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

Certain information included in this discussion may constitute forward looking statements. Forward looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is September 23, 2011.

Description of Business

The Company was incorporated on March 8, 1986 under the British Columbia Business Corporations Act. Its common shares are traded on the TSX Venture Exchange and the OTCQX in the United States. The Company has a 100% interest, subject to a 2% net smelter returns royalty ("NSR"), in approximately 3,000 mining claims (the "Property") located near Ungava Bay, Quebec.

Highlights

In the period since March 31, 2011. The Company has made significant progress advancing its 100% owned Ungava Bay Project. Highlights include:

- Substantial completion of 2011 resource verification program and delineation of an "In-Pit Mineral" Resource estimate of 358,362,000 tonnes at 31.8% indicated and 872,423,000 at 32.4% inferred
    - Potential upside from Roberts Lake and Morgan Lake project areas which have extensive historic resources described in more detail below
- Completion of the Preliminary Economic Assessment in respect of the Hopes Advance project area:
    - "Optimal" scenario of 20 million tonnes per annum concentrate production
    - Pre- tax NPV of $10.4 bn (8% discount rate)
    - Pre-tax IRR of 34%
    - Payback of 2.5 years (post tax, unlevered)
    - Metallurgical testing which supports high weight recovery and a high quality product
    - Marine facility study acknowledging that construction of a marine facility at Hopes Advance is viable and that year-round shipping using Cape Size vessels is feasible
- Continued positive relations with the Inuit community demonstrated through
    - The signing of an LOI with the Makivik Corporation, on behalf of the Inuit of Nunavik, and with the Nunavik Landholding Corporation of Aupaluk whereby the parties have agreed to the terms and conditions on which the Company will continue to develop itsHopes Advance Bay project, as well as set a basis on which, when appropriate, an Impact Benefits Agreement shall be negotiated.
    - Support from the community in regards to the Submission to government for infrastructure under Quebec's Plan Nord

- Commencement of Environmental and Social Impact Assessment through desktop study as well as fieldwork and data collection
- Completion of 10 tonne bulk sample currently undergoing lab testing, collection of 200 tonne bulk sample underway to support pilot plant testing
- Resource statement update in respect of Hopes Advance expected December 2011

Acquisition of Iron Ore Mining Claims

On November 30, 2010, the Company closed the acquisition of a 100% interest, subject to the vendors retaining a 2% net smelter returns royalty (the "NSR"), in approximately 3,000 mining claims (the "Property") located near Ungava Bay, Quebec.

As consideration for the acquisition, Oceanic issued 30,000,000 common shares, of which 6,000,000 common shares are free trading as at the date of this report and 24,000,000 are in escrow. The shares held in escrow will be released as follows: 1,500,000 shares on September 30, 2011 and 4,500,000 shares on each of the dates that are 12 months, 18 months, 24 months, 30 months and 36 months following December 3, 2010, respectively.

Commencing on November 30, 2011, Oceanic must pay minimum advance NSR payments of $200,000 per year, which will be credited against all future NSR payments payable from production. Oceanic may purchase 50% of the NSR by paying $3,000,000 at any time in the first two years following the commencement of commercial production from the Property.

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

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

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

Private Placement Financings

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

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

On June 9, 2010, the Company completed a private placement and issued 40,000,000 common share units at a price of $0.075 per unit for gross proceeds of $3,000,000. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of $0.10 per share for a period of two years following issuance.

The Company incurred cash share issue costs in the amount of $1,327,062 in connection with the private placements.

Description of the Property

The Property consists of 3,000 claims situated across 3 project areas, namely Hopes Advance, Morgan Lake and Roberts Lake ("the Project Areas"). These Project Areas are located over 126,000 hectares at tidewater along the northern extension of the Labrador Trough in the Nunavik region of northern Quebec.

The Project Areas cover over 300 kilometres of iron formation and all the deposits are located within 20 – 50 kilometres off the coast of Ungava Bay. All three Projects have been explored historically (in the 1950's and 1960's), including sampling, drilling and metallurgical work to support the planning and development of iron mines.

2011 Resource Verification Program and 43-101 Resource Estimate

When the Company's new senior management were appointed in January 2011, the board and the management team made a conscious decision to focus significant resources on fast-tracking the Company's development of the Property, and in particular focus the initial efforts on the Hopes Advance project area, which is the area that had been most advanced historically (with historical scoping study and project design complete). A small amount of drilling has also been completed at Kayak Bay in the Roberts Lake project area.

The 2011 drill program commenced in earnest in April, 2011 and was targeted to delineate approximately 1 billion tonnes at a grade between 30% and 35% (Sol Fe) by the end of the fourth quarter of 2011.

On September 21, 2011, the Company announced a National Instrument ("NI") 43-101 compliant resource estimate prepared by Micon in respect of Hopes Advance.

Resource Estimate

As previously noted, the Company has access to an extensive amount of historical data in respect of all three of its project areas (Hopes Advance, Roberts Lake and the Morgan Lake Project Areas). Hopes Advance has been the initial focus of work completed to date given the extent of work done historically on this particular deposit. Drill holes have been targeted and twinned based on historical information, along with certain extension targets identified and drilled.

Eight different mineralized areas were identified at Hopes Advance for inclusion into a resource estimate. These eight areas included Castle Mountain, Zone 2, Zone 4, Iron Valley, Bay Zone F, Bay Zone E, Bay Zone D, and Bay Zone C. Three additional historically identified mineralized areas (Bay Zones A and B, and McDonald Zone) were not considered in the resource estimate at this time due to limited available historic drill hole results and assays from recent drill holes that have not yet been received. Each individual mineralized area was developed separately as a discrete block model and estimated using inverse distance cubed interpolation. Based on the very strong correlation between the historic and modern drilling, the historic drillhole data was also used in the resource estimate. The resource model is stratigraphic in nature and during resource estimation an unfolding technique was used to ensure that iron grades tracked along the stratigraphy.

The mineral resource estimate is effective as of the 9th of September 2011. There are approximately 115 holes that the Company has completed at Hopes Advance, both twinned and step-out, that are in the process of being analyzed and as such, the Company expects to release an updated resource estimate later this year reflecting the holes that are yet to be reported. All of the new drilling at Hopes Advance was used to delineate the stratigraphic model used in the various block models. Using a 25% total iron cut-off, the global mineral inventory is shown below in Table 1.

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

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

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

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

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

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

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

Table 3 below presents the tonnes and grades from the block model used for the Mineral Resource estimate at a range of cut-off grades within a Whittle pit shell in order to demonstrate the sensitivity of the estimates. The cut-off value of 25% total iron "potential open pit" was derived using the parameters listed in Table 4 below. Please note that a hard, metallurgical iron cut-off of 25 percent total iron was used as well as the economic cut-off. This hard cut-off was applied to reflect an optimal minimum iron grade for processing in the concentrator.

Table 3 – Whittle Sensitivity of the "Potential Open Pit" Resource Estimates at Various Cut-off Grades

Measured + Indicated				
Cutoff	**Resource Tonnes**	**Fe (%)**	**Weight Recovery**	**Concentrate Tonnes**
20.0	513,998,000	31.1	37.4%	192,406,000
22.5	506,290,000	31.3	37.6%	190,383,000
25.0	***461,533,000***	***32.0***	***38.5%***	***177,540,000***
27.5	387,254,000	33.1	39.8%	154,169,000
30.0	325,140,000	33.9	40.8%	132,629,000
32.5	237,839,000	34.8	41.9%	99,647,000
35.0	107,871,000	36.0	43.3%	46,723,000
37.5	2,755,000	38.1	45.8%	1,262,000
40.0	0	0.0	0.0%	0
Inferred				
Cutoff	**Resource Tonnes**	**Fe (%)**	**Weight Recovery**	**Concentrate Tonnes**
20.0	1,167,385,000	31.3	37.7%	439,874,000
22.5	1,146,541,000	31.5	37.9%	434,466,000
25.0	***1,030,455,000***	***32.3***	***38.9%***	***401,004,000***
27.5	873,426,000	33.4	40.2%	351,308,000
30.0	724,009,000	34.4	41.4%	299,676,000
32.5	548,893,000	35.4	42.6%	233,717,000
35.0	284,985,000	36.9	44.4%	126,408,000
37.5	82,343,000	38.6	46.4%	38,227,000
40.0	8,788,000	40.7	49.0%	4,308,000

Table 4 – Hopes Advance Bay Whittle Economic Pit Optimization Assumptions

Item	**Units**	**$**
Mining Cost	$/t all material	$2.71
Process Cost	$/t resource	$14.87
Pipeline	$/t product	$1.08
Port	$/t product	$3.00
Camp	$/t product	$1.50
G&A	C$/t product	$1.50
Royalty	%	2.0%
Concentrate Value	$/t product	$100.00

It should be noted that the resource numbers presented in Table 4 above are for resulting Whittle pit shells and not the designed in-pit mineral resources presented in Table 2, or any Preliminary Economic Analysis being completed in respect of Hopes Advance.

It is expected that a high percentage of the inferred tonnes will convert to an indicated status upon receipt of positive metallurgical data over the next two months.

Preliminary Economic Assessment ("PEA")

On September 22nd, the Company issued a press release outlining the results of a Preliminary Economic Assessment prepared by Micon in respect of Hopes Advance using the NI 43-101 Mineral Resource Estimate noted above.

In addition, the Company reported initial findings on metallurgy, port and shipping feasibility and environmental and social impacts.

Highlights included:

Positive Preliminary Economic Assessment on all four production cases analyzed:

- "Optimal" case production of 20 million tonnes per annum ("tpa") 66.5 % iron concentrate
- $3.7 billion initial capital cost inclusive of 25% contingency and $88 million working capital
- Concentrate selling price of $115/tonne
- Operating cost of $24.58 / tonne of ore pre royalty
- Ore / Waste strip ratio of 1.12
- 24 year project life from 2016, pre – tax NPV of $10.3 billion, assuming 8% discount rate
- Pre-tax IRR of 33.2%, Payback of 2.5 years

Initial metallurgical testing suggests a very high quality product with minimal deleterious elements:

- Two metallurgical programs developed to assess the resource at Hopes Advance, one program was designed to develop a conceptual flowsheet for Hopes Advance while the second program was designed to provide weight recovery and concentrate quality data on composites from drill holes in Hopes Advance that would subsequently be used to determine the mineral resources.
- Preliminary metallurgical test results have been received from SGS Mineral Services, Lakefield, for composites from five diamond drill holes
- Preliminary results combined with what has been reported historically suggests mineralization from the Castle Mountain Deposit will respond well to gravity separation and can readily produce a 4.5 wt.% SiO_2 concentrate, with an iron content of +65 wt.%, and an Fe Recovery of +80%. The preliminary Mozley gravity separation tests suggest it may be possible to produce a concentrate containing lower SiO_2
- Over the next 3 to 6 months, further results from testwork regarding the other mineralized areas at Hopes Advance will be released
- A 200 tonne sample is in the process of being collected and shipped to SGS Mineral Services for pilot plant testing for the feasibility study targeted for the first half of 2013

Marine Facility and Shipping Logistics Study Prepared by AMEC concludes that:

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

Golder has produced a report covering first steps of the Environmental and Social Impact Assessment ("ESIA") which notes:

- The report reviewed the various areas requiring further study including the importance of continuing to inform and engage the Inuit community that resides in proximity to the project area, the need to complete a review of the presence of any species at risk or valued indigenous species and the potential impact of new infrastructures including energy sources for the project on the environment and local communities
- Initial field study data collection in respect of fish habitat, surface water quality and hydrology has been completed in order to facilitate target ESIA completion in Q4 2012
- Initial consultation with Inuit representatives has been completed

The press releases in respect of the NI 43-101 resource estimate and the PEA are available for review on the Company's website (www.oceanicironore.com) and on SEDAR (www.sedar.com).

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

The complete report in respect of the resource estimate will be filed on SEDAR and on the Company's website within 45 days of this news release.

On September 20, 2011, the Company issued two press releases. The first press release noted that the Company has received support from the Makivik Corporation in its submission to the Quebec Government relating to its infrastructure requirements for the project under the government's Plan Nord. The second released disclosed that the Company has appointed Hon. Lawrence Cannon P.C., as a director of the Company.

Historic Work on the Property

The Property is the subject of a National Instrument 43-101 technical report prepared by Micon International Limited ("Micon") of Toronto, Ontario, entitled "Technical Report on the Ungava Iron Property Ungava Bay Region, Quebec Canada", which is available for review the Company's website (www.oceanicironore.com) and on SEDAR (www.sedar.com).

The 43-101 Technical Report prepared by Micon (noted above) documents and summarizes the historic exploration (327 drillholes over 21,711 metres) and metallurgical work completed on the Projects, including the development of extensive historical mineral resource estimates set out below that do not comply with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by National Instrument 43-101 (NI 43-101) "Standards of Disclosure for Mineral Projects". The following tables set out the historic resource as published in the Micon 43-101 Technical report entitled "Technical report on the Ungava Iron Property – Ungava Bay Region, Quebec, Canada" (October 29, 2010).

i. *Hopes Advance – Historic Resource**

Deposit	Crude Resource (million metric tonnes)	Head Iron (Sol. Fe)	Exploration Drillholes	Metres Drilled	Source	Date
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
Total Drill Indicated	*590.9*	*35.7%*	*182*	*12,826*	---	---
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
Total Potential	*228.6*	*35.0%*	*3*	*109*	---	---
Total Hopes Advance Area	***819.5***	***35.5%***	***185***	***12,935***	---	---

*ii. Morgan Lake – Historic Resource**

Deposit	Crude Resource (million metric tonnes)	Head Iron (Mag. Fe)	Exploration Drillholes	Metres Drilled	Source	Date
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
Total Drill Indicated	*510.2*	*22.1%*	*45*	*3,611*	---	---
Morgan Lake Potential	*101.6*	*22.7%*	*0*	*0*	*A.T. Griffis*	*1,957*
Total Morgan Lake Area	***611.8***	***22.2%***	***45***	***3,611***	---	---

*iii. Roberts Lake – Historic Resource**

Deposit	Crude Resource (million metric tonnes)	Head Iron (Sol. Fe)	Exploration Drillholes	Metres Drilled	Source	Date
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
Total Drill Indicated	*438.8*	*36.8%*	*97*	*5,115*	---	---
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
Potential Zone 1	254.0	35.0%	0	0	P.E. Cavanagh	1970
Potential Zone 2	254.0	35.0%	0	0	P.E. Cavanagh	1970
Total Potential	*812.8*	*35.5%*	*0*	*0*	---	---
Total Roberts Lake Area	***1,251.6***	***35.9%***	***97***	***5,115***	---	---

*These are historical resource estimates that do not comply with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects. These historical resource estimates were described as "drill indicated" and "potential" at the time of reporting which does not correspond to the categorization set forth in sections 1.2 and 1.3 of NI 43-101. Although these historical resource estimates are relevant to support the presence of large areas of iron mineralization, these estimates are speculative, are based on very limited exploration drilling and will require extensive new exploration and metallurgical efforts to validate. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person. A Qualified Person has not done sufficient work to upgrade or classify these historical resource estimates as current NI-43-101 compliant mineral resources. The Roberts Lake historic resource was reported in 1970 from drilling in the late 1950s, the Morgan Lake historic resource was reported in 1957 and 1964, and the Hopes Advance historic resource was reported in 1958. Further information in respect of these historic resources is outlined in a 43-101 technical report prepared by

Micon entitled "Technical Report on the Ungava Iron Property – Ungava Bay Region, Quebec, Canada dated Oct. 29, 2010, available on SEDAR.

Comparison to Historic Resource Data

Extensive work in the 1950's defined a historic resource at Hopes Advance of 591 million tonnes "Drill Indicated" at 35.7% Soluble Iron and 228.6 million tonnes "Potential" at 35.0% Soluble Iron.

These are historical resource estimates that do not comply with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects. These historical resource estimates were described as "drill indicated" and "potential" at the time of reporting which does not correspond to the categorization set forth in sections 1.2 and 1.3 of NI 43-101. Although these historical resource estimates are relevant to support the presence of large areas of iron mineralization, these estimates are speculative, are based on very limited exploration drilling and will require extensive new exploration and metallurgical efforts to validate. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person. A Qualified Person has not done sufficient work to upgrade or classify these historical resource estimates as current NI-43-101 compliant mineral resources. The Hopes Advance historic resource was reported in 1958. Further information in respect of these historic resources is outlined in a 43-101 technical report prepared by Micon entitled "Technical Report on the Ungava Iron Property - Ungava Bay Region, Quebec, Canada" dated Oct. 29, 2010, available on SEDAR.

Results from the current NI 43-101 compliant resource estimate shows that the current work has expanded the historic resource on an "area by area" basis, and the Company believes that further expansion is likely. This is primarily due to the fact that the Company has identified a number of instances where mineralization continues where historically the assumption had been that mineralization had stopped. In addition, the Company has conducted 45 step-out holes of which only the geology has been taken into account. Assays for these step-out holes are still pending and should further expand the resource base beyond the historical resource area. These assays have not yet been taken into account in estimating the resource estimate herein, but suggest that the mineralization extends past the current pit boundaries.

<u>Resource Statement</u>

The mineral resource estimates in this press release use the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010. The mineral resource estimates provided in this report are classified as "measured", "indicated", or "inferred" as defined by CIM.

According to the CIM definitions, a Mineral Resource must be potentially economic in that it must be "in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction". For the Hopes Advance iron deposit, an iron cut-off grade was assigned based on economic assumptions and metallurgical parameters and was used in the resource estimations. Table 3 above shows the economic parameters used in the iron cut-off grade calculation. Resources reported in this press release use an estimated potential open pit iron cut-off of 25% total iron content.

As at the date of this report, the Company has completed its planned drilling for 2011. Further assay results are expected to be available over the coming months and the Company expects to provide an updated resource estimate before the end of calendar year 2011.

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

Overall Performance and Results of Operations

Total assets increased to $39,698,653 at June 30, 2011 from $38,666,793 at March 31, 2011. The most significant assets at June 30, 2011 were mineral properties of $24,415,986 (March 31, 2011: $18,459,328) and cash and cash equivalents of $13,511,167 (March 31, 2011: $19,082,521).

The increase in mineral properties during the period was a result of the continued and increased exploration activity at the Property as described in *Acquisition of Iron Ore Mining Claims*. The decrease in cash and cash equivalents during the period was the result of $4,683,282 spent on exploration activities, $1,216,767 incurred in operating activities, partially offset by proceeds on exercise of warrants and options of $156,733 and proceeds on the sale of marketable securities of $171,962.

Three Month Period Ended June 30, 2011 and 2010

The Company incurred a net loss of $1,325,021 during the three month period ended June 30, 2011 (2010: $67,604). The most significant expenses incurred were share-based payments of $510,285 (2010: nil), consulting and management fees of $209,312 (2010: $6,000) and deferred tax expense of $641,845 (2010: nil). The stock-based compensation represents the Black-Scholes calculated fair value of the stock options issued to directors, officers and employees during the first quarter. The increase in consulting and management fees was a result of expenditures incurred following the acquisition of the Property. The majority of the increase in the deferred tax expense is due to the increased book to tax difference on the Company's mineral properties

During the three month period ended June 30, 2011, the Company recorded interest income of $50,459 (2010: $855), which consisted of interest earned on the Company's term deposits. The Company recorded other income relating to renounced exploration expenditures of $226,015 (2010: nil), a non cash item which reflects the sale of tax benefits to flow through shareholders in the period under IFRS.

Liquidity and Capital Resources

As at June 30, 2011, the Company had working capital of $12,932,663. The Company expects it has sufficient cash resources to settle outstanding liabilities and carry out its 2011 exploration programs as well as corporate expenditures.

The Company has no bank debt or banking credit facilities in place.

Off-Balance Sheet Arrangements

As at June 30, 2011, the Company had no Off-Balance sheet arrangements.

Summary of Quarterly Results

	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Revenues (**Note 1**)	$ 277,186	$ 79,626	$ 37,065	$ 15,214
Net loss for the period	$ (1,325,021)	$ (3,114,474)	$ (2,022,342)	$ (156,448)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.00)

		Note 2		
	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Revenues (**Note 1**)	$ (3,895)	$ (6,100)	$ 5,150	$ 12,769
Operating expenses		(85,090)	$ (60,495)	$ (70,239)
Net loss for the period	$ (67,604)	$ (91,190)	$ (55,345)	$ (57,470)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

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

Note 2 – Quarterly results from Q2 to Q4, 2010 are based on results presented in accordance with Canadian GAAP.

From the second quarter of 2010 to the first quarter of 2011, revenues and net loss remained fairly consistent given the limited level of activity of the business at the time. This began to increase in Q2 2011 as the Company began to raise money for the acquisition of the Property. The net loss then significantly increased in Q3 2011 due to increased business activity with the acquisition of the Property complete, along with share based payments of $1,864,566 as a result of options issued directors, employees, and consultants. The net loss in the current quarter decreased from the fourth quarter of 2011, the majority of which is due to the decrease in stock based compensation of $2,293,236 in the first quarter of 2012 compared to the fourth quarter of 2011.

Critical Accounting Policies

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

Mineral Properties

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

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

Although the Company has taken steps that it considers adequate to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Title to mineral properties in foreign jurisdictions is subject to uncertainty and consequently, such properties may be subject to prior undetected agreements or transfers and title may be affected by such defects.

Mineral Property Exploration Expenditures

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

Impairment of Mineral Properties

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

Share Based Payments

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

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

Changes in Accounting Policies Including Initial Adoption

Basis of presentation and adoption of IFRS

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

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34") and IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). Subject to certain elections disclosed in note 5, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at April 1, 2010 ("the transition date") and throughout all periods presented, as if these policies had always been in effect. Note 5 discloses the impact of the transition to IFRS on the Company's reported financial results, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended March 31, 2011.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of September 23, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2012 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended March 31, 2011.

Initial elections upon adoption

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

Recent Accounting Standards Not Yet Effective

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, *Financial Instruments*, IFRS 10, *Consolidated Financial Statements* (IFRS 10), IFRS 11, *Joint Arrangements* (IFRS 11), IFRS 12, *Disclosure of Interests in Other Entities* (IFRS 12), IAS 27, *Separate Financial Statements* (IAS 27), IFRS 13, *Fair Value Measurement* (IFRS 13) and amended IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 9 - Financial Instruments

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

IFRS 10 - Consolidation

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

IFRS 11 - Joint Arrangements

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

IFRS 12 - Disclosure of Interests in Other Entities

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

IFRS 13 - Fair Value Measurement

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

Critical Accounting Estimates

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

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

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

Risks and Uncertainties

The Company is exposed to financing risk as it is not in commercial production on any of its mineral resource properties, and accordingly, has no revenues. The Company currently finances its operations by raising capital in the equity markets. Although the Company presently has sufficient financial resources to undertake its currently planned exploration program and has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

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

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

Financial Instruments and Other Instruments

Fair value

The fair value of financial instruments at June 30, 2011 and March 31, 2011 is summarized as follows:

	June 30, 2011			March 31, 2011	
	Carrying amount	Fair value		Carrying amount	Fair value
Financial assets					
Held for trading					
Marketable securities	$ -	$ -		$ 171,250	$ 171,250
Loans and receivables					
Cash and cash equivalents	$ 13,511,167	$ 13,511,167		$ 19,082,521	$ 19,082,521
Amounts receivable - at amortized cost	$ 947,159	$ 947,159	(i)	$ 253,600	$ 253,600
Financial liabilities at amortized cost					
Accounts payable and accrued liabilities	$ 2,053,917	$ 2,053,917	(i)	$ 889,380	$ 889,380
Due to related parties	$ 42,444	$ 42,444	(i)	$ 24,247	$ 24,247

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

Financial Risk Management

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

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and cash equivalents, receivables and marketable securities. The Company reduces its credit risk by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets noted above.

Liquidity risk

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

Management has concluded that the Company has adequate financial resources to settle obligations as at June 30, 2011.

Interest rate risk

Interest rate risk Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arises from the interest rate impact on the cash and cash equivalents. Cash and cash equivalents earn interest based on current market interest rates, which at June 30, 2011 was 1.2%.

Based on the amount of cash and cash equivalents invested at June 30, 2011, and assuming that all other variables remain constant, a 1% change in the applicable interest rate would result in an increase/decrease of $124,673 in the interest earned by the Company per annum.

Commitments

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

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

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

March 31,	
2012	$ 58,821
2013	80,028
2014	81,907
2015	83,048
thereafter	58,948
	$ 362,752

As noted in *Acquisition of Iron Ore Mining Claims* , commencing on November 30, 2011, Oceanic must pay minimum advance NSR payments of $200,000 per year, which will be credited against all future NSR payments payable from production.

Related Party Transactions and Key Management Compensation

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

		Three months ended June 30, 2011		Three months ended June 30, 2010
Rent & Shared Services	$	37,896	$	-
Management/Director Fees		136,500		6,000
Share-based payments		486,213		-
	$	**660,609**	**$**	**6,000**

Amounts due to related parties at June 30, 2011 amounted to $42,444 (March 31, 2011 - $24,247).

Outstanding Share Data

As at the date of this report, there were 154,728,231 common shares issued and outstanding.

As at the date of this report, there were 13,613,500 stock options and 49,227,500 common share purchase warrants outstanding.

Subsequent Events

Subsequent to year end,

a) A total of 11,160,000 warrants were exercised at a price of $0.10.

b) The Company issued a total of 700,000 options to a director of the company with an exercise price of $0.28 and expiry date of September 20, 2021.

Forward Looking Statements

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

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