Board (NMRIRB), have been established as a result of the aforementioned land claims agreement. Each board will play a significant role in assessing and approving any development in the Nunavik region.

Federal legislation will also need to be considered for any development in addition to the Inuit agreements, Nunavik agencies, and the Quebec legislation mentioned above. Applicable federal legislation includes the Canadian Environmental Assessment Act, the Canadian Environmental Protection Act, the Canada Water Act, the Navigable Waters Protection Act, Migratory Birds Act, and the Metal Mining Effluent Regulations. Any federal and provincial environmental assessment would be harmonized under the Canada-Quebec Agreement on Environmental Assessment Cooperation. Tailings disposal in a natural water body should be avoided in project planning as legislated under the Metal Mining Effluent Regulations. In addition, exploration and potential development needs to consider species of special status that include caribou, beluga whale, and musk ox.

The only pre-existing environmental liability identified by Micon is the cost to a) inventory and remove all existing historic exploration debris; and b) to remediate small hydrocarbon or lubricant spills from the historic exploration drilling sites and base camps.

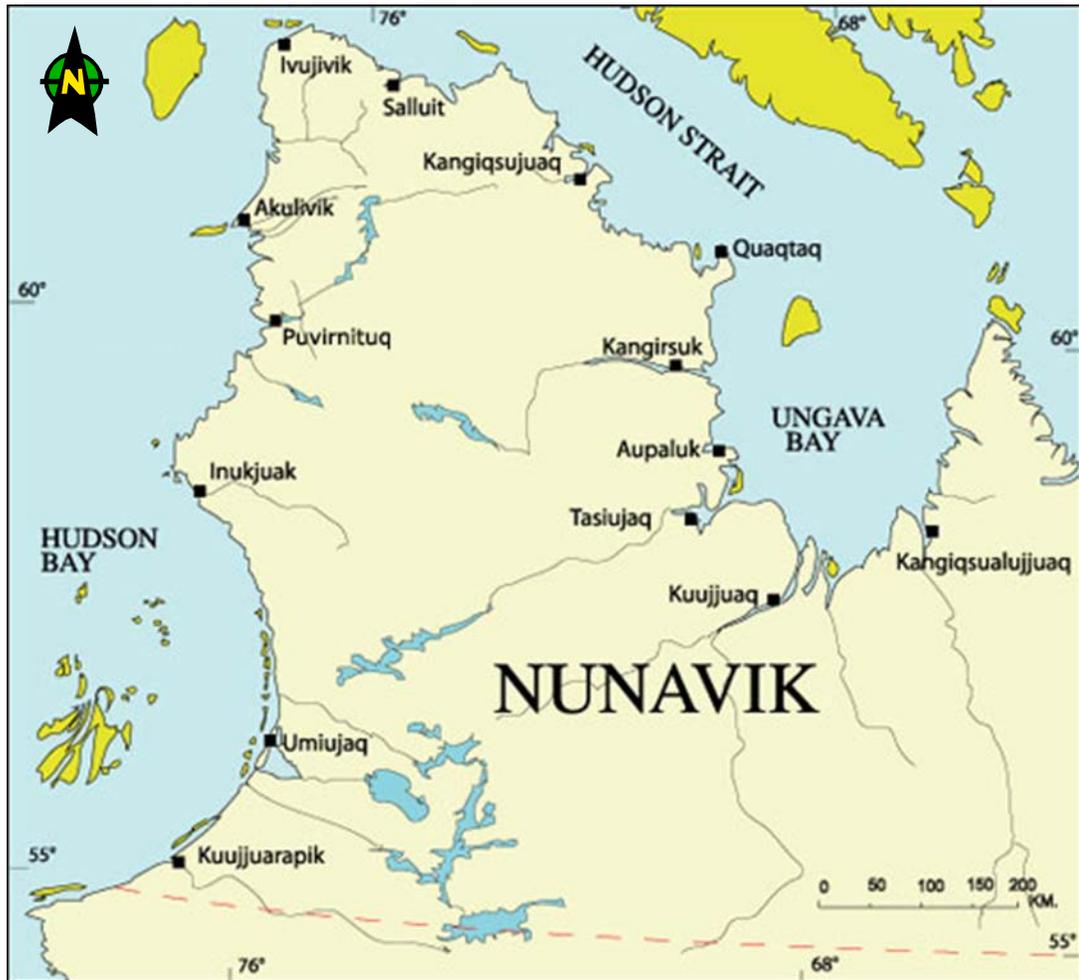
During exploration, an environmental baseline study (including a heritage resource study) should be developed if the project will proceed to the next assessment stage. To secure a social licence to operate ongoing consultation and stakeholder engagement is recommended during exploration and all subsequent phases of the project.

### ***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

The Property is accessible from Kangirsuk or Aupaluk, Quebec, via helicopter or float plane (Figure 2.1). Both of those communities are serviced by regularly scheduled flights by Air Inuit. First Air operates regularly scheduled flights to Kuujuaq originating out of Montreal.

The nearest road is about 10 km from the Hopes Advance area near Aupaluk. Aupaluk and Kangirsuk are not connected to each other or to any other community by road. Kangirsuk has a population of 465 (2006) while Aupaluk has a population of 174 (2006). The major population centre for the region is Kuujuaq, located about 150 km southeast of the Property with a population of 2,130 in 2006.

Figure 2.1



As shown on Figure 1.2, the Hopes Advance area is located within 10 km of Aupaluk. The Morgan Lake area is midway between Aupaluk and Kangirsuk, about 50 km from either village. The Roberts Lake area extends from the immediate Kangirsuk area to 150 km northwest of the village. The closest accommodations are located in Aupaluk and Kangirsuk, both of which have both a motel and restaurant.

The Property is located in the treeless tundra of the Canadian sub-Arctic. The total annual precipitation is approximately 380 mm per year and the mean annual temperature is  $-6^{\circ}\text{C}$ . Winds are steady and sometimes reach high velocities, with an average of about 30 km per hour throughout the year. Due to the moderating influence of the sea, winter temperatures are no colder than northern Minnesota or southern Manitoba. The winters are long and the summers are short and cool. These climatic conditions are severe, though no more so than other regions of northern Canada (A. T. Griffis, 1958).

## *History*

The most active exploration period was between 1952 through 1961. Large iron mining operations were proposed in the Roberts Lake area near Kayak Bay, in the Morgan Lake area at Payne River, and at Hopes Advance Bay in the south. The project at Hopes Advance Bay was the most advanced with a detailed scoping study and pre-feasibility study being completed (called a feasibility study at that time).

## *Historical Resource Estimates*

The Property contains significant historic iron resources. However, the amount of exploration drilling in most cases is not enough to define the resource or determine a mineral resource under current reporting criteria. Thus, all of the reported historical iron resources are considered speculative and do not meet any standard of modern reportable resources or reserves. Further, an iron resource not only requires an iron head assay, but it also requires some metallurgical knowledge as to whether that assay can in fact have a reasonable expectation of producing a viable commercial product.

Although a great deal of effort was expended on the various iron deposits during the 1950's, much work remains to determine if a viable commercial product can be produced. As a result, none of the historical iron deposits making up the current Property contain any mineral resource conforming to modern reporting standards.

However, the potential for iron resources contained within the Property is considerable. The resources could be determined with a modern exploration, drilling and metallurgical testing program. Furthermore, nearly all of the significant iron resources identified on the property (Kayak Bay, Morgan Lake, and Hopes Advance) will require very minimal waste movement from any pits developed over the initial ten to twenty years of mine life. This is due to iron formation being in areas of high relief relative to surrounding flat-lying tundra. Waste stripping is expected to be very low with stripping ratios of less than 0.5 to 1 during the same time period.

## *Roberts Lake Area*

The Roberts Lake area includes historically identified iron deposits at Kayak Bay, Payne River (the northern extension of the Payne Range deposit north of Payne Bay), Igloo Lake, Hump Zone, Synclinal Zone, and Yvon Lake. The historical estimated resource is 439 million metric tonnes at a grade of 36.8% Fe<sub>soluble</sub> and was based on very limited exploration drilling (97 drillholes, 5,115 m drilled), channel sampling, bulk samples, surface mapping, and economic studies. An additional potential resource of 813 million metric tonnes was reported in the historical documentation (Cavanagh, 1970) but has little supporting information. Table 3.1 below summarizes the historical resources identified in the Roberts Lake area.

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**Table 3.1  
Historical Iron Resources in the Roberts Lake Area**

| <b>Deposit</b>                        | <b>Crude Resource<br/>(million metric<br/>tonnes)</b> | <b>Head Iron<br/>(Sol. Fe)</b> | <b>Exploration<br/>Drillholes</b> | <b>Metres<br/>Drilled</b> | <b>Source</b> | <b>Date</b> |
|---------------------------------------|---|--------------------------------|-----------------------------------|---------------------------|---------------|-------------|
| Kayak Bay Zone (Zone 1)               | 111.7   | 35.3%                          | 45                                | 1,880                     | P.E. Cavanagh | 1970        |
| Payne River (Zone 2)                  | 22.3  | 31.0%                          | 26                                | 2,535                     | P.E. Cavanagh | 1970        |
| Igloo Lake (Zone 3)                   | 101.6   | 38.0%                          | 11                                | 248                       | P.E. Cavanagh | 1970        |
| Hump (Zone 4)                         | 203.2   | 37.6%                          | 15                                | 452                       | P.E. Cavanagh | 1970        |
| <i>Total Drill Indicated</i>          | <i>438.8</i>  | <i>36.8%</i>                   | <i>97</i>                         | <i>5,115</i>              | ---           | ---         |
| Synclinal (Zone 5)                    | 203.2   | 36.0%                          | 0                                 | 0                         | P.E. Cavanagh | 1970        |
| Yvon Lake (Zone 6)                    | 101.6   | 36.8%                          | 0                                 | 0                         | P.E. Cavanagh | 1970        |
| Pontential Zone 1                     | 254.0   | 35.0%                          | 0                                 | 0                         | P.E. Cavanagh | 1970        |
| Pontential Zone 2                     | 254.0   | 35.0%                          | 0                                 | 0                         | P.E. Cavanagh | 1970        |
| <i>Total Potential</i>                | <i>812.8</i>  | <i>35.5%</i>                   | <i>0</i>                          | <i>0</i>                  | ---           | ---         |
| <b><i>Total Roberts Lake Area</i></b> | <b><i>1,251.6</i></b>                                 | <b><i>35.9%</i></b>            | <b><i>97</i></b>                  | <b><i>5,115</i></b>       | ---           | ---         |

The historical data did not include any conceptual mine plans for the iron deposits in the Roberts Lake area. It is Micon’s opinion that these historical resource estimates are speculative and are based on very limited exploration drilling and will require extensive new exploration and metallurgical efforts to validate.

The historical estimates presented above use categories other than the ones set out in sections 1.2 and 1.3 of NI 43-101 and have not been prepared to the standards required by the instrument or modern estimation practices. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person.

In the Roberts Lake area, the Micon team visited the Kayak Bay iron deposit.

#### *Morgan Lake Area*

The Morgan Lake area includes several historically identified iron deposits including the Payne Range, Morgan Lake, Black Payne South, Extension Southeast, Esson Lake Northeast, Slush Lake North, Harnden Range, McOuat Range, and McCracken River zones.

The historical estimated resource for the Payne Range and Morgan Lake deposits is slightly more than 510 million metric tonnes at a grade of 22.1% Fe<sub>magnetic</sub> and was based on very limited exploration drilling (45 drillholes, 3,611 m), channel sampling, bulk samples, surface mapping, and economic studies. An additional “potential resource” of 101 million metric tonnes was reported in the historic documentation but with little supporting information. Table 3.2 below summarizes the historical iron resources identified in the Morgan Lake area.

**Table 3.2  
Historical Iron Resources in the Morgan Lake Area**

| <b>Deposit</b>                       | <b>Crude Resource<br/>(million metric<br/>tonnes)</b> | <b>Head Iron<br/>(Mag. Fe)</b> | <b>Exploration<br/>Drillholes</b> | <b>Metres<br/>Drilled</b> | <b>Source</b>       | <b>Date</b>  |
|--------------------------------------|---|--------------------------------|-----------------------------------|---------------------------|---------------------|--------------|
| Payne Range                          | 72.4  | 23.9%                          | 29                                | 1,427                     | G.A. Gross          | 1964         |
| Morgan Lake                          | 437.8   | 21.8%                          | 16                                | 2,184                     | A.T. Griffis        | 1957         |
| <i>Total Drill Indicated</i>         | <i>510.2</i>  | <i>22.1%</i>                   | <i>45</i>                         | <i>3,611</i>              | ---                 | ---          |
| <i>Morgan Lake Potential</i>         | <i>101.6</i>  | <i>22.7%</i>                   | <i>0</i>                          | <i>0</i>                  | <i>A.T. Griffis</i> | <i>1,957</i> |
| <b><i>Total Morgan Lake Area</i></b> | <b><i>611.8</i></b>                                   | <b><i>22.2%</i></b>            | <b><i>45</i></b>                  | <b><i>3,611</i></b>       | ---                 | ---          |

The historical data did not provide any conceptual mine plans for the iron deposits in the Morgan Lake area. Significant outcrops of magnetite exist at Morgan Lake and the initial waste stripping is anticipated to be minimal. It is Micon’s opinion that the historical resource estimate is very speculative being based on very limited exploration drilling and will require extensive new exploration and metallurgical efforts to validate.

The historical estimates presented above use categories other than the ones set out in sections 1.2 and 1.3 of NI 43-101 and have not been prepared to the standards required by the instrument or modern estimation practices. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person.

In the Morgan Lake area, the Micon team visited the Payne Range and Morgan Lake iron deposits.

*Hopes Advance Area*

The Hopes Advance area includes historically identified iron deposits including the Bay Zones A, B, C, D, E and F; Castle Mountain; Numbers 1, 2, 3, 4, 5, and 6 zones; the Northwest Corner, McDonald, and Iron Valley zones. The historical estimated resource is more than 590 million metric tonnes at a grade of 35.7% Fe<sub>soluble</sub> and was based on extensive exploration drilling (182 drillholes, 12,826 m), channel sampling, bulk samples, surface mapping, and economic studies. An additional “potential resource” of 229 million metric tonnes was reported in the historical documentation but has very little documented support. Table 3.3 below summarizes the historical resources identified in the Hopes Advance area.

The historical work at Hopes Advance included mine plans including pit designs with ramps. All drill indicated areas had pits designed on them and waste stripping determined. No detailed annual mine plans were constructed and the overall stripping ratio was estimated to be about 0.32 to 1 on the drill indicated material. Initial mining would have been from the Castle Mountain and Bay Zone F deposits.

**Table 3.3  
Historical Iron Resources in the Hopes Advance Area**

| <b>Deposit</b>                         | <b>Crude Resource<br/>(million metric<br/>tonnes)</b> | <b>Head Iron<br/>(Sol. Fe)</b> | <b>Exploration<br/>Drillholes</b> | <b>Metres<br/>Drilled</b> | <b>Source</b> | <b>Date</b> |
|--|---|--------------------------------|-----------------------------------|---------------------------|---------------|-------------|
| Bay Zones (A to F)                     | 124.4   | 35.0%                          | 54                                | 3,929                     | P.E. Auger    | 1958        |
| Castle Mountain                        | 204.3   | 34.8%                          | 53                                | 3,966                     | P.E. Auger    | 1958        |
| No. 2 Zone                             | 80.8  | 36.4%                          | 22                                | 1,672                     | P.E. Auger    | 1958        |
| No. 4 Zone                             | 72.0  | 35.7%                          | 27                                | 1,435                     | P.E. Auger    | 1958        |
| Northwest Corner                       | 16.7  | 37.3%                          | 3                                 | 252                       | P.E. Auger    | 1958        |
| McDonald Zone                          | 14.4  | 37.7%                          | 7                                 | 443                       | P.E. Auger    | 1958        |
| Iron Valley Zone                       | 78.3  | 37.7%                          | 16                                | 1,129                     | P.E. Auger    | 1958        |
| <i>Total Drill Indicated</i>           | <i>590.9</i>  | <i>35.7%</i>                   | <i>182</i>                        | <i>12,826</i>             | ---           | ---         |
| No. 1 Zone                             | 61.0  | 35.0%                          | 3                                 | 109                       | P.E. Auger    | 1958        |
| No. 2 Zone Western Part                | 40.6  | 35.0%                          | 0                                 | 0                         | P.E. Auger    | 1958        |
| No. 3 Zone                             | 12.2  | 35.0%                          | 0                                 | 0                         | P.E. Auger    | 1958        |
| No. 6 Zone                             | 10.2  | 35.0%                          | 0                                 | 0                         | P.E. Auger    | 1958        |
| Northwest Corner Possible              | 89.4  | 35.0%                          | 0                                 | 0                         | P.E. Auger    | 1958        |
| McDonald Zone Possible                 | 15.2  | 35.0%                          | 0                                 | 0                         | P.E. Auger    | 1958        |
| <i>Total Potential</i>                 | <i>228.6</i>  | <i>35.0%</i>                   | <i>3</i>                          | <i>109</i>                | ---           | ---         |
| <b><i>Total Hopes Advance Area</i></b> | <b><i>819.5</i></b>                                   | <b><i>35.5%</i></b>            | <b><i>185</i></b>                 | <b><i>12,935</i></b>      | ---           | ---         |

It is Micon’s opinion that the historical resource estimate is an advanced estimate for the time period in which it was made (late 1950’s). However, since most of the original core is unavailable it will require new exploration drillholes to validate the previous work along with new metallurgical testing.

The historical estimates presented above use categories other than the ones set out in sections 1.2 and 1.3 of NI 43-101 and have not been prepared to the standards required by the instrument or modern estimation practices. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person.

In the Hopes Advance area, the Micon team visited the Castle Mountain, Number 2 zone, Number 4 zone, and the Iron Valley iron deposits. The team also viewed the other Hopes Advance deposits from the air.

***Geologic Setting***

The iron mineralization on the Property is of the Lake Superior Type<sup>1</sup> and contains deposits that have characteristics of iron ores that require concentration to produce saleable products. Lake Superior Type iron formations are deposited in shallow waters on continental shelves and in shallow sedimentary basins. This type of iron formation contains a variety of ore types that can

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<sup>1</sup> Deposit Type Model 34a; in U.S. Geological Survey Open-File Report 95-831.

be grouped into two main categories: direct shipping and concentrating ores. Direct shipping ores have a natural Fe content greater than 51% and include the hard ores of northern Michigan and residual ores that have been mined in Australia, Brazil, Michigan, Minnesota and Canada. Hard ores are high grade, massive and composed of magnetite and hematite. Residual ores are typically composed of hematite and martite and may contain goethite and limonite. Residual ores have been upgraded by weathering processes that have concentrated iron by the removal of gangue minerals, principally quartz. Concentrating ores are typically composed of magnetite and or hematite and silicate minerals at relatively low grades (20-30% Fe) that require grinding to liberate magnetite and/or hematite from the silicate minerals. Magnetite is concentrated by magnetic methods and hematite is concentrated by gravity or flotation methods.

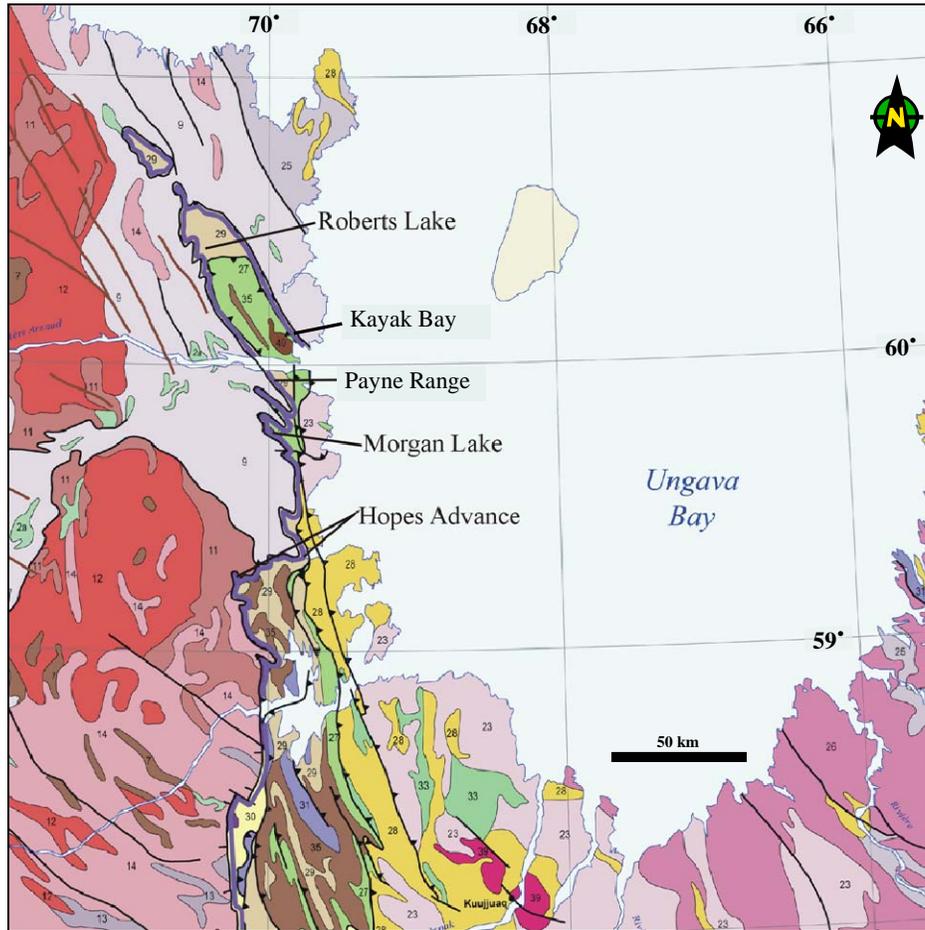
The value of concentrating ores is determined by a combination of Fe grade and ease of liberation. For example, a lower Fe grade ore may have a higher value than a higher Fe grade ore if it liberates at a coarser grind enabling greater throughput with lower grinding costs. The iron ore mining operations that are currently active in the Labrador Trough (IOC - Iron Ore Company of Canada, QCM - Quebec Cartier Mining Company, and Wabush Mines) all mine iron ores that are suitable for concentrating.

The iron formation that comprises the deposits of the Property is situated at the northernmost extension of the approximately 1,000 km long Labrador Trough. Farther south, the Labrador Trough hosts the iron ore deposits of Schefferville and Wabush Lake. The Labrador Trough or New Quebec Orogen is a Paleoproterozoic (1,840 Ga) fold and thrust belt that is situated between the Archean aged Superior and Rae Provinces.

The general stratigraphic sequence observed in the Property is composed of an Archean age granite gneiss basement; unconformably overlying the granite gneiss is a succession of meta-sedimentary rocks (Figure 3.3). Immediately overlying the granite gneiss in most areas is quartzite of the Ford Lake Formation. The quartzite may contain magnetite, garnet and lenses or pods of mica schist. The quartzite grades upward into the Sokoman Iron Formation. The iron formation may be further subdivided based on variations in magnetite, hematite, carbonate and iron silicates. A conspicuous spotted iron silicate-carbonate-quartz bed caps the iron formation. Micaceous schist and slate that are intruded by gabbro sills overlie the Sokoman iron formation.

The Sokoman Iron Formation is the stratigraphic/geological control of the iron mineralization in the region. Strong folding has resulted in a structural influence on the iron formation. The iron formation in the Ungava Bay area appears to be more or less continuous along its considerable strike length of over 300 km. The iron formation is folded into a south-southeast plunging syncline with the closure of the fold located to the north of Payne Bay and just north of Roberts Lake. The limbs of this regional syncline are folded in a series of parasitic synclines and anticlines.

Figure 3.1  
Plan Map Showing the General Geology in the area of the Ungava Iron property



Note: The iron formation is traced in purple. Note the south plunging syncline formed by the closure of the iron formation north of Roberts Lake, parasitic folds in the area of Morgan Lake and the west southwest trend of the iron formation at Hopes Advance.

## ***Exploration***

### ***Roberts Lake Area***

The Roberts Lake area was first discovered in 1952 with active exploration commencing that same year and continuing through 1957. During this period of exploration work focused on the Kayak Bay deposit and consisted of surface mapping, channel sampling, exploration drilling (46 holes), and metallurgical testing. Additional work was completed during 1972 with a geophysical survey of the area and in the 1990's with additional metallurgical testing. Exploration work completed on the Property includes exploration drilling, surface sampling, surface mapping, and metallurgical test work. At the Kayak Bay deposit, a preliminary pit was laid out to develop the drill indicated resource.

Exploration and drilling was also carried out in the Payne River zone (26 holes), Igloo Lake zone (11 holes), Hump zone (15 hole), and Roberts Lake zone (Figure 6.1). The iron formation can be

traced along both limbs of the syncline. An extension to the northwest of the syncline was also identified and is the location of the Armand Lake zone (Figure 6.1).

A total of 97 drillholes were completed in the Roberts Lake area totalling 5,115 m.

#### *Morgans Lake Area*

The Morgan Lake area iron deposits were first discovered in 1953 with active exploration commencing in 1955 and continuing through 1957. Exploration work completed on this area includes exploration drilling, surface sampling, surface mapping, and metallurgical test work. Detailed site layouts were completed for a processing plant and harbour near the Payne Range iron deposits. Drilling was completed on the Payne Range (29 holes) and Morgan Lake deposits (16 holes). Exploration was also conducted in the Black Payne South, Harnden Range, Esson Lake, and McOuat Range zones (Figure 6.2).

A total of 45 drillholes were completed in the Morgan Lake area totalling 3,611 m.

#### *Hopes Advance Area*

The Hopes Advance area iron deposits were first discovered in 1951 with active exploration from that time continuing through 1962. Exploration work completed on this area includes exploration drilling, surface sampling, surface mapping, and metallurgical test work. Detailed site layouts and pit designs were completed for a processing plant along the Red Dog River and a harbour on Hopes Advance Bay.

Eight of the deposits (Figure 6.3) have had some drilling including: Bay (54 holes), Castle Mountain (53), Iron Valley (16 holes), No.1 (3 holes), No.2 (22 holes), No.4 (27 holes), McDonald (7 holes), and Northwest Corner zones (3 holes). Other mineralization in the Hopes Advance area includes the No.3 and No.6 zones.

A total of 185 drillholes were completed in the Hopes Advance area totalling 12,935 m.

#### *Recent Airborne Geophysical Work*

More recent work conducted between 2006 to 2009 was predominantly airborne magnetometer and radiometrics surveys. The work was conducted by Voisey Bay Geophysics` Ltd., of Longue-Pointe-de-Mingan, Quebec for the Vendors. The surveys include:

##### **2006**

24M01 - airborne magnetometer and radiometrics  
24M08 - airborne magnetometer and radiometrics  
24N05 - airborne magnetometer and radiometrics

##### **2007**

24C10 - airborne magnetometer and radiometrics  
24M15 - radiometrics  
24M16 - airborne magnetometer and radiometrics  
24N12 - radiometrics

24N13 - radiometrics  
24M09 - radiometrics  
25C04 - radiometrics  
25D01 - radiometrics  
25D07 - radiometrics  
25D08 – radiometrics

**2008**

24M01 - airborne magnetometer and radiometrics  
24M08 - airborne magnetometer and radiometrics  
24N05 - airborne magnetometer and radiometrics

**2009**

24M15 - airborne magnetometer and radiometrics  
24N12 - airborne magnetometer and radiometrics  
24N13 - airborne magnetometer and radiometrics  
25C04 - airborne magnetometer and radiometrics  
25D07 - airborne magnetometer and radiometrics  
25D08 - airborne magnetometer and radiometrics  
25D10 - airborne magnetometer and radiometrics  
25D14 - airborne magnetometer and radiometrics  
25D15 - airborne magnetometer and radiometrics

The surveys covered more than 236,000 hectares and comprised over 18,400 kilometres of flight lines. The grid coverage was 100 m x 1000 m or 200 m x 1000 m on East-West or North-South oriented lines. The results of the surveys were used to outline the iron formation and assist in locating or determine whether to retain the claims.

***Mineralization***

Exploration conducted during the 1950's (see description of historical exploration in section 5) identified several iron deposits from the Roberts Lake area north of Payne Bay to the Red Dog and Ford Lake areas near Hopes Advance Bay in the south.

Photomicrographs were prepared for samples collected from sites that were visited by Micon (Figure 6.1). The photomicrographs show the relatively simple mineralogy of the iron formation of the Ungava Iron property. The figure also demonstrates the potential variation in grain size affecting the potential liberation and recovery of iron oxides.

At Kayak Bay the chert-magnetite-hematite iron formation contains specularite with average lengths of approximately 125 microns and magnetite with average diameters of approximately 50 microns. The relative abundance of magnetite and hematite as well as the grain size are likely to vary across the deposit.

At Morgan Lake, magnetite in the chert-magnetite portion of the iron formation is very fine-grained (Figure 6.1 d) and may require grinds as fine as 400 or 500 mesh to achieve an acceptable product (<5% SiO<sub>2</sub>).

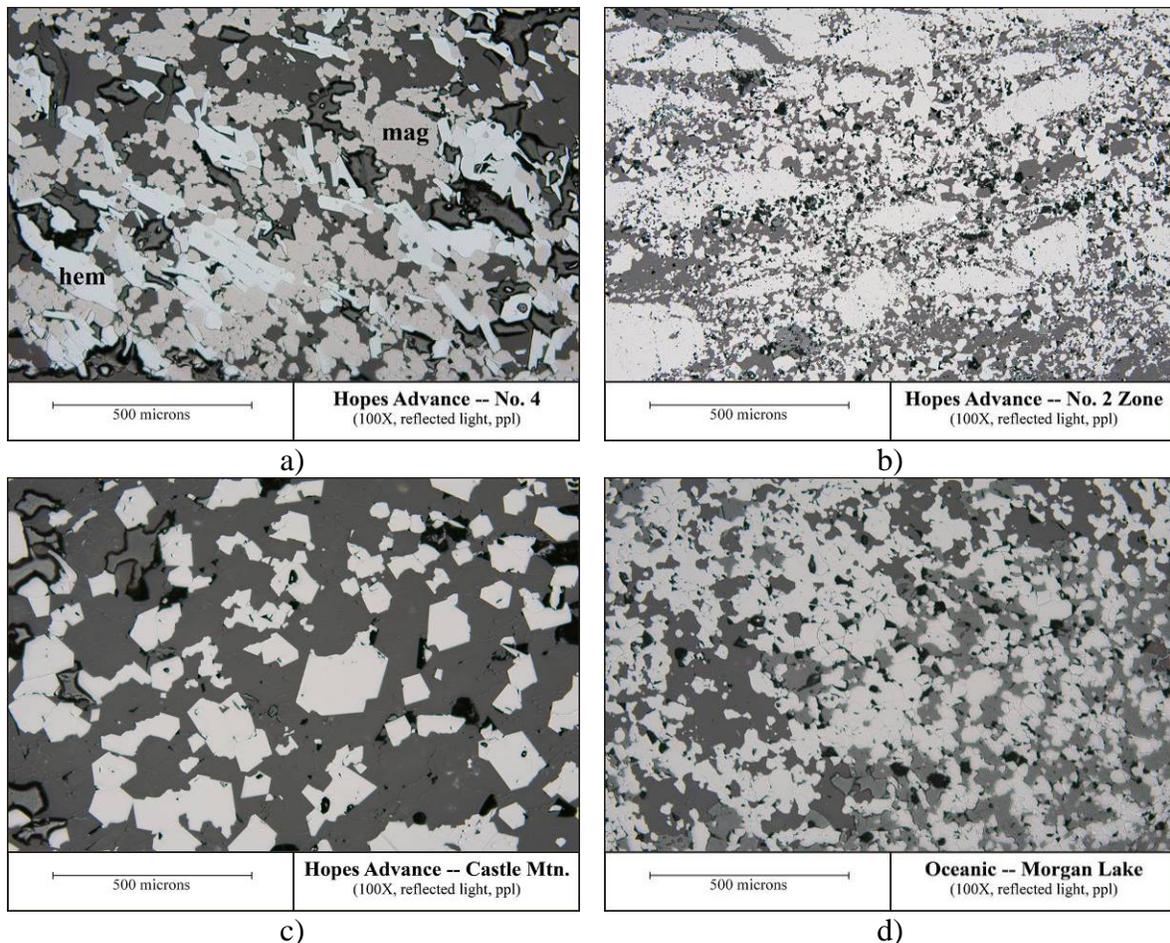
At the Hopes Advance Castle Mountain iron deposit, the potential iron resource is composed of a mixture of magnetite and hematite. Magnetite grains (Figure 6.1 c) range in size from 60 to 125 microns in diameter. Locally, the iron formation appears to be higher grade and relatively coarser-grained than at the occurrences visited to the north in the Morgan Lake area.

At the Hopes Advance No. 4 iron deposit, the relative proportion of magnetite to hematite varies across and along strike in the chert-magnetite-hematite-silicate iron formation. Magnetite grains are approximately 50 to 75 microns in diameter and hematite grains are approximately 100 microns in length (Figure 6.1 a).

At the Hopes Advance No. 2 iron deposit, the grain size and grade of the chert-magnetite-silicate iron formation appears to be similar to other deposits at Hopes Advance (Figure 6.1 b).

**Figure 6.1**

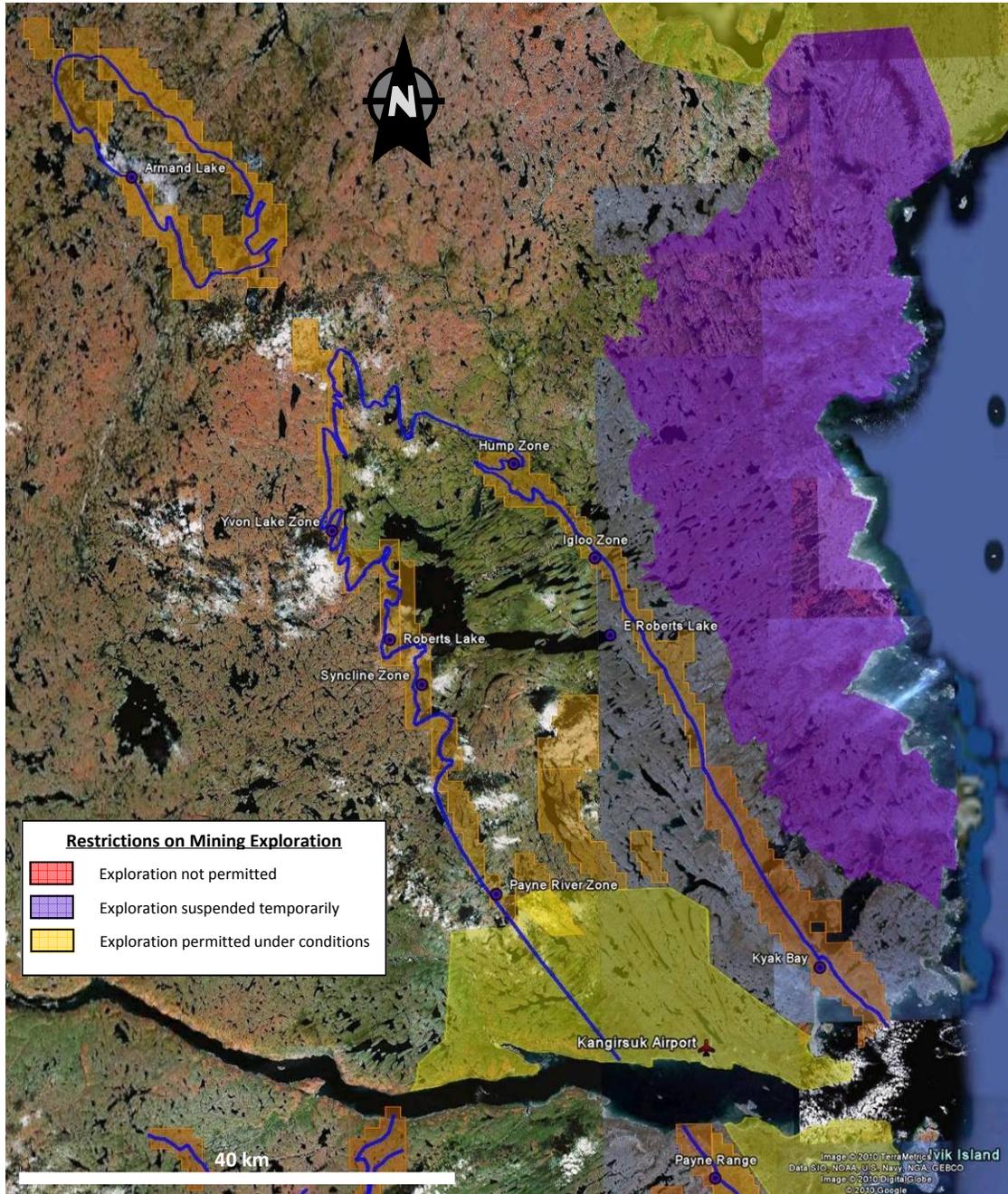
**Photomicrographs of Grab Samples from Ungava Iron property Hopes Advance and Morgan Lake Areas.**



a) Photomicrograph of grab sample from No. 4 Zone. Equant grains of magnetite (brown) intergrown with tabular hematite (white) and gangue minerals (gray). b) Photomicrograph grab sample from No. 2 Zone. Equant, granular disseminated and blocky aggregates (granules) of magnetite (brown) and gangue minerals (gray). c) Photomicrograph of grab sample from Hopes Advance Castle Mountain. Equant, euhedral, disseminated magnetite in a matrix of gangue minerals (gray). d) Photomicrograph of grab sample from Anomaly area from Morgan Lake. Equant disseminated magnetite in a matrix of gangue minerals (gray). All photomicrographs are at the same magnification. Note the variation in the grain size of magnetite. The grab sample from Castle Mountain contains

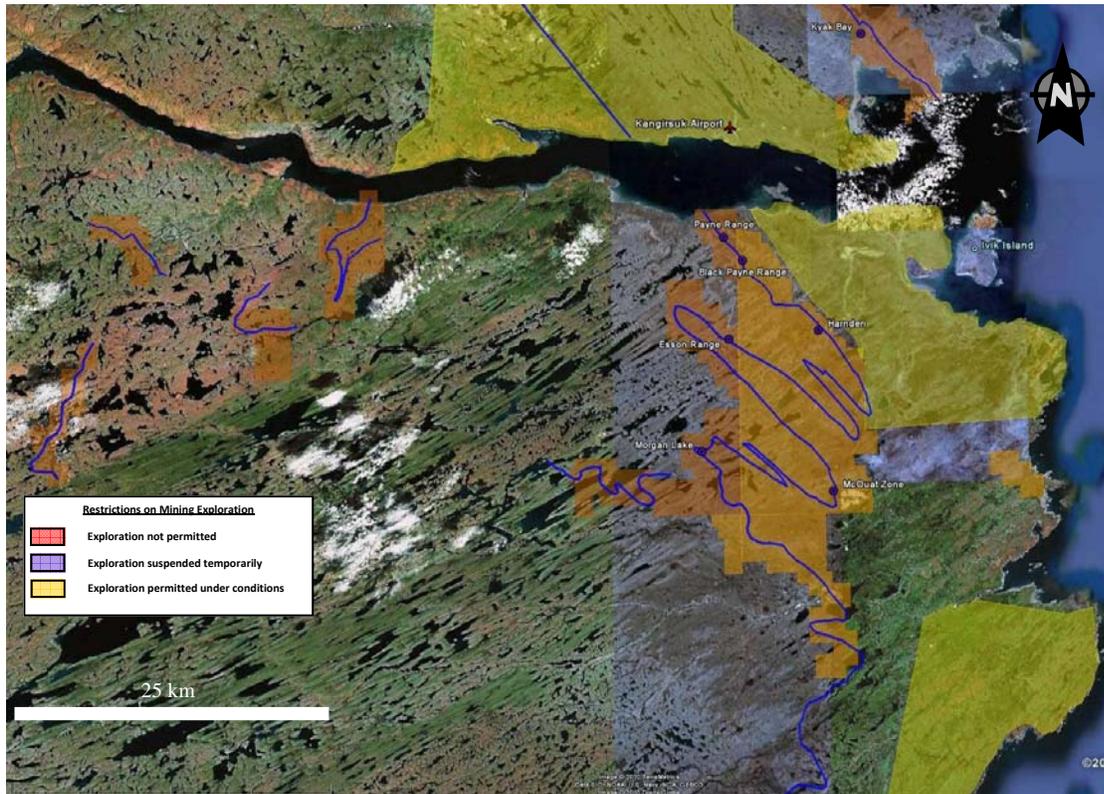
magnetite with an average grain size of  $65\mu$ . The grab sample from No. 2 Zone contains magnetite with an average grain size of  $12\mu$ . The Morgan Lake grab sample contains magnetite with an average grain size of  $35\mu$ .

Figure 6.2  
Trace of Iron Formation and Location of Iron Prospects in the Robert Lake Area



Blue line is the trace of the iron formation and orange outlines are the Property.

Figure 6.3  
Trace of Iron Formation and Location of Iron Prospects in the Morgan Lake Area



Blue line is the trace of the iron formation and orange outlines are the Property.

### ***Drilling***

All of the drilling on the various deposits contained within the Property was conducted in the 1950s and 1960s. The drilling practices may have been in compliance with industry standards in place at that time but they cannot be validated or compared to current norms.

### ***Sampling And Analysis***

All of the samples taken from the various deposits contained within the Property were collected in the 1950s and 1960s. The sampling practices may have been in compliance with industry standards in place at that time but they cannot be validated or compared to current norms.

### ***Security***

All of the samples taken from the various deposits contained within the Property were prepared and analyzed in the 1950s and 1960s. The practices that were used may have been in compliance with industry standards in place at that time but they cannot be validated or compared to current sample preparation and analytical methods.

### ***Mineral Resource And Mineral Reserve Estimates***

Documentation exists for historical resource estimates on the Property. Micon has reviewed the resource estimates completed on the various iron deposits during the 1950's for the Property and notes that these provide a resource potential for the property but the estimates do not conform to the presently accepted CIM Definition Standards for Mineral Resources and Mineral Reserves, as required by NI 43-101 regulations.

Therefore Oceanic should not rely solely on the previous data for planning a work program or to establish a mineral resource on the Property. Further fieldwork is required to locate and evaluate the true extent and nature of the mineralization at the Property.

### ***Exploration And Development***

Micon recommends that a two phase exploration drilling program be conducted to develop an inferred resource in the Hopes Advance area of the Property. Oceanic determined that the minimum initial objective of the drilling program should be to establish an inferred resource size of at least 500 Mt. Micon has used that resource size as a guide in preparation of the proposed work program.

Very little of the historic drill core has survived in a usable state and the methods used for drill core sampling, preparation and analyses cannot be confirmed as being compliant with current industry standards. Therefore, a thorough program of drilling, assaying, and metallurgical analyses is recommended for the Hopes Advance area. Given the abundance of iron formation outcrop at Hopes Advance a drill hole spacing of 600 meters along strike may be adequate to identify an inferred resource. The drilling program will also help understand the potential variation in mineralogy and in grain size of magnetite and/or hematite (liberation issues).

The work programs will include surveying, mapping, geophysics, drilling, and collection of some bulk samples for testwork. Core samples and bulk samples will be assayed and composites will also be analyzed using metallurgical tests that are commonly used in operations in Minnesota, Michigan and the Labrador Trough. The metallurgical test work will include Davis magnetic tube tests to determine the potential recovery of magnetite and Wilfley table tests to determine the potential recovery of hematite.

### ***2011 Drill Program***

The drill program commenced in April of 2011. The first drill rig is being deployed in the Castle Mountain area of Hopes Advance Bay. The drill program has been strategically planned to (1) confirm the historical resource using the historical drill hole data and (2) expand the historical resource through the introduction of additional exploration drill holes.

A further two drills are expected to be deployed in late April or early May, allowing for the drill program to expand to the Bay Zone, Zone 2 and Zone 4 areas of Hopes Advance Bay where Oceanic will adopt a similar strategy of targeting holes based on available historic information. Two further rigs are expected to be mobilized mid-year and will be deployed on known historical targets in the Roberts Lake and Morgan Lake areas.

The entire drill program is expected to consist of up to 16,000 metres of drilling and last until the end of the third quarter of 2011, although Oceanic will provide periodic updates on results of the drill program.

Oceanic has also acquired airborne magnetics data in respect of 5,753 line kilometres flown on the property by Voisey Bay Geophysics between 2006 and 2009. Oceanic is currently reprocessing the data to produce higher resolution magnetics maps which it believes will help define the extensions of the magnetic iron formations as well as better define exploration drill targets.

### **Risk Factors**

*An investment in the Common Shares should be considered highly speculative due to the nature of the Oceanic's business and operations. In addition to the other information in this Annual Information Form, an investor should carefully consider each of, and the cumulative effect of, the following factors.*

#### ***New Business***

Oceanic commenced a new business on November 30, 2010 and for at least the near future will have no revenues other than interest revenues. As such, Oceanic is subject to many risks common to mineral exploration companies, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Oceanic will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. Oceanic has no intention of paying any dividends in the near future.

There can be no assurance that Oceanic will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Property.

#### ***Ongoing Need for Financing***

As Oceanic will have limited revenue, its ability to continue exploration, development, acquisition and divestiture efforts will be largely reliant on its continued attractiveness to equity investors. Oceanic will incur operating losses as it continues to expend funds to explore and develop the Property and possibly other properties. There is no guarantee that Oceanic will be able to profitably develop the Property or any other property that it may acquire. Additionally, should Oceanic require additional capital to continue exploration, development, acquisition and divestiture, failure to raise such capital could result in going out of business. From time to time, Oceanic may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase Oceanic's debt levels above industry standards.

#### ***Volatile Stock Price***

The stock price of Oceanic is expected to be highly volatile and will be drastically affected by exploration results. Oceanic cannot predict the results of its exploration activities expected to

take place in the future. The results of these exploration activities will inevitably affect Oceanic's decisions related to further exploration and/or production at any of the properties that Oceanic may explore in the future and will likely trigger major changes in the trading price of the Common Shares.

### ***Exploration and Mining Risks***

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Property. There is no certainty that the expenditures to be made by Oceanic in the exploration of the Property will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by Oceanic will be affected by numerous factors beyond the control of Oceanic. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Oceanic not receiving an adequate return on invested capital.

### ***No Assurance of Title to Assets***

Establishing title to mineral properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. There is no guarantee of title to the Property. The property may be subject to First Nations land claims, prior unregistered agreements or transfers and title may be affected by undetected defects.

### ***Commodity Prices***

Factors beyond the control of Oceanic may affect the marketability and price of any minerals discovered, if any. Resource prices have fluctuated widely in recent years and are affected by numerous factors beyond the control of Oceanic, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted.

### ***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and Oceanic may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of Oceanic.

Oceanic will not be insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to

companies within the industry. Oceanic will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if Oceanic becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds Oceanic has to pay such liabilities and result in bankruptcy. Should Oceanic be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

### ***Operating Hazards and Risks***

Mineral exploration and mining involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour.

Operations in which Oceanic will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although Oceanic intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event Oceanic could incur significant costs that could have a materially adverse effect upon its financial condition.

### ***Competition***

Competition in the mineral exploration business is intense and could adversely affect the ability of Oceanic to suitably develop its properties. Oceanic will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral claims and leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

### ***Infrastructure***

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect future operations of Oceanic.

### ***Regulatory Matters***

The mining industry operates under legislation and regulation governing such matters as land tenure, prices, royalties, environmental protection controls, income, the exportation of iron ore

and other metals, as well as other matters. The industry is also subject to regulation by governments in such matters as the awarding or acquisition of exploration and production rights or other interests, the imposition of specific exploration obligations, environmental protection controls, control over the development and abandonment of properties (including restrictions on production) and possibly expropriation or cancellation of contract rights. Government regulations may be changed from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the mining industry could increase Oceanic's costs and have a material adverse impact on Oceanic. Before proceeding with a project, the participants in the project must obtain all required regulatory approvals. The regulatory approval process can involve stakeholder consultation, environmental impact assessments and public hearings, among other things. In addition, regulatory approvals may be subject to conditions including security deposit obligations and other commitments. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays and abandonment or restructuring of the projects undertaken by Oceanic and increased costs, all of which could have a material adverse affect on Oceanic.

### ***Potential Conflicts of Interest***

Some of the individuals who are directors or officers of Oceanic are also directors, officers and/or Promoters of other reporting and non-reporting issuers, including those engaged in mineral exploration and development. As of the date of this Annual Information Form and to the knowledge of the directors and officers of Oceanic, there are no existing conflicts of interest between Oceanic and any of its directors or officers. Situations may arise where the directors and/or officers of Oceanic may be in competition with Oceanic. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of Oceanic's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Oceanic are required to act honestly, in good faith and in the best interests of Oceanic.

### ***Regulatory and Permitting Delays***

Oceanic could encounter regulatory and/or permitting delays in the future. Oceanic will endeavor to ensure timely application for any government permits necessary for carrying out its business. However, there is no guarantee that Oceanic will be able to obtain all necessary permits in the timely fashion. Factors that are beyond Oceanic's control such as bureaucratic impediments, minor changes in legislation and even government holidays could substantially impede the timing of receiving essential permits and delay or stall Oceanic's exploration efforts.

### ***Environmental Legislation***

Environmental laws and regulations may affect the operations of Oceanic. These laws and regulations from various governmental authorities set various standards regulating certain aspects of health and environmental quality including, exploration, development and production, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. They provide for penalties and other liabilities for the

violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Such legislation may be changed to improve standards, which may place more costly obligations on Oceanic. Moreover, the permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on Oceanic for damages, clean-up costs or penalties in the event of certain discharges into the environment, or non-compliance with environmental laws or regulations. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. Oceanic intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards.

### ***Reliance on Key Personnel***

Oceanic is dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on Oceanic. Oceanic's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. Oceanic faces intense competition for qualified personnel and there can be no assurance that Oceanic will be able to attract and retain such personnel.

### ***Liquidity Risk***

Oceanic might incur additional debt in order to fund its exploration and development activities, which would continue to reduce its financial flexibility and could have a material adverse effect on Oceanic's business, financial condition or results of operation.

Oceanic's ability to meet any debt obligations and reduce its level of indebtedness depends on future performance. General economic conditions, iron ore and other metal prices and financial, business and other factors affect Oceanic's operations and future performance. Many of these factors are beyond Oceanic's control. Oceanic cannot assure investors that it will be able to generate sufficient cash flow to pay the interest on any debt or that future working capital, borrowings or equity financing will be available to pay or refinance such debt. Factors that will affect its ability to raise cash through an offering of securities or a refinancing of its debt include financial market conditions, the value of its assets and performance at the time Oceanic needs capital. Oceanic cannot assure investors that it will have sufficient funds to make such payments. If Oceanic does not have sufficient funds and is otherwise unable to negotiate renewals of its borrowings or arrange new financing, it might have to sell significant assets. Any such sale could have a material adverse effect on Oceanic's business, operations and financial results.

## ***Risk Management***

Mineral exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, Oceanic will strive to manage such risks to the extent possible and practical.

## **DIVIDENDS**

Oceanic has not declared or paid any dividends or distributions on its Common Shares or other securities since its incorporation and it is not contemplated that any dividends will be paid in the immediate or foreseeable future. Currently Oceanic anticipates that it will retain any funds to finance expansion and development of its business. Any future determination to pay dividends or distributions will be at the discretion of Oceanic's board of directors and will depend upon the results of operations, financial condition, current and anticipated cash needs, contractual restrictions, restrictions imposed by applicable law and other factors that the board of directors deem relevant.

## **DESCRIPTION OF CAPITAL STRUCTURE**

### **Share Capital**

The authorized capital of Oceanic consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value, issuable in series. As at the date hereof, there are 142,966,217 Common Shares issued and outstanding as fully paid and non-assessable. No preferred shares have been issued.

The Oceanic Shareholders are entitled to dividends, if, as and when declared by the board of directors, to one vote per Common Share at meetings of the Oceanic Shareholders and, upon liquidation, to share equally in such assets of Oceanic as are distributable to the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription or conversion rights.

### **Options to Purchase Securities**

#### ***Stock Option Plan***

The Oceanic Stock Option Plan provides that the board of directors of Oceanic may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of Oceanic and to charitable organizations options to purchase Common Shares, provided that the number of Common Shares reserved for issuance does not exceed ten percent (10%) of the then issued and outstanding Common Shares. The exercise price for the options is determined by the directors of Oceanic, which will in no event be less than the current market price of Common Shares at the time of grant. The maximum term of option grants is ten years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual in any twelve month period will not exceed five percent (5%) of the then issued and outstanding Common Shares and the number available to any consultant in any twelve month period will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised for a reasonable period, as

determined by the Board of Directors, following cessation of the optionee's position with Oceanic, subject to the expiry date of such option and provided that in the case of the death of the optionee, the maximum period the optionee's heirs or administrators may exercise the option is one year from the date of death.

Oceanic currently has the following stock options outstanding:

| <b>Number of Options</b> | <b>Exercise Price</b> | <b>Expiry Date</b> |
|--------------------------|-----------------------|--------------------|
| 3,500,000                | \$0.83                | January 5, 2021    |
| 300,000                  | \$0.83                | Jan 11, 2021       |
| 100,000                  | \$0.62                | April 5, 2021      |
| 700,000                  | \$0.85                | March 1, 2021      |
| 7,663,500                | \$0.40                | November 30, 2020  |
| 482,014                  | \$0.24                | June 30, 2011      |

### ***Warrants***

As of the date hereof Oceanic has share purchase warrants outstanding which entitle the holders to purchase an aggregate of 25,607,500 Common Shares at a price of \$0.10 per share on or before June 9, 2012. The 6,562,500 Offered Warrants, 17,950,000 Second Offered Warrants and 10,450,000 Third Offered Warrants are also outstanding.

## **MARKET FOR SECURITIES**

### **Trading Price and Volume**

The Common Shares of Oceanic trade on the TSXV under the symbol "FEO". The following table sets forth the price range and trading volume of Oceanic's Common Shares on the TSXV on a monthly basis for the year 2010:

| <b>MONTH</b>             | <b>HIGH (\$)</b> | <b>LOW(\$)</b> | <b>VOLUME</b> |
|--------------------------|------------------|----------------|---------------|
| December <sup>(1)</sup>  | 0.93             | 0.57           | 39,716,190    |
| November <sup>(1)</sup>  | N/A              | N/A            | Nil           |
| October <sup>(1)</sup>   | N/A              | N/A            | Nil           |
| September <sup>(1)</sup> | N/A              | N/A            | Nil           |

|                       |      |       |        |
|-----------------------|------|-------|--------|
| August <sup>(1)</sup> | 0.40 | 0.31  | 20,570 |
| July                  | 0.39 | 0.285 | 50,400 |
| June                  | 0.30 | 0.25  | 47,000 |
| May                   | 0.32 | 0.235 | 31,000 |
| April                 | 0.25 | 0.10  | 41,000 |
| March                 | 0.17 | 0.12  | 2,300  |
| February              | N/A  | N/A   | Nil    |
| January               | N/A  | N/A   | Nil    |

(1) At the request of Oceanic, trading in the Common Shares was halted on August 20, 2010 pending the announcement of the Acquisition. Trading was reinstated on December 6, 2010.

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER**

As at the date of this Annual Information Form, there are 32,800,000 Common Shares held in escrow. The 30,000,000 Common Shares issued to the Vendors on closing of the Acquisition are held in escrow pursuant to an escrow agreement dated November 30, 2010 between the Vendors, Oceanic and Computershare and will be released from escrow as to 3,000,000 shares on June 3, 2011, 1,500,000 shares on September 30, 2011, and 4,500,000 shares on each of December 3, 2011, June 3, 2012, December 3, 2012, June 3, 2013 and December 3, 2013.

A further 4,000,000 Common Shares issued to Kataria are held in escrow pursuant to an escrow agreement dated November 30, 2010 between Kataria, Oceanic and Computershare and will only be released upon receipt of an independent report under NI 43-101 which validates a resource on the Property equal to or greater than 450 million tonnes of 35% or more iron ore content. If the independent report does not validate such a resource and provided that Oceanic has expended not less than U.S.\$25,000,000 on exploration for iron ore on the Property, the 4,000,000 Common Shares will be cancelled.

A further 1,800,000 Common Shares held by a principal of the Company are held in escrow pursuant to an escrow agreement dated November 30, 2010 between the holder, Oceanic and Computershare and will be released from escrow as to 300,000 shares on each of June 3, 2011, December 3, 2011, June 3, 2012, December 3, 2012, June 3, 2013 and December 3, 2013.

The following table lists the Common Shares which are currently held in escrow:

| <b>Designation of Class</b> | <b>Number of Securities</b> | <b>Percentage of Class</b> |
|-----------------------------|-----------------------------|----------------------------|
| Common Shares               | 33,800,000                  | 23.6% <sup>(1)</sup>       |

**Notes:**

(1) Based on 142,966,217 Common Shares being issued and outstanding as of the date of this Annual Information Form.

## DIRECTORS AND OFFICERS

### Name, Position Held, Address and Occupation

The following table sets forth the name, positions held, municipality of residence and principal occupation(s) for the past 5 years of each director and officer of Oceanic.

| Name, Municipality of Residence and Positions Held                             | Principal Occupation During Last Five Years  | Director Since     |
|--|--|--------------------|
| STEVEN DEAN<br>Vancouver, BC Canada<br>Chairman, CEO & Director                | Chairman, CEO and Director of the Company, former Chairman of Amerigo Resources Ltd., Spur Ventures Inc. and Infinito Gold Ltd.                | September 27, 2010 |
| GREGG SEDUN<br>Vancouver, BC Canada<br>President & Director                    | President of Uracon Resources Ltd.; President of Global Vision Capital Corp., a private venture capital company                                | September 27, 2010 |
| IRFAN SHARIFF<br>North Vancouver, BC Canada<br>CFO & Secretary                 | CFO and Corporate Secretary of the Company; Independent Consultant, (2009 to present); Director Mergers & Acquisitions Citigroup (2001 – 2008) | N/A                |
| GORDON KEEP <sup>(1)</sup><br>Vancouver, BC Canada<br>Director                 | Executive Vice-President of Fiore Financial Corporation  | September 27, 2010 |
| HON. JOHN D. REYNOLDS, P.C. <sup>(1)</sup><br>Vancouver, BC Canada<br>Director | Senior Strategic Advisor of McMillan LLP   | September 27, 2010 |
| STEVEN CHADWICK <sup>(1)</sup><br>City Beach, WA, Australia<br>Director        | Principal of Spectrum Metallurgical Consultants  | February 28, 2011  |

(1) member of Audit Committee

### Board and Management Team

#### *Steven Dean, Director*

Mr. Dean is a Fellow of the Institute of Chartered Accountants of Australia, a Fellow of the Australian Institute of Mining and Metallurgy and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum. He has extensive experience internationally in mining, most recently as President of Teck Cominco Limited (now Teck Resources Ltd.). Teck is a major diversified resource company and is the largest producer of metallurgical coal in North America and the No. 2 exporter of metallurgical coal in the world to the globe's steel manufacturers.

Prior to joining Teck, Mr. Dean was a founding director of Normandy Poseidon Group, which became Normandy Mining and was the largest Australian - based gold producer until its sale to Newmont Mining, as well as founder of PacMin Mining which became a subsidiary of Teck Corporation in 1999.

Mr. Dean is Chairman and a director of Spur Ventures Inc. (TSX:SVU), and of Infinito Gold Ltd. (TSX-V:IG), and is a director and founder of Amerigo Resources Ltd. (TSX:ARG).

***Gregg Sedun, Founder and President***

Mr. Sedun is an independent venture capital professional based in Vancouver, Canada with 27 years of mining & industry-related experience. Upon graduating with a Bachelor of Law Degree (LLB), he practiced corporate finance/securities & mining law in Vancouver until retiring from law in 1997. Thereafter, he was a partner of a private venture capital firm for seven years and President & CEO of Diamond Fields International Ltd., a TSX-listed company, for over two years.

Mr. Sedun has been involved as a director and/or founding shareholder in a number of successful companies including Diamond Fields Resources Inc. (acquired by Inco in 1996 for \$4.3 billion in the largest takeover of a junior mining company in Canadian history), Adastra Minerals Inc. (acquired by First Quantum Minerals in 2006 for \$275 million) and Peru Copper Inc. (acquired by Chinalco in 2007 in an all-cash \$840 million takeover). Mr. Sedun is also currently President & CEO of his venture capital company Global Vision Capital Corp., Executive Chairman of Goldgroup Mining Inc. (TSX:GGA), Chairman & CEO of Uracon Resources (TSX.V:URC), and Director for Geovic Mining Corp. (TSX:GMC).

***Irfan Shariff, CFO and Corporate Secretary***

Mr. Shariff is a chartered accountant who started his career with PricewaterhouseCoopers in Vancouver, B.C., before moving to Citigroup in London, United Kingdom, where he spent nearly eight years working in the mergers and acquisitions group. Since returning to Vancouver in 2008, Mr. Shariff has worked as a consultant to a number of junior resource companies based in Vancouver.

***Gordon Keep, Director***

Mr. Keep has extensive business experience in investment banking and creating public natural resource companies. Mr. Keep currently is Executive Vice-President of Fiore Financial Corporation, a private boutique merchant banking firm. He also serves as an officer and/or director for several natural resource companies.

From January 2001 to July 2007, Mr. Keep was Managing Director of Corporate Finance at Endeavour Financial Corporation, from September 1997 until March 2004, he was Senior Vice President and a director of Lions Gate Entertainment Corp., and from April 1987 until October 1997, he was Vice President, Corporate Finance in the Natural Resource group of Yorkton Securities Inc. He obtained his B.Sc. in Geological Science from Queen's University in 1979 and his Master's of Business Administration from the University of British Columbia in 1983 and is a Professional Geologist in the province of British Columbia.

***Steven Chadwick, Director***

Mr. Chadwick is a corporate member of the Australasian Institute of Mining and Metallurgy and has over 30 years experience in the mining industry, incorporating technical, operating and management roles, as well as a strong metallurgical background.

Mr. Chadwick is a metallurgical consultant who serves as a director of BC Iron, an emerging iron ore producer based in the Pilbara, Western Australia, as well as a director of Teck Australia Pty Ltd, with responsibility for the Lennard Shelf lead zinc project.

***The Hon. John Reynolds, Director***

The Honourable John Reynolds career includes substantial experience in venture capital development, resource sector development and elected political office, both federal and provincial. The Hon. John D. Reynolds served as a Member of Parliament of Canada, 1972 – 1977 and 1997 – 2006 and also as leader of Her Majesty's official opposition.

His career in the private sector has included directorships on the boards of numerous public companies, including Calibre Mining Corp. (TSXV:CXB), Oriel Resources Plc (formerly TSX listed), Rusoro Mining Ltd. (TSXV:RML), and Terrane Metals Corp. (TSXV:TRX).

Directors are elected annually for a term expiring at the close of the next annual general meeting of shareholders.

As of the date of this Annual Information Form, the directors and officers of Oceanic as a group, beneficially own, directly or indirectly, or exercise control or direction over, 3,707,500 Common Shares which represents 2.6% of the issued and outstanding Common Shares of Oceanic.

**Conflicts of Interest**

Some of the directors or officers of Oceanic are also shareholders, directors, officers and/or promoters of other reporting and non-reporting issuers. As of the date of this Annual Information Form and to the knowledge of the directors and officers of Oceanic, there are no existing conflicts of interest between Oceanic and any of the directors or officers. Conflicts, if any, will be subject to the procedures and remedies under the BCBCA.

**Corporate Cease Trade Orders or Bankruptcies**

Other than as disclosed below, no proposed director, officer or Promoter of Oceanic or shareholder anticipated to hold a sufficient number of securities of Oceanic to affect materially the control of Oceanic is or has, within the past 10 years, been a director, officer or Promoter of any Person or issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied that Person or issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Hon. John D. Reynolds P.C. was a director of CY Oriental Holdings Ltd. ("CY") when the Alberta Securities Commission issued a cease trade order against CY on October 3, 2008 for failure to file certain financial statements, related management discussion and analysis and certifications. The cease trade order remains in effect. Mr. Reynolds resigned as a director of CY on March 30, 2009.

Hon. John D. Reynolds P.C. is a director of Kinetex Resources Corporation ("Kinetex"). On July 22, 2010 a cease trade order was issued by the British Columbia Securities Commission against Kinetex for failure to file its comparative financial statements for the fiscal year ended December 31, 2009. On November 3, 2010 a cease trade order was issued by the Alberta Securities Commission against Kinetex. The cease trade orders remain in effect.

Ernst & Young Inc. was appointed receiver and manager of the property, assets and undertakings of Kinetex and its subsidiary, Kinetex Multi-Component Services Inc., pursuant to an Order of the Court of Queen's Bench of Alberta dated December 20, 2010, at the request of a secured creditor of Kinetex. Kinetex is awaiting the outcome of these receivership proceedings.

### **Penalties or Sanctions**

No proposed director, officer or Promoter of Oceanic or shareholder anticipated to hold a sufficient number of securities of Oceanic to affect materially the control of Oceanic or a personal holding corporation of such persons is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions proposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Personal Bankruptcies**

No proposed director, officer or Promoter of Oceanic or shareholder anticipated to hold a sufficient number of securities of Oceanic to affect materially the control of Oceanic, or a personal holding corporation of such persons is or has, within the past 10 years, become bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

## **AUDIT COMMITTEE DISCLOSURE**

The charter of the audit committee of Oceanic and the other information required to be disclosed by Form 52-110F2 is attached to this Annual Information Form as Schedule "A".

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **Legal Proceedings**

Other than the Ontario Proceedings which have been dismissed and the ICC Arbitration which has been withdrawn, neither Oceanic nor the Property were subject to any legal proceedings during the last fiscal year nor are any such proceedings contemplated.

### **Regulatory Actions**

During the last fiscal year no penalties or sanctions were imposed against Oceanic by a court relating to securities legislation or by a securities regulatory authority, no penalties or sanctions were imposed against Oceanic by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision and no settlement agreements were entered into by Oceanic before a court relating to securities legislation or with a securities regulatory authority.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No director or executive officer of Oceanic, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Common Shares of Oceanic nor any of their associates or affiliates, has any material interest, direct or indirect, in any transaction entered into during the past three financial years of Oceanic or during its current financial year which has materially affected or is reasonably expected to materially affect Oceanic.

## **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Common Shares of Oceanic is Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia.

## **MATERIAL CONTRACTS**

The following is a list of all material contracts to which Oceanic is a party which were entered into: (a) since the beginning of the last financial year; and (b) before the last financial year and which are still in effect:

- the Acquisition Agreement described under the heading "*General Development Of The Business – Acquisition*"
- the three escrow agreements described under the heading "*Escrowed Securities And Securities Subject To Contractual Restrictions On Transfer*"
- Pursuant to an agreement dated September 1, 2010 between Endeavour Administration and Oceanic, Endeavour Administration has agreed to provide Oceanic with corporate administrative services, including: assistance with maintaining corporate records; liaising with transfer agents, legal counsel, auditors, securities regulatory authorities and

investment firms; assistance with continuous disclosure obligations; and assistance with the preparation of materials for meetings of shareholders and directors; in consideration for the sum of \$10,000 per month plus HST. Endeavour Administration is also entitled to be paid its reasonable out of pocket expenses for providing the services. The agreement is for a period of one year expiring on August 31, 2011 and will thereafter continue on a month to month basis unless terminated by either party on thirty days written notice.

- Pursuant to an agreement dated September 1, 2010 between Endeavour and Oceanic, Endeavour has agreed to provide Oceanic with financial advisory and consulting services, including assistance in: identifying and implementing project acquisitions and divestitures; introductions to capital markets; financings; and mergers and acquisitions (collectively "Transactions"); for a monthly fee of U.S.\$15,000 payable on initiation of a Transaction. Endeavour is also entitled to a success fee payable at closing of a Transaction of between 1% and 2% of the Transaction value. Endeavour is also entitled to reimbursement of its reasonable out of pocket expenses for providing the services. The agreement is for a term of one year expiring August 31, 2011 and will thereafter continue on a month to month basis unless terminated by either party on 30 days written notice. Under this agreement Endeavour was paid a fee of \$52,500 and 760,000 Common Shares in respect of the Acquisition. Endeavour also received a fee of \$147,225 in respect of the Second Offering and the Third Offering.

### **INTEREST OF EXPERTS**

Oceanic's auditors for the years ended December 31, 2010 and 2009 were Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, who have prepared an independent auditors' report dated July 14, 2010 in respect of Oceanic's consolidated financial statements as at December 31, 2010 and 2009, and for each of the years then ended. Dale Matheson Carr-Hilton Labonte LLP has advised that they are independent with respect to Oceanic within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Micon prepared the Oceanic Technical Report that is summarized in this Annual Information Form. Micon does not beneficially own, directly or indirectly, any securities of, nor does it have any interest in the property of, Oceanic. Moreover, none of the directors, officers or employees of Micon is, or expects to be, elected, appointed or employed as a director, officer or employee of Oceanic or its associates or affiliates.

### **ADDITIONAL INFORMATION**

Additional information relating to Oceanic may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com). Additional information including directors' and officers' remuneration and indebtedness, principal holders of Oceanic's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in Oceanic's information circular dated August 26, 2010 for its Annual General Meeting held on September 27, 2010. Additional financial information is provided in Oceanic's comparative financial statements and MD&A for the year ended March 31, 2010.

## SCHEDULE "A"

### FORM 52-110F2 AUDIT COMMITTEE DISCLOSURE

#### **Item 1: The Audit Committee Charter**

##### *Purpose*

The overall purpose of the Audit Committee (the "Committee") of Oceanic Iron Ore Corp. (the "Company") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

##### *Composition, Procedures and Organization*

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### ***Roles and Responsibilities***

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to Shareholders;
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;
    - (iv) prospectuses;
    - (v) news releases discussing financial results of the Company; and
    - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies, if any;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the Company's financial statements;

- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
5. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.

### **Item 2: Composition Of The Audit Committee**

During the financial year ended March 31, 2010, the members of the Audit Committee were Thomas Presello, Michael Reynolds and David Raffa. Thomas Presello, the President and Chief Executive Officer of the Company, was not considered to be independent. Michael Reynolds and David Raffa were considered to be independent. All of the members of the audit committee were considered to be financially literate.

A member of the audit committee is considered financially literate if the member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company. A member of the audit committee is considered independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of the directors, reasonably interfere with the exercise of a member's independent judgment.

### **Item 3: Relevant Education And Experience**

The Members of the Audit Committee have acted as directors or officers of various public companies providing them with the experience relevant to their performance of their responsibilities as Audit Committee members.

### **Item 4: Audit Committee Oversight**

At no time since the commencement of the Company's financial year ended March 31, 2010 was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

**Item 5: Reliance On Certain Exemptions**

Since the commencement of the financial year ended March 31, 2010, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 (the "Instrument"). Section 2.4 of the Instrument provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee. Section 8 of the Instrument permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

**Item 6: Pre-Approval Policies And Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

**Item 7: External Auditor Service Fees (By Category)**

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years is as follows:

|                               | FYE 2009 | FYE 2010 |
|-------------------------------|----------|----------|
| Audit fees for the year ended | \$15,000 | \$15,000 |
| Audit related fees            | 0        | 0        |
| Tax fees                      | 0        | 0        |
| All other fees (non-tax)      | 0        | 0        |
| Total Fees:                   | \$15,000 | \$15,000 |

**Item 8: Exemption**

In respect of the financial year ended March 31, 2010, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.