Oceanic Iron Ore Corp.

Unaudited Condensed Interim Financial Statements
For the three months ended June 30, 2014 and 2013
(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.
Statements of Financial Position

	June 30, 2014	March 31, 2014
Assets		
Current assets		
Cash and cash equivalents	**$ 1,089,621**	$ 2,093,897
Receivables (Note 4)	**631,857**	695,994
Prepaid expenses and deposits	**264,577**	185,713
Restricted cash	**34,500**	34,500
	2,020,555	3,010,104
Equipment	**319,188**	348,720
Mineral properties (Note 5)	**39,379,789**	38,994,208
	$ 41,719,532	$ 42,353,032
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 550,989**	$ 718,977
Due to related parties (Note 9)	**21,713**	14,852
Current portion of advance royalty payable	**184,135**	175,227
Current portion of Convertible debenture - liability component (Note 6)	**159,258**	-
	916,095	909,056
Advance royalty payable	**376,400**	358,190
Convertible debenture - liability component (Note 6)	**2,245,955**	2,312,720
Deferred income tax liability	**88,255**	246,758
	3,626,705	3,826,724
Shareholders' equity		
Share capital (Notes 7(a),7(b))	**52,719,225**	52,719,225
Contributed surplus (Notes 7(c), 7(d), 7(e))	**8,347,866**	8,308,310
Convertible debenture - equity component (Note 6)	**562,011**	562,011
Deficit	**(23,536,275)**	(23,063,238)
	38,092,827	38,526,308
	$ 41,719,532	$ 42,353,032

Nature of operations and going concern (Note 1)
Commitments (Note 8)
Subsequent events (Note 7(b))

Approved by the Board:

" Steven Dean " Director

" Gordon Keep " Director

The accompanying notes are an integral part of these financial statements

Oceanic Iron Ore Corp.

Statements of Loss and Comprehensive Loss for the three months ended June 30, 2014 and 2013

		June 30, 2014		June 30, 2013
Expenses				
Consulting and management	**$**	**137,500**	$	137,500
Directors' fees		**7,500**		7,500
Investor relations and corporate development		**68,757**		76,482
License and insurance		**14,545**		14,757
Office and general		**23,336**		34,527
Professional fees		**59,029**		55,494
Rent		**24,500**		23,703
Share-based payments (Notes 7(c), 7(d))		**36,832**		441,349
Transfer agent and regulatory		**14,099**		6,085
Travel		**1,740**		9,997
Wages and benefits		**110,724**		114,339
Loss from operations		**498,562**		921,733
Other income (expenses)				
Interest income		**4,515**		9,171
Interest and other financing expense (Note 6)		**(137,493)**		(84,304)
Other income		**-**		3,352
Net loss before income taxes		**(631,540)**		(993,514)
Deferred income tax recovery		**158,503**		149,235
Net loss and comprehensive loss for the period	**$**	**(473,037)**	$	(844,279)
Loss per common share - basic and diluted	**$**	**(0.024)**	$	(0.043)
Weighted average number of common shares outstanding*		**19,661,822**		19,661,822

** Represents weighted average number of common shares outstanding on a post-consolidation basis. Refer to note 7(b).*

The accompanying notes are an integral part of these condensed interim financial statements

Oceanic Iron Ore Corp.

Statements of Changes in Equity

For the three months ended June 30, 2014 and 2013

	Share capital					
	Number of shares*	Amount	Contributed surplus	Convertible debenture	Deficit	Total equity
Balance - April 1, 2014	**19,661,822**	**$ 52,719,225**	**$ 8,308,310**	**$ 562,011**	**$ (23,063,238)**	**$ 38,526,308**
Share-based payments recognized	-	-	39,556	-	-	39,556
Net loss for the period	-	-	-	-	(473,037)	(473,037)
Balance - June 30, 2014	**19,661,822**	**$ 52,719,225**	**$ 8,347,866**	**$ 562,011**	**$ (23,536,275)**	**$ 38,092,827**

	Share capital					
	Number of shares	Amount	Contributed Surplus	Convertible debenture	Deficit	Total equity
Balance - April 1, 2013	**19,661,822**	**$ 52,719,225**	**$ 7,710,507**	**$ -**	**$ (20,657,281)**	**$ 39,772,451**
Convertible debenture - equity portion, net of issuance costs (Note 6)	-	-	-	1,090,616	-	1,090,616
Share-based payments recognized	-	-	456,502	-	-	456,502
Net loss for the period	-	-	-	-	(844,279)	(844,279)
Tax recovery of convertible debenture issuance	-	-	-	(293,376)	-	(293,376)
Balance - June 30, 2013	**19,661,822**	**$ 52,719,225**	**$ 8,167,009**	**$ 797,240**	**$ (21,501,560)**	**$ 40,181,914**

** Represents weighted average number of common shares outstanding on a post-consolidation basis. Refer to note 7(b).*

The accompanying notes are an integral part of these condensed interim financial statements

Oceanic Iron Ore Corp.

Statements of Cash Flows

For the three months ended June 30, 2014 and 2013

		June 30, 2014		June 30, 2013
Operating activities				
Net loss for the period	$	**(473,037)**	$	(844,279)
Adjustments for:				
Deferred income tax (recovery)		**(158,503)**		(149,235)
Share-based payments		**36,832**		441,349
Interest income		**(4,515)**		(9,171)
Gain on marketable securities		**-**		(1,685)
Interest and financing expense		**137,493**		84,304
Net changes in non-cash working capital balances:				
Prepaid expenses and deposits		**(78,864)**		(3,078)
Receivables		**34,648**		(72,334)
Accounts payable and accrued liabilities		**32,754**		(33,319)
Due to related parties		**6,861**		(20,646)
		(466,331)		(608,094)
Investing activities				
Mineral property expenditures		**(495,637)**		(501,159)
Interest income received		**2,692**		4,880
Net proceeds from sale of marketable securities		**-**		56,114
		(492,945)		(440,165)
Financing activities				
Convertible debenture proceeds, net of issuance costs (Note 6)		**-**		2,789,552
Interest paid on convertible debenture (Note 6)		**(45,000)**		-
Interest and other financing fees paid on demand loan		**-**		(23,616)
		(45,000)		2,765,936
Change in cash and cash equivalents during the period		**(1,004,276)**		1,717,677
Cash and cash equivalents, beginning of period		**2,093,897**		2,303,324
Cash and cash equivalents, end of period	**$**	**1,089,621**	$	4,021,001
Cash and cash equivalents are comprised of the following:				
Cash	**$**	**289,621**	$	521,001
Term deposits	**$**	**800,000**	$	3,500,000
	$	**1,089,621**	$	4,021,001
Non cash investing and financing activities				
Accretion on debt portion of convertible debenture		**137,493**		41,947
Accretion on advance royalty payable		**27,118**		110,403
Change in mineral property expenditures in accounts payable		**(200,743)**		622,662
Tax recovery on convertible debenture issuance		**-**		293,376

The accompanying notes are an integral part of these condensed interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Oceanic Iron Ore Corp. (“Oceanic” or the “Company”) is an exploration stage company engaged in the acquisition and exploration of iron ore properties in Québec, Canada. The Company was incorporated on March 8, 1986 under the British Columbia Business Corporations Act. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, British Columbia. The Company’s registered/records office is located at 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 in certain mining claims (the “Property”) located near Ungava Bay, Québec, Canada in November, 2010. The Company is currently conducting exploration activity on the Property.

While these financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, there are certain conditions and events that may cast significant doubt on the validity of this assumption. For the three months ended June 30, 2014, the Company reported a loss of $473,037 and as at that date had an accumulated deficit of $23,536,275 and a working capital balance of $1,104,460. The Company will need to raise sufficient funds in order to finance ongoing exploration, development and administrative expenses over the coming 12 months. The success of raising such funds cannot be assured. Factors that could affect the availability of financing include the Company’s performance, the state of international debt and equity markets, investor perceptions and expectations, the retention of key executive management and the state of global financial and metals markets. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate, and these adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Auditing Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board. These condensed interim 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, 2014. 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, 2014, except for the adoption of new standards as described in note 3 below.

The date the Board of Directors approved these condensed interim financial statements on August 26, 2014.

3. RECENTLY ISSUED ACCOUNTING STANDARDS

a) Recently issued and applied accounting standards

Pronouncements affecting accounting policies only

IFRIC 21, Levies ("IFRIC 21")

The Company adopted IFRIC 21 on April 1, 2014 with retrospective application. IFRIC 21 provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation.

The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized. An example of a common levy is property taxes. IFRIC 21 defines an obligating event as the activity that triggers the payment of the levy, as identified by legislation. A liability to pay a levy is recognized at the date of the obligating event, which may be at a point in time or over a period of time. The fact that an entity is economically compelled to continue to operate in the future, or prepares its financial statements on a going concern basis, does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

The adoption of IFRIC 21 did not affect the Company's financial statements or disclosures as the Company's analysis determined that no changes were required to existing accounting treatment of levies.

b) Accounting standards recently issued but not yet applied

IFRS 9 – Financial instruments

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on the measurement of financial liabilities and derecognition of financial instruments. The required adoption date for IFRS 9 has been deferred from the original adoption date of January 1, 2015 to all annual periods beginning on or after January 1, 2018. The Company has yet to commence assessing the impact of this new standard.

4. RECEIVABLES

	June 30, 2014	March 31, 2014
Input tax credits	$ 61,422	$ 102,912
Refundable exploration tax credits	566,363	591,000
Interest and other receivables	4,072	2,082
	$ 631,857	**$ 695,994**

5. MINERAL PROPERTIES - UNGAVA BAY

a) Acquisition costs

		Three months ended June 30, 2014		Three months ended June 30, 2013
Balance - Beginning of period	**$**	**18,207,341**	$	18,007,341
Additions				
Accretion of advance royalty payable		27,118		110,403
Balance - End of period	**$**	**18,234,459**	$	18,117,744

b) Exploration costs

		Three months ended June 30, 2014		Three months ended June 30, 2013
Cumulative exploration costs - Beginning of period	**$**	**20,786,867**	$	18,436,006
Expenditures during the period				
Permitting & claims		**86,034**		63,602
Drilling		**6,000**		10,000
Fieldwork & geology*		**6,850**		576,849
Consultants		**57,566**		144,286
Salaries*		**55,224**		63,766
Fuel		**834**		1,589
Mapping & imagery		**65,754**		1,350
Assays & metallurgy		**1,018**		33,805
Equipment & supplies		**(27,115)**		54,835
Accomodation		**48,670**		52,915
Transportation		**28,096**		210,596
Equipment depreciation		**29,532**		29,532
Exploration expenditures for the period		**358,463**		1,243,125
Cumulative exploration costs - End of period	**$**	**21,145,330**	**$**	**19,679,131**
Grand total - mineral properties	**$**	**39,379,789**	$	37,796,875

* Includes a portion of share-based payments of $2,724 (2013: $15,153).

6. CONVERTIBLE DEBENTURE

On May 23, 2013, the Company completed a non-brokered financing of $3 million by way of issuance of a convertible debenture, which bears interest, payable quarterly, at a rate of 6% over a 30 month term.

The principal amount of the debenture is convertible to common shares of the Company at a price of $1.60 per share at the election of the subscriber. In addition, and subject to receipt of all required regulatory approvals, the Company has the right at any time to pay all or any part of the unpaid principal in respect of the debenture in common shares, where the issue price of each common share will be equal to the volume weighted average trading price for the 20 days prior to the date of notice of the conversion.

In the event that the volume weighted average trading price of common shares is equal to or greater than $1.60 per share for any 20 consecutive trading day period during the term of the debenture, the principal and interest owing under the debenture will be automatically converted into common shares of the Company.

For accounting purposes, the convertible debenture is separated into its liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the convertible debenture assuming a 20% effective interest rate which was the estimated rate for a convertible debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible debenture and the fair value of the liability component, less a deferred income tax adjustment to reflect the book to tax difference in value of the convertible debenture at the time of issuance.

Issuance costs of $210,448 were incurred and have been recorded against the liability and equity components and are being accreted to the statements of loss and comprehensive loss over the life of the convertible debenture. Accretion and other financing expense for the three months ended June 30, 2014 was $137,493 (2013: $60,688).

	Liability component	Equity component	Total
Opening balance - April 1, 2013	**$ -**	**$ -**	**$ -**
Issued - amount at date of issue (May 23, 2013)	2,173,174	826,826	**3,000,000**
Issuance costs allocated	(152,447)	(58,001)	**(210,448)**
Deferred income tax liability	-	(206,814)	**(206,814)**
Amortization of issuance costs	50,816	-	**50,816**
Accretion of discount	376,177	-	**376,177**
Interest payment	(135,000)	-	**(135,000)**
Balance - March 31, 2014	**$ 2,312,720**	**$ 562,011**	**$ 2,874,731**
Amortization of issuance costs	15,245	-	**15,245**
Accretion of discount	122,248	-	**122,248**
Interest payment	(45,000)	-	**(45,000)**
Balance - June 30, 2014	**$ 2,405,213**	**$ 562,011**	**$ 2,967,224**
Current portion of liability component	**$ 159,258**		
Non-current portion of liability component	**$ 2,245,955**		

7. SHARE CAPITAL

(a) Share Capital

Unlimited common and preferred shares without par value

(b) Issued and fully paid common shares

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

(c) Restricted Share Units ("RSUs")

At the Company's annual general meeting held on November 28, 2013, the Company's shareholders approved the implementation of an RSU plan, whereby RSUs may be granted to directors, officers, or key employees at the discretion of the Board of Directors. The RSU plan provides for the issuance of common shares from treasury upon the exercise of vested RSUs at no additional consideration. The current maximum number of common shares authorized for issue under the RSU plan is 1,966,182. The RSUs have vesting conditions determined by the Board of Directors.

A summary of the changes in RSUs is as follows:

	Number of RSUs
Balance - April 1, 2013	-
Granted	476,406
RSUs outstanding - March 31, 2014 and June 30, 2014	**476,406**
RSUs exercisable - March 31, 2014 and June 30, 2014	**-**

Subsequent to the approval of the RSU plan by shareholders, on November 28, 2013, the Company granted a total of 476,406 RSUs to directors, officers and employees of the Company. The vesting period for the RSUs granted is as follows: 1/3 on the first anniversary, 1/3 on the second anniversary, and 1/3 on the third anniversary. Each RSU has a fair value of $1.00 which was the closing share price at the grant date. The fair value of the RSUs in the amount of $476,406 will be recognized over the vesting periods of the RSUs.

RSU expense for the three months ended June 30, 2014 was $39,556 (2013: $Nil), of which $36,832 (2013: $Nil) was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss and $2,724 (2013: $Nil) was capitalized to mineral properties.

7. SHARE CAPITAL (continued)

(d) Stock options

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

As at June 30, 2014, the Company had a total of 1,964,350 stock options outstanding and exercisable with an exercise price of $1.60 (March 31, 2013 and 2014: 1,964,350 options outstanding with an exercise price of $1.60).

On November 28, 2013, the Company re-priced a total of 1,964,350 stock options, with original exercise prices ranging from $1.90 to $8.30 and expiry dates ranging from May 28, 2017 to January 18, 2023, to $1.60 per option. The incremental fair value granted as a result of the modification was $256,943 and was expensed during the three months ended December 31, 2013. The incremental fair value is the difference between the value of the options at the modification date calculated using the original exercise prices and the modified exercise price.

The following table summarizes information about stock options outstanding at June 30, 2014:

		Options outstanding and exerciseable
Weighted average exercise price ($)	Number	Expiry date
1.60	25,000	May 28, 2017
1.60	526,350	November 30, 2020
1.60	350,000	January 5, 2021
1.60	30,000	January 11, 2021
1.60	10,000	April 5, 2021
1.60	150,000	May 18, 2021
1.60	317,500	December 16, 2021
1.60	100,000	May 25, 2022
1.60	150,000	October 18, 2022
1.60	305,500	January 18, 2023
1.60	**1,964,350**	

7. SHARE CAPITAL (continued)

(e) Share purchase warrants

As at June 30, 2014, and March 31, 2014 and 2013, the Company had a total of 3,783,750 share purchase warrants outstanding with a weighted average exercise price of $9.39.

The following table summarizes information about share purchase warrants outstanding at June 30, 2014:

Outstanding and exercisable	Weighted average exercise price		Expiry date	Weighted average remaining contractual life (years)
656,250	$	6.50	November 30, 2015	1.4
2,840,000		10.00	November 30, 2015	1.4
287,500		10.00	December 22, 2016	2.5
3,783,750	**$**	**9.39**		**1.5**

8. 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 office in Vancouver. The agreement expires on September 29, 2015. Either party may terminate the agreement by providing 90 days' notice.

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

As part of the acquisition of the Ungava Bay mineral properties, commencing on November 30, 2011, Oceanic must pay advance net smelter royalty ("NSR") payments of $200,000 per year, which will be credited against all future NSR payments payable from production. The Company made its third annual payment on November 8, 2013.

The committed charges for the Company are as follows:

March 31,	**Vancouver office rent**	**Montreal office rent**	**NSR payments**	**Total commitments**
2015	35,000	98,088	200,000	**333,088**
2016	-	132,973	200,000	**332,973**
Thereafter	-	175,761	400,000	**575,761**
	$ 35,000	**$ 406,822**	**$ 800,000**	**$ 1,241,822**

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

a) Key Management Compensation

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

		Three months ended June 30, 2014		Three months ended June 30, 2013
Wages and benefits	**$**	**68,750**	$	68,750
Directors' fees		**7,500**		7,500
Share-based payments		**36,001**		404,382
	$	**112,251**	$	480,632

b) Payments for services by related parties

During the three months ended June 30, 2014, the Company incurred corporate consulting fees of $82,500 (2013: $82,500), to Sirocco Advisory Services Ltd., a company controlled by a director and officer of the Company.

During the three months ended June 30, 2014, the Company incurred corporate consulting fees of $40,000 (2013: $40,000), to Shariff Advisory Services Ltd., a company controlled by an officer of the Company.

As disclosed in note 8, the Company is charged shared lease, overhead, and service costs by Spur Ventures Inc., a company with a director and officer in common. For the three months ended June 30, 2014, the Company incurred $35,000 (2013: $33,479) in shared lease, overhead, and service costs. Refer to note 8 for a listing of future commitments in respect of such lease costs.

Amounts due to related parties at June 30, 2014 amounted to $21,713 (March 31, 2014: $14,852). 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.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, receivables, restricted cash, the liability component of the convertible debenture and the demand loan approximate their fair values due to their short term nature.