

# **Oceanic Iron Ore Corp.**

Unaudited Condensed Interim Financial Statements

**For the three and nine months ended December 31, 2012 and 2011**  
(Stated in Canadian Dollars)

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

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

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

# Oceanic Iron Ore Corp.

## Condensed Interim Statements of Financial Position (unaudited)

	December 31, 2012	March 31, 2012
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 3,365,760	\$ 6,968,160
Receivables (Note 4)	4,248,822	4,894,801
Marketable securities	48,700	-
Prepaid expenses and deposits	165,470	831,499
Restricted cash	184,500	184,500
	<b>8,013,252</b>	12,878,960
Equipment (Note 5)	476,855	250,692
Mineral Properties (Note 6)	36,631,188	30,518,549
	<b>\$ 45,121,295</b>	<b>\$ 43,648,201</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 347,983	\$ 1,053,264
Due to related parties (Note 10)	36,162	412,640
Demand loan (Note 7)	3,123,190	1,688,824
Current portion of advance royalty payable	166,750	175,227
Other liabilities	-	198,830
	<b>3,674,085</b>	3,528,785
Advance royalty payable	340,861	437,446
Deferred income tax liability	895,301	1,298,011
	<b>4,910,247</b>	5,264,242
<b>Shareholders' equity</b>		
Share capital (Notes 8(a),8(b))	52,716,981	49,382,158
Contributed surplus (Notes 8(c),8(d))	7,409,444	7,030,759
Deficit	(19,915,377)	(18,028,958)
	<b>40,211,048</b>	38,383,959
	<b>\$ 45,121,295</b>	<b>\$ 43,648,201</b>

Nature of operations and going concern (Note 1)

Commitments (Note 9)

Subsequent events (Note 8(c))

Approved by the Board:

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

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" Gordon Keep " Director

# Oceanic Iron Ore Corp.

## Condensed Interim Statements of Loss and Comprehensive Loss For the three and nine months ended December 31, (unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2012	2011	2012	2011
<b>Expenses</b>				
Consulting and management	\$ 227,500	\$ 233,411	\$ 781,468	\$ 642,078
Directors Fees	8,000	11,500	27,000	35,000
Investor relations & corporate development	185,600	165,674	441,231	280,911
License and insurance	11,623	9,016	34,974	26,861
Office and general	36,103	47,736	116,084	126,840
Professional fees	46,288	45,085	121,916	77,217
Rent	14,914	21,315	74,120	68,444
Share-based payments (Note 8(c))	203,338	644,066	356,374	1,318,482
Transfer agent and regulatory	23,641	33,541	59,173	89,812
Travel	2,629	49,077	26,752	76,143
Wages and benefits	122,256	25,066	387,348	104,947
<b>Loss from operations</b>	<b>881,892</b>	<b>1,285,487</b>	<b>2,426,440</b>	<b>2,846,735</b>
<b>Other income (expenses)</b>				
Interest income	10,855	16,906	33,066	95,261
Gain/(loss) on marketable securities	48,700	-	48,700	712
Income relating to renounced exploration expenditures	-	53,290	198,830	479,658
Interest and financing expense	(23,617)	(240,720)	(59,522)	(240,720)
Other income/(expense)	1,405	(33,123)	8,413	(33,123)
<b>Net loss before income taxes</b>	<b>(844,549)</b>	<b>(1,489,134)</b>	<b>(2,196,953)</b>	<b>(2,544,947)</b>
Deferred tax recovery/(expense)	170,793	(110,802)	310,534	(1,655,576)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (673,756)</b>	<b>\$ (1,599,936)</b>	<b>\$ (1,886,419)</b>	<b>\$ (4,200,523)</b>
<b>Loss per common share - basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>	<b>194,478,285</b>	<b>161,139,101</b>	<b>181,219,679</b>	<b>150,656,529</b>

# Oceanic Iron Ore Corp.

## Condensed Interim Statements of Changes in Equity

For the nine months ended December 31, 2012 and 2011 (unaudited)

	Share capital		Contributed Surplus	Deficit	Total equity
	Number of shares	Amount			
<b>Balance - April 1, 2012</b>	<b>173,961,564</b>	<b>\$ 49,382,158</b>	<b>\$ 7,030,759</b>	<b>\$ (18,028,958)</b>	<b>\$ 38,383,959</b>
Private placement - October 10, 2012	21,875,000	3,500,000	-	-	3,500,000
Share-issue costs	-	(342,660)	-	-	(342,660)
Warrants exercised	781,667	85,307	(7,140)	-	78,167
Share-based payments recognized	-	-	385,825	-	385,825
Net loss for the period	-	-	-	(1,886,419)	(1,886,419)
Tax recovery of share issuance costs	-	92,176	-	-	92,176
<b>Balance - December 31, 2012</b>	<b>196,618,231</b>	<b>\$ 52,716,981</b>	<b>\$ 7,409,444</b>	<b>\$ (19,915,377)</b>	<b>\$ 40,211,048</b>

	Share capital		Contributed Surplus	Deficit	Total equity
	Number of shares	Amount			
<b>Balance - April 1, 2011</b>	<b>142,791,217</b>	<b>\$ 44,518,546</b>	<b>\$ 5,835,323</b>	<b>\$ (13,080,361)</b>	<b>\$ 37,273,508</b>
Private placement - December 22, 2011	5,750,000	2,012,500	-	-	2,012,500
Share-issue costs	-	(34,021)	-	-	(34,021)
Warrants exercised	20,610,000	2,249,258	(188,258)	-	2,061,000
Options exercised	527,014	262,281	(130,548)	-	131,733
Share-based payments recognized	-	-	1,497,741	-	1,497,741
Net loss for the period	-	-	-	(4,200,523)	(4,200,523)
Tax recovery on share issuance costs	-	366,135	-	-	366,135
Deferral of sale of tax deductions to flow-through shareholders	-	(161,000)	-	-	(161,000)
<b>Balance - December 31, 2011</b>	<b>169,678,231</b>	<b>\$ 49,213,699</b>	<b>\$ 7,014,258</b>	<b>\$ (17,280,884)</b>	<b>\$ 38,947,073</b>

**Oceanic Iron Ore Corp.**  
**Condensed Interim Statements of Cash Flows**  
**For the three and nine months ended December 31, (unaudited)**

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2012	2011	2012	2011
<b>Operating activities</b>				
Net loss for the period	\$ (673,756)	\$ (1,599,936)	\$ (1,886,419)	\$ (4,200,523)
Adjustments for:				
Deferred income tax expense	(170,793)	110,802	(310,534)	1,655,576
Share-based payments	203,338	644,066	356,374	1,318,482
Interest income	(10,855)	(16,906)	(33,066)	(95,261)
Gain on marketable securities	(48,700)	-	(48,700)	(712)
Income relating to renounced exploration expenditures	-	(53,290)	(198,830)	(479,658)
Interest and other financing expense	23,617	240,720	59,522	240,720
Net changes in non-cash working capital balances:				
Prepaid expenses and deposits	(12,454)	24,997	11,940	253,722
Receivables	307,271	(117,460)	288,083	(979,817)
Accounts payable and accrued liabilities	(99,989)	(164,402)	(50,221)	78,924
Due to related parties	(29,418)	17,045	(376,477)	26,786
	(511,739)	(914,364)	(2,188,328)	(2,181,762)
<b>Investing activities</b>				
Mineral property expenditures	(1,754,000)	(3,036,206)	(6,113,561)	(14,418,848)
Equipment additions	-	-	(301,824)	-
Interest income received	4,396	27,583	32,351	98,322
Proceeds from sale of marketable securities	-	-	-	171,962
	(1,749,604)	(3,008,623)	(6,383,034)	(14,148,564)
<b>Financing activities</b>				
Private placement, net of share issue costs (Note 8)	3,157,340	1,978,479	3,157,340	1,978,479
Demand loan proceeds, net of loan fees (Note 7)	-	1,688,824	1,792,977	1,688,824
Demand loan proceeds, held as restricted cash (Note 7)	-	(150,000)	-	(150,000)
Interest and other financing fees paid on demand loan (Note 7)	(23,617)	(240,720)	(59,522)	(240,720)
Exercise of stock options (Note 8(c))	-	-	-	131,733
Exercise of warrants (Note 8(d))	-	875,000	78,167	2,061,000
	3,133,723	4,151,583	4,968,962	5,469,316
Change in cash and cash equivalents during the period	872,380	228,593	(3,602,400)	(10,861,011)
Cash and cash equivalents, beginning of period	2,493,380	7,992,917	6,968,160	19,082,521
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,365,760</b>	<b>\$ 8,221,510</b>	<b>\$ 3,365,760</b>	<b>\$ 8,221,510</b>
<b>Cash and cash equivalents are comprised of the following:</b>				
Cash	\$ 365,760	\$ 4,187,010	\$ 365,760	\$ 4,187,010
Term deposits	\$ 3,000,000	\$ 4,034,500	\$ 3,000,000	\$ 4,034,500
	\$ 3,365,760	\$ 8,221,510	\$ 3,365,760	\$ 8,221,510
<b>Non cash investing and financing activities</b>				
Repayment on demand loan (Note 7)	-	-	358,611	-
Accretion on advance royalty payables	31,061	34,710	94,938	105,364

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Oceanic Iron Ore Corp. (“Oceanic” or the “Company”) is an exploration stage company engaged in the acquisition and exploration of iron ore properties in Québec, Canada. The Company was incorporated on March 8, 1986 under the British Columbia Business Corporations Act. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, British Columbia. The Company’s registered and records office is located at 1900-600 Granville Street, Vancouver, British Columbia. Its common shares are traded on the TSX Venture Exchange under the symbol “FEO” as well as the OTCQX in the United States under the symbol “FEOVF”.

The Company acquired a 100% interest, subject to a 2% net smelter returns royalty (“NSR”) in certain mining claims (the “Property”) located near Ungava Bay, Québec, Canada in November, 2010. The Company is currently conducting exploration activity on the Property.

While these condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, there are certain conditions and events that may cast significant doubt on the validity of this assumption. For the nine months ended December 31, 2012, the Company reported a loss of \$1,886,419 and as at that date had an accumulated deficit of \$19,915,377. The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. The success of raising such funds cannot be assured. Factors that could affect the availability of financing include the Company’s performance, the state of international debt and equity markets, investor perceptions and expectations, and the global financial and metals markets.

These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate, and these adjustments could be material.

### 2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements as issued by the International Accounting Standards Board (“IASB”), including International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited annual financial statements for the year ended March 31, 2012. The accounting policies followed in these condensed interim financial statements are the same as those applied in note 3 of the Company’s audited annual financial statements for the year ended March 31, 2012.

These condensed interim financial statements were approved by the Board of Directors on February 27, 2013.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

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### 3. ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, Financial Instruments (IFRS 9), IFRS 10, Consolidated Financial Statements (IFRS 10), IFRS 11, Joint Arrangements (IFRS 11), IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), and IFRS 13, Fair Value Measurement (IFRS 13). Each of the new standards is effective for annual periods beginning on or after January 1, 2013, with the exception of IFRS 9 (effective for annual periods on or after January 1, 2015) with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

### 4. RECEIVABLES

	December 31, 2012	March 31, 2012
Input tax credits	\$ 73,535	\$ 360,741
Refundable exploration tax credits	4,164,442	4,523,053
Interest and other receivables	10,845	11,007
	<b>\$ 4,248,822</b>	<b>\$ 4,894,801</b>

Refer to note 7 for additional disclosure on Refundable exploration tax credits.



# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

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### 5. EQUIPMENT

#### Year ended March 31, 2012

At April 1, 2011	\$	-
Additions		268,333
Depreciation for the year		(17,641)
<b>Closing net book value</b>	<b>\$</b>	<b>250,692</b>

#### At March 31, 2012

Cost	\$	268,333
Accumulated depreciation		(17,641)
<b>Net book Value</b>	<b>\$</b>	<b>250,692</b>

#### Period ended December 31, 2012

At April 1, 2012	\$	250,692
Additions		301,824
Depreciation for the period		(75,661)
<b>Closing net book value</b>	<b>\$</b>	<b>476,855</b>

#### At December 31, 2012

Cost	\$	570,157
Accumulated depreciation		(93,302)
<b>Net book Value</b>	<b>\$</b>	<b>476,855</b>

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

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### 6. MINERAL PROPERTIES - UNGAVA BAY

#### a) Acquisition costs

	Nine months ended December 31, 2012	Nine months ended December 31, 2011
<b>Balance - Beginning of period</b>	<b>\$ 17,886,597</b>	<b>\$ 17,751,593</b>
<b>Additions</b>		
Accretion of advance royalty payable	94,938	105,364
<b>Balance - End of period</b>	<b>\$ 17,981,535</b>	<b>\$ 17,856,957</b>

#### b) Exploration costs

	Nine months ended December 31, 2012	Nine months ended December 31, 2011
<b>Cumulative exploration costs - Beginning of period</b>	<b>\$ 12,631,952</b>	<b>\$ 1,385,404</b>
<b>Expenditures during the period</b>		
Permitting & claims	164,516	161,813
Drilling	207,999	3,234,307
Fieldwork & geology	1,092,058	2,393,164
Consultants	1,969,632	886,918
Salaries*	181,207	330,840
Fuel	169,424	546,535
Mapping & imagery	73,847	171,104
Assays & metallurgy	896,488	755,083
Equipment & supplies	227,741	800,157
Accommodation	156,846	762,487
Transportation	796,495	4,245,150
Other	81,448	74,696
Exploration Expenditures for the period	6,017,701	14,362,254
<b>Cumulative exploration costs - End of period</b>	<b>\$ 18,649,653</b>	<b>\$ 15,747,658</b>
<b>Grand total - mineral properties</b>	<b>\$ 36,631,188</b>	<b>\$ 33,604,615</b>

\* Includes share-based payments of \$29,451 (2011: \$179,259)

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

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### 7. DEMAND LOAN

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

In order to monetize the expected refundable tax credits due for the year ended March 31, 2012, the Company entered into a demand loan agreement with National Bank of Canada ("National Bank") on December 5, 2011 to borrow up to \$4,500,000, representing a proportion of the estimated Québec Exploration refundable tax credits receivable from Revenu Québec based on the Company's eligible expenditures to March 31, 2012.

The Company has provided the bank security by way of charges on its 2011 and 2012 Québec Exploration tax credits receivable, a general assignment of the Company's personal and movable property and a \$150,000 cash pledge to Investissement Québec, the guarantor of the loan. The Company did not provide the Property as security against the loan. The loan is scheduled to be repaid on the earlier of (a) August 31, 2013 or (b) upon collection of the Québec Exploration tax credits, which were assigned to Investissement Québec. However, the demand loan may be called at any time at the discretion of National Bank. The demand loan bears interest at National Bank's prime rate payable on a monthly basis. Interest expense for the three and nine months ended December 31, 2012 was \$23,617 (2011: \$833) and \$59,522 (2011: \$833) respectively. Upon executing the demand loan agreement, the Company incurred transaction costs associated with the demand loan of \$245,137, which were expensed in the statement of loss and comprehensive loss in the prior year.

	<b>Nine months ended December 31, 2012</b>	Nine months ended December 31, 2011
<b>Demand loan - Beginning of period</b>	<b>\$ 1,688,824</b>	\$ -
Proceeds	<b>1,792,977</b>	1,688,824
Less: Repayment of loan*	<b>(358,611)</b>	-
<b>Demand loan - End of period</b>	<b>\$ 3,123,190</b>	\$ 1,688,824

\* In April 2012, a total of \$358,611 of investment tax credits was paid directly to National Bank by Revenu Québec under the terms of the demand loan. This amount had been previously drawn by the Company under the demand loan and has therefore been presented as a non-cash item on the Statement of Cash Flows for the nine months ended December 31, 2012.

As a result of entering into the demand loan with National Bank, the Company must maintain an adjusted long-term debt to net worth ratio of 2.5:1. As at December 31, 2012, the Company was in compliance with this covenant.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

### 8. SHARE CAPITAL

#### (a) Share Capital

Unlimited common and preferred shares without par value

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

	Number of shares	Amount
Balance, April 1, 2011	142,791,217	\$44,518,546
Private placement - December 22, 2011	5,750,000	2,012,500
Share issue costs, cash	-	(34,021)
Exercise of stock options (Note 8(c))	527,014	262,281
Exercise of share purchase warrants (Note 8(d))	24,893,333	2,716,716
Deferral of sale of tax deductions to flow-through shareholders	-	(460,000)
Tax recovery on share issuance costs	-	366,136
<b>Balance, March 31, 2012</b>	<b>173,961,564</b>	<b>\$49,382,158</b>
Private placement - October 10, 2012	21,875,000	3,500,000
Share issue costs, cash	-	(342,660)
Exercise of share purchase warrants (Note 8(d))	781,667	85,307
Tax recovery on share issuance costs	-	92,176
<b>Balance, December 31, 2012</b>	<b>196,618,231</b>	<b>\$52,716,981</b>

On December 22, 2011, the Company completed a private placement issuing 5,750,000 units at \$0.35 per unit for aggregate gross proceeds of \$2,012,500. Each Unit consisted of one flow-through common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one non flow-through common share of the Company at a price of \$1.00 per share until December 22, 2016. The Company incurred cash share issue costs in the amount of \$34,021 in connection with the private placement. Funds raised via this private placement must be used for qualifying exploration expenditures by December 31, 2012 (as these expenditures are renounced to the flow-through shareholders effective December 31, 2011). As at December 31, 2012, all flow through funds have been spent in respect of this issuance.

On October 10, 2012, the Company completed a brokered private placement comprising 21,875,000 common shares, at a price of \$0.16 per common share for gross proceeds of \$3,500,000. The Company incurred cash share issue costs in the amount of \$342,660 in connection with the private placement.

#### Shares in escrow

9,600,000 common shares are held in escrow at the date of this report. The shares held in escrow will be released as follows: 4,800,000 shares on June 3, 2013 and December 3, 2013 respectively.

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

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### 8. SHARE CAPITAL (continued)

#### (c) Stock options

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

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

	Options	Weighted average exercise price
Options outstanding - April 1, 2011	11,840,514	\$ 0.56
Granted	6,194,000	0.32
Exercised	(527,014)	0.25
Expired	(850,000)	0.40
Cancelled	(519,000)	0.51
Forfeited	(700,000)	0.40
<b>Options outstanding - March 31, 2012</b>	<b>15,438,500</b>	<b>\$ 0.48</b>
Granted	2,750,000	\$0.25
Forfeited	(758,334)	\$0.28
<b>Options outstanding - December 31, 2012</b>	<b>17,430,166</b>	<b>\$0.46</b>

The weighted average fair value of the options granted for the nine months ended December 31, 2012 was \$0.17 per option (2011: \$0.24). The exercise price for all stock option grants in the year was equal to the market price at the time of grant with the exception of 1,000,000 stock options granted to an officer of the Company on October 18, 2012 whereby the exercise price is \$0.27 and the market price at the time of grant was \$0.19. The weighted average share price of stock option exercises for the year ended March 31, 2011 was \$0.45.

The following assumptions were used in the valuation of the stock options granted in the period:

Risk-free interest rate	1.32% - 1.79%
Expected life	5 - 10 years
Annualized volatility	75%
Dividend rate	0.00%
Forfeiture rate	0.00%

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

### 8. SHARE CAPITAL (continued)

#### (c) Stock options (continued)

The following table summarizes information about the stock options outstanding at December 31, 2012:

Weighted average exercise price (\$)	Options Outstanding		Options Exercisable
	Number	Expiry date	Number
0.19	500,000	October 18, 2022	500,000
0.26	250,000	May 28, 2017	125,000
0.27	300,000	January 11, 2021	300,000
0.27	100,000	April 5, 2021	100,000
0.27	119,000	May 18, 2021	119,000
0.27	3,316,666	December 16, 2021	3,199,997
0.27	1,000,000	May 25, 2022	333,333
0.27	1,000,000	October 18, 2022	333,333
0.40	5,263,500	November 30, 2020	5,263,500
0.44	1,381,000	May 18, 2021	1,381,000
0.83	3,500,000	January 5, 2021	3,500,000
0.85	700,000	March 1, 2021	700,000
<b>0.46</b>	<b>17,430,166</b>		<b>15,855,163</b>

Subsequent to period end:

- A total of 3,055,000 stock options with an exercise price of \$0.195 were granted to directors, officers, employees, consultants and investor relations consultants, expiring on January 18, 2023; and
- A total of 825,000 stock options with exercise prices ranging from \$0.27 to \$0.85 expired. The total share-based payments recognized in prior periods with respect to the expired options was \$503,220.

#### (d) Share purchase warrants

At December 31, 2012, the Company had outstanding share purchase warrants exercisable to acquire 37,837,500 shares as follows:

	Number	Weighted average exercise price	Expiry date
Balance - April 1, 2011	60,637,500	\$ 0.58	
Issued pursuant to private placement	2,875,000	1.00	December 22, 2016
Exercised	(24,893,333)	(0.10)	June 9, 2012
Balance - March 31, 2012	38,619,167	0.92	-
Exercised	(781,667)	(0.10)	June 9, 2012
<b>Balance - December 31, 2012</b>	<b>37,837,500</b>	<b>\$ 0.94</b>	

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

### 8. SHARE CAPITAL (continued)

#### (d) Share purchase warrants (continued)

The following table summarizes information about the share purchase warrants outstanding at December 31, 2012:

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average remaining contractual life (years)
6,562,500	\$ 0.65	November 30, 2015	2.9
28,400,000	1.00	November 30, 2015	2.9
2,875,000	1.00	December 22, 2016	4.0
<b>37,837,500</b>	<b>\$ 0.94</b>		<b>3.0</b>

### 9. COMMITMENTS

Effective March 1, 2011 (amended on July 1, 2012); the Company entered into an agreement with an affiliated company, with a director and officer in common, in respect of shared lease, overhead and service costs. Under the agreement, the Company is billed quarterly for office rental and other services relating to its Head Office in Vancouver. The agreement expires on September 29, 2015, but either party may terminate the agreement by providing 90 days' notice.

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

As part of the acquisition of the Ungava Bay mineral properties, commencing on November 30, 2011, Oceanic must pay advance NSR payments of \$200,000 per year, which will be credited against all future NSR payments payable from production. The Company made its second payment to the Vendors on November 16, 2012.

The committed charges for the Company are as follows:

March 31,	Vancouver office rent	Montreal office rent	NSR Payments	Total Commitments
2013	\$ 12,589	\$ 38,684	\$ -	\$ 51,273
2014	-	132,122	200,000	332,122
2015	-	126,312	200,000	326,312
2016	-	127,684	200,000	327,684
thereafter	-	170,973	200,000	370,973
	<b>\$ 12,589</b>	<b>\$ 595,775</b>	<b>\$ 800,000</b>	<b>\$ 1,408,363</b>

# Oceanic Iron Ore Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2012 and 2011 (unaudited)

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

#### a) Key Management Compensation

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

	<b>Three months ended December 31, 2012</b>	Three months ended December 31, 2011	<b>Nine months ended December 31, 2012</b>	Nine months ended December 31, 2011
Salaries and other short-term benefits	\$ 73,205	-	\$ 163,814	\$ -
Consulting fees	122,500	127,500	412,500	382,500
Directors fees	7,500	11,500	26,500	35,000
Share-based payments	190,963	560,276	282,051	1,201,078
	\$ 394,168	\$ 699,276	\$ 884,865	\$ 1,618,578

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

As disclosed in note 9, the Company is charged shared lease and overhead, and service costs by an affiliated company, with a director and officer in common. For the nine months ended December 31, 2012, the Company incurred \$90,589 in shared lease and overhead, and service costs (2011: \$106,586). For the three months ended December 31, 2012, the Company incurred \$26,413 in shared lease and overhead, and service costs (2011: \$38,343). Refer to note 9 for a listing of future commitments in respect of such lease costs.

#### c) Services provided to related parties

During the three and nine months ended December 31, 2012, the Company provided accounting, administrative and geological services to an affiliated company with a director and an officer in common. For the nine months ended December 31, 2012, the Company earned income totalling \$10,658 for accounting, administrative and geological services (2011: \$Nil). For the three months ended December 31, 2012, the Company earned income totalling \$3,650 for accounting, administrative and geological services (2011: \$Nil).

Amounts due to related parties at December 31, 2012 amounted to \$36,162 (March 31, 2012 - \$412,640). All related party transactions were made on terms equivalent to those that prevail in arm's length transactions. None of the amounts due to related parties are secured against assets of the Company.