

# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2025

**Oceanic Iron Ore Corp.**

Dated April 23, 2026



# Oceanic Iron Ore Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For the year ended December 31, 2025

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# Oceanic Iron Ore Corp.

## Management's Discussion and Analysis of Financial Condition and Results of Operations For the year ended December 31, 2025

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### 1. General

The following is management's discussion and analysis ("MD&A") of the results and financial condition of Oceanic Iron Ore Corp. ("Oceanic" or the "Company") and should be read in conjunction with the accompanying audited consolidated financial statements and related notes for the years ended December 31, 2025 and 2024 (the "Annual Financial Statements"). The Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). 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. Please see the section entitled "Forward Looking Statements" of this document for further detail on forward looking statements. The effective date of this report is April 23, 2026.

### 2. 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 (the "TSXV") under the symbol "FEO".

The Company is focused on the exploration and development of the Ungava Bay iron ore properties (the "Property") in Nunavik, Québec, which the Company acquired in November 2010. The Property comprises three project areas: Hopes Advance (also referred to as the "Project"), Morgan Lake and Roberts Lake, which cover over 36,040 hectares and 848 mineral claims with iron (or "Fe") ore formations and are located within 20 to 50 km from tidewater. The Company has a 100% interest, subject to a 2% net smelter returns royalty ("NSR") in the Property. The Company's two NSR holders are each entitled to annual advance NSR payments of \$100,000 until the commencement of commercial production on the Company's Hopes Advance Project. Advanced royalty payments are deductible from actual royalty payments subsequent to the commencement of commercial production.

In December 2019, the Company announced the results of a revised and re-scoped National Instrument 43-101 Preliminary Economic Assessment in respect of the Company's Hopes Advance Project (the "PEA Study"). The objective of the PEA Study was to rescope the Project profile and production scale using Measured and Indicated Mineral Resources estimated within three of the ten defined deposits from Hopes Advance in order to reduce the up-front capital required to bring the Project to commercial production. The Company is currently conducting engineering, technical and environmental studies, and continues to pursue securing a strategic partner to further advance the Hopes Advance project.

Eddy Canova, P.Geo., OGQ(403), a Qualified Person as defined by NI 43-101, has reviewed and is responsible for the technical information contained in this document.

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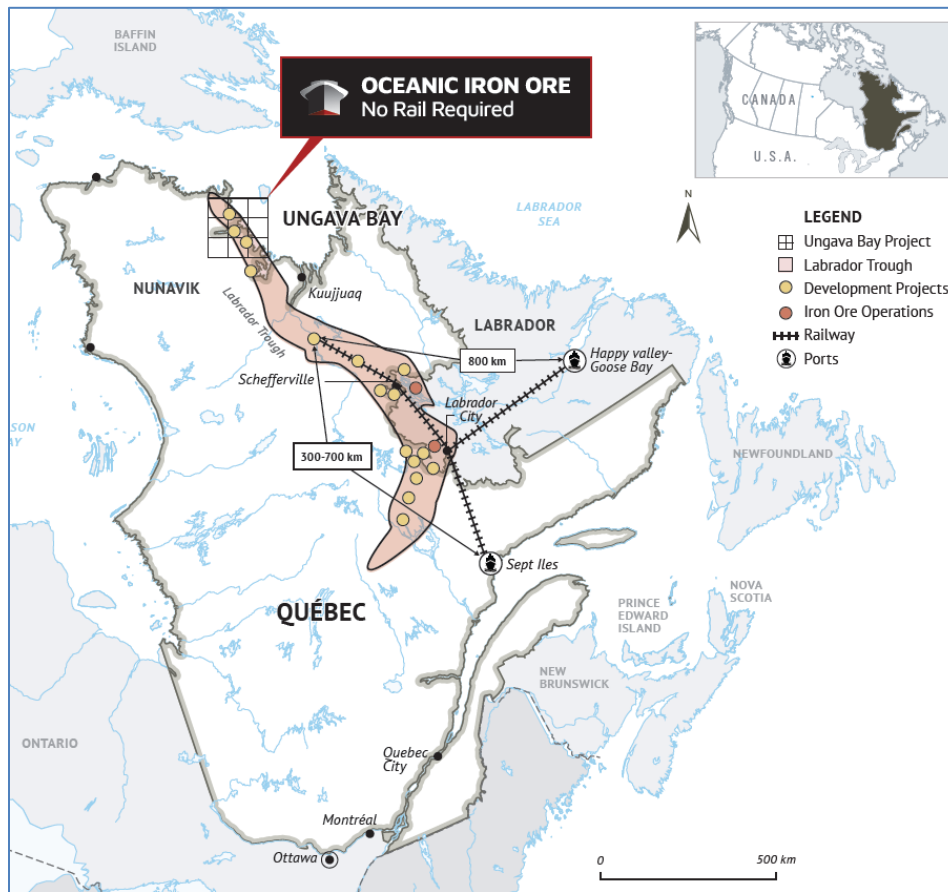
## 3. Hopes Advance - An Overview

*Large Mineral Resource – With Several Decades of Production in the Making*

The Project, located in Northern Québec, represents a large tonnage mineral resource across 10 deposits comprised of 1.3 billion tonnes (in the Measured and Indicated resource category, at a grade of 32.1% Fe). The current mine plan per the PEA Study only contemplates mining three of the 10 deposits over a 28-year mine life with an opportunity for significant life extension at Hopes Advance, as well as with possible development of neighboring properties at Roberts Lake and Morgan Lake.

*Location: At Tidewater – the “No Rail” Advantage*

The Hopes Advance site is located at tidewater. A site for a private port (to be constructed as part of the capital estimate in the PEA Study) has been identified 26km from the mine site (“Point Breakwater”). This provides an opportunity for the product to be transported by trucking operations via an access road or transportation by pipeline top to the port at Point Breakwater which is expected to be built and operated by Oceanic.



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The fact that the Company would not require new rail infrastructure to bring its product to market removes significant cost burden, capacity issues, and operational challenges that traditionally face iron ore projects globally.

Rail infrastructure is highly capital-intensive, involving lengthy permitting processes, and a significant construction period before first production can be shipped. By being located at tidewater, the Hopes Advance operations can utilize a relatively short access road to transport material via haul truck at a fraction of the cost compared to transport via rail. Avoiding rail transportation also eliminates financial commitments associated with maintaining and operating a dedicated rail line.

Most iron ore operations require significant rail capacity and coverage to transport its product to port. The associated cost of such infrastructure forces a development plan and life of mine plan so significant in volume as to justify the excessive capital cost of the rail, that such projects become very difficult to finance.

Avoiding rail dependency can reduce exposure to logistical bottlenecks, labor disputes, and related infrastructure maintenance risks.

### *Additional Infrastructure Advantage – No Reliance on Third Party Infrastructure*

Further to the Project's "No Rail" advantage, Hopes Advance also enjoys additional advantages in relation to not being reliant on 3<sup>rd</sup> party infrastructure. In addition to the planned private port, the power for the project is expected to be self-generated using diesel fuel. The power plant is expected to be a prefabricated, barge system that is beached and bermed at the port and would include a 120 kV substation. The initial capacity is expected to be 48 MW plus 19 MW stand-by power. An additional 29 MW is expected to be added for the expansion. A 26 km overhead transmission line is planned to be installed to deliver power from the power plant to the mine site. There also exists the potential to investigate other sources of power to energize operations using alternative fuels such as LNG and a connection to the Hydro Québec grid to satisfy management's ESG related targets.

### *Highly Supported by a Resource-Proactive Provincial Government*

The province of Québec remains a strong supporter of mineral project development in Northern Québec as part of its current Northern Action Plan, supported by the Société du Plan Nord. Quebec represents a tier-one mining-friendly and politically-stable jurisdiction.

### *Robust Financial Metrics*

A Pre-Feasibility Study was published in 2012 ("**2012 PFS**"), which contemplated the mining of all 10 deposits at Hopes Advance, and produced robust economic results. This 2012 PFS was superseded by the PEA Study, issued in 2020 and prepared by BBA Engineering Ltd., and contemplated a re-scoped project development plan in order to de-risk in various areas including initial capital cost reduction as well as the elimination of reliance on third party run infrastructure, which gives the Company full control over the development of Hopes Advance. In the PEA Study, only 3 of the 10 deposits are included in the Life of Mine Plan, again allowing for additional extension to the life of mine for the remaining deposits at the election of the operator. The PEA Study achieved the same Post-Tax IRR as the 2012 PFS:

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## Key Statistics from the PEA Study Based on Base Case and Spot Price Case

Description	Unit	Base Case	Spot Case**
Mine Life	Years	28	28
Throughput (Expansion throughput - years 5 to 28)	Mt/yr	5/10	5/10
Life of Mine Concentrate Production	Mt	262	262
Concentrate Grade	% Fe	66.6	66.6

### Key Financial Metrics

FOB Selling Price/t	\$	82	119
Life of Mine Operating Costs	US\$/t	30.70	30.70
Initial Capital Costs	US\$ Million	1,193	1,193
Expansion Capital Costs	US\$ Million	690	690
Sustaining Capital Costs	US\$ Million	632	632

### Post-Tax Economics

NPV8	US\$ Billion	1.4	3.2
IRR	%	17	26.5
NPV/Initial Capex		1.18	2.68
NPV/Initial & Expansion Capex		0.75	1.70

\*\*Spot Case based on July 2025 CFR spot prices, adjusted for Value in Use and Shipping costs

Based on its "No Rail" advantage, low strip ratio and relatively high grades, the Project lends itself to robust financial metrics such as a post-tax NPV8 of US\$1.4 billion, and life of mine operating cost/t of US\$30.70, all with a relatively financeable initial capital cost requirement, resulting in an NPV/Initial Capex ratio of 1.18.

## 4. Hopes Advance - Mineral Resource Estimate

The 10 mineral deposits at Hopes Advance are a typical stratigraphic iron deposit similar to other Labrador Trough iron deposits of Lake Superior-type iron formations, located at the northern end of the Labrador Trough. The Hopes Advance iron formations are thick Sokoman Iron Formation, with magnetite, magnetite and hematite units that strike east-west to northeast and have gentle dips to the south and southeast. The iron formations are typically 40–70 m thick, and often crop out at surface. The three largest deposits are the Castle Mountain, Bay Zone F and Iron Valley deposits, which comprise the deposits in the life of mine plan in the Company's most recent PEA Study.

Mineral Resources for all 10 deposits were estimated for the Bay Zone B, C, D, E, F, Castle Mountain, Iron Valley, West Zone 2, West Zone 4 and West Macdonald deposits, and are totaled below. The effective date of the Mineral Resource Estimate is December 19, 2019.

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## *Mineral Resource Estimate Hopes Advance – All 10 Deposits (25% Fe Cut-off)\**

<b>Resource Classification</b>	<b>Tonnes (t 000)</b>	<b>Head Grade (% Fe)</b>	<b>Concentrate Tonnes (t000)</b>
Measured	774,241	32.2	288,971
Indicated	613,796	32.0	226,901
Measured & Indicated	1,388,037	32.1	515,872
Inferred	222,188	32.5	82,475

1. *The Qualified Person responsible for the estimates (including the current Mineral Resource estimates) is Mr. Eddy Canova, P. Geo, a consultant to the Company.*
2. *Mineral Resources are reported assuming open pit mining methods. Mineral Resources were initially reported with an effective date of 19 September 2012, on a block model that had an effective date of 2 April 2012. A review was undertaken in 2019, which concluded that the estimate and its inputs were current, and the effective date for the reviewed estimate is 20 November, 2019. The Mineral Resource is now current as at November 20, 2019.*
3. *Mineral Resources are classified using the 2014 CIM Definition Standards. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*
4. *The Mineral Resources in the PEA Study were estimated in 2019 using a block model with parent blocks of 50 m by 50 m by 15 m sub-blocked to a minimum size of 25 m by 25 m by 1m and using inverse distance weighting to the third power (ID3) methods for grade estimation. A total of 10 individual mineralized domains 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 grade of 25% within conceptual Whittle pit shells and a mining recovery of 100%. The Whittle shells used the following input parameters: commodity price of USD \$115/dmt of concentrate; C\$:US\$ exchange rate of 0.97; assumed overall pit slope angle of 50°; 1% royalty; mining cost of CAD \$2.00/t material moved; process cost of CAD \$16.22/t of concentrate; port costs of CAD \$1.45/t of concentrate; and general and administrative costs of CAD \$3.38/t of concentrate.*
5. *Estimates have been rounded and may result in summation differences.*

Mineral Resources that were estimated assuming open pit mining methods in 2012 were reviewed in 2019 to determine if they were still current. These reviews included checks on the confidence classification assignments based on changes to defined terms between the 2010 and 2014 editions of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves, inputs into the Whittle optimization shells that constrain the estimate, and commodity price assumptions as a result of the 2019 VIU Study.

This mineral resource estimate does not include the historical mineral resources as the Company's other Project Areas, being Roberts Lake and Morgan Lake, which has the potential for extending the production profile and life of mine in the project area beyond its already significant mine life.

## **5. Recent Developments**

### *Metallurgical Testwork Program Results – Phase 1 and Phase 2*

The Company announced the results from Phase 1 and Phase 2 of its 2025 Metallurgical Testwork Program ("2025 Program") in September 2025 and January 2026, respectively. The objective of the 2025 Program is to evaluate whether the Project can generate a high grade, low impurity direct reduction ("DR") grade premium iron product for the benefit of green steel producers and other potential strategic partners seeking

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low operating cost sources of high quality product, that also aligns with current critical mineral qualification standards, both provincially and federally in Canada.

Results from Phase 1 and Phase 2 of the 2025 Program indicate the potential to produce a high-grade DR Iron product, based on laboratory-scale flotation testing which may be achievable with modest modifications to the existing flowsheet as detailed in the PEA Study.

The benefits of producing a DR Iron product would include, but are not limited to the following:

- Recognition as "High-Purity Iron", identified as a critical mineral in Québec and in Canada;
- A required high-quality product, used in green-steel making process, reducing related carbon emissions, compared to the typical Blast Furnace/Basic Oxygen Furnace ("BF/BOF") steel making process;
- Further price premia for a higher grade and lower impurity product, relative to Benchmark pricing;
- Facilitates steelmaking planning due to product blending potential with other operator's lower grade material; and
- Offers optionality for potential strategic partners as to product choice.

### *Next Steps*

The Company is considering a number of follow-up mineralogical and metallurgical testing as part of its ongoing discussions to optimize the flowsheet and development of the Project generally.

### *Private Placement and Conversion of Convertible Debentures*

In February 2026, the Company successfully closed a private placement of 66,666,800 units of the Company (each, a "Unit") at a price of \$0.75 per Unit for aggregate gross proceeds of \$50,000,100 (the "Offering"). Each Unit is comprised of one common share of the Company and one-half of one warrant of the Company (each full warrant, a "Warrant"). Each whole Warrant will be exercisable to purchase one Common Share at an exercise price of \$0.95 per Common Share, expiring on February 12, 2029.

The net proceeds of the Offering will be used to fund permitting and development costs for the Company's Hopes Advance, Morgan Lake, and Roberts Lake iron ore projects in Northern Québec, Canada, for advancing strategic investment initiatives, and for general corporate purposes.

Contemporaneously, all holders of the Company's convertible debentures converted their respective debentures with the closing of the Offering. This resulted in the issuance of 32,892,521 common shares and 32,892,521 share purchase warrants of the Company. Furthermore, a total of 1,407,000 share purchase warrants were exercised.

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### 6. Discussion of Operations

The following information for the years ended December 31, 2025 and 2024 ("FY 2025" and "FY 2024", respectively) has been derived from the Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

	Q4 2025	Q4 2024	FY 2025	FY 2024
<b>Expenses</b>				
Consulting and management fees	\$ 82,356	\$ 81,975	\$ 332,155	\$ 320,163
Directors' fees	500	7,500	20,500	30,000
Insurance	5,816	4,600	18,461	18,220
Office and general	4,421	1,619	21,140	14,241
Investor relations and corporate development	15,877	3,032	33,023	8,289
Professional fees	41,062	40,590	155,813	102,661
Rent	2,668	2,668	10,670	10,670
Share-based compensation	217,415	72,207	659,144	167,579
Transfer agent and regulatory	13,226	15,300	37,981	32,973
<b>Loss from operations</b>	<b>(383,341)</b>	<b>(229,491)</b>	<b>(1,288,887)</b>	<b>(704,796)</b>
<b>Other expenses</b>				
Gain (loss) on change in fair value of derivative	15,951,279	1,992,863	(85,378,344)	(3,274,558)
Convertible debenture accretion expense	(135,429)	(223,558)	(838,412)	(698,230)
<b>Total other income (expenses)</b>	<b>15,815,850</b>	<b>1,769,305</b>	<b>(86,216,756)</b>	<b>(3,972,788)</b>
<b>Net income (loss) and comprehensive income (loss)</b>				
	\$ 15,432,509	\$ 1,539,814	\$ (87,505,643)	\$ (4,677,584)
Basic income (loss) per common share	\$ 0.10	\$ 0.01	\$ (0.69)	\$ (0.04)
Diluted income (loss) per common share	\$ 0.06	\$ 0.01	\$ (0.69)	\$ (0.04)

The most significant factors affecting the change in net income (loss) for the periods presented included:

#### *Gain (loss) on change in fair value of derivative liabilities*

The derivative liabilities of the Company are carried at fair value, which fair value is derived by the use of binomial option pricing models. The Company recognized a non-cash gain on change in fair value of derivative liabilities of \$15,951,279 during Q4 2025 compared to \$1,992,863 during Q4 2024 as the Company's share price decreased by a higher amount between beginning and end of the quarter in 2025 compared to 2024. Included within the loss on change in fair value of derivative liabilities was amortization of deferred loss of \$201,949 and \$596,558 for Q4 2025 and Q4 2024, respectively.

The Company recognized a non-cash loss on change in fair value of derivative liabilities of \$85,378,344 during FY 2025 as the Company's share price increased from the beginning of the year to the end of the year. Similarly, the company recognized a loss on change in fair value of derivative liabilities of \$3,274,558 during FY 2024 as the Company's share price increased from the beginning of the comparative year to the end of the comparative year. Included within the gain on change in fair value of derivative liabilities was amortization of deferred loss of \$8,271,065 and \$1,236,718 for FY 2025 and FY 2024, respectively.

During Q3 2025, all the Series E debentures (with a face value of \$2,385,000) were converted into 31,800,000 units. The non-cash loss for FY 2025 includes an amount of \$6,674,048 of accelerated amortization of deferred loss associated with the Series E debenture, a one-off transaction when the Series E debentures were converted approximately 4 years prior to their maturity date. The balance of the non-

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cash loss was a result of the increase of the Company's share price during the year from \$0.14 per common share at December 31, 2024 to \$0.65 per common share at December 31, 2025.

Upon conversion of the Series E Debentures, as well as partial conversion of the Series A, C and D Debentures during the year, the carrying value of the convertible debentures liability and the fair values of the derivative liabilities (as remeasured at the respective conversion dates) were transferred to equity.

On February 12, 2026, all outstanding Series A, B, C, and D Debentures were converted by debenture holders into units resulting in the issuance of 32,892,521 shares and 32,892,521 share purchase warrants. As such, none of the debentures were settled in cash. As the Company's share price remains above the exercise prices of the warrants issued in connection with the debenture conversions, the Company expects future cash inflows from the exercise of the warrants that have not already been exercised.

### *Convertible debenture accretion expense*

The convertible debenture accretion expense represents the accretion on the convertible debenture liability component measured at amortized cost. The Company recognized \$135,429 of accretion expense in Q4 2025, compared to 223,558 in Q4 2024. The decrease is primarily attributable to the full conversion of Series E debenture in Q3 2025, which resulted in Series E debenture related accretion expense of \$nil in Q4 2025 compared \$76,004 in the comparable quarter. The Company incurred accretion expense of \$838,412 in FY2025, compared to \$698,230 in FY2024. The primary driver of the increase for the year was the Series E Debentures, which financing was completed in late September 2024 and incurred accretion expense of \$230,497 in FY 2025 (until conversion in late Q3 2025) compared to \$80,830 in FY 2024.

### *Share-based compensation*

The increase in share-based compensation for both Q4 2025 and YTD 2025 compared to Q4 2024 and YTD 2024 was attributable to the Company's August 2025 stock option grant. Share-based compensation expense is based on the fair value of the options at the grant date which is determined using the Black-Scholes option pricing model and considers the Company's share price as an input. With a higher share price for the August 2025 grant, share-based compensation expense is higher for this grant compared previous grants.

As the Company has yet to make a development decision or achieve commercial production from its mineral properties, the Company has no revenue to report during the financial reporting periods noted above, nor has the Company declared any dividends in the past three fiscal years.

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### 7. Summary of Quarterly Results

Below is a summary of results for the eight most recently completed quarters in accordance with IFRS:

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based compensation	\$ (217,415)	\$ (371,483)	\$ (26,439)	\$ (43,807)
Loss from operations	\$ (383,341)	\$ (549,991)	\$ (143,429)	\$ (212,126)
Gain (loss) on change in fair value of derivative liabilities	\$ 15,951,279	\$ (88,053,078)	\$ (7,256,368)	\$ (6,020,177)
Net income (loss)	\$ 15,432,509	\$ (88,865,793)	\$ (7,622,744)	\$ (6,449,615)
Basic net income (loss) per share	\$ 0.10	\$ (0.72)	\$ (0.07)	\$ (0.06)
Diluted net income (loss) per share	\$ 0.06	\$ (0.72)	\$ (0.07)	\$ (0.06)

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based compensation	\$ (72,207)	\$ (43,091)	\$ (42,843)	\$ (9,438)
Loss from operations	\$ (229,491)	\$ (182,294)	\$ (153,872)	\$ (139,139)
Gain (loss) on change in fair value of derivative liabilities	\$ 1,992,863	\$ (2,968,741)	\$ (2,045,156)	\$ (253,524)
Net income (loss)	\$ 1,539,814	\$ (3,372,771)	\$ (2,335,573)	\$ (509,054)
Basic and diluted net income (loss) per share	\$ 0.01	\$ (0.03)	\$ (0.02)	\$ (0.00)

As demonstrated in the above table, the differences in net loss or income from one quarter to another is predominantly due to the non-cash losses or gains recognized on the fair value adjustments to the embedded derivative liability component contained in the convertible debentures. The Company uses binomial option pricing models to value the embedded derivative component of the convertible debentures which relies on a combination of observable and unobservable market inputs (including changes in the Company's share price from one period-end to another).

Fluctuations in loss from operations correlate largely with changes in the amount of share-based compensation recognized in any particular period. The amount of share-based compensation varies predominantly based on (i) the number of stock options granted during a fiscal year and (ii) the price of the Company's common shares at the grant date.

### 8. Liquidity, Capital Resources, Cash flows and Selected Annual Information

The Annual 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. As at December 31, 2025, the Company had an accumulated deficit of \$126,054,714 and a working capital deficit of \$39,431,862. However, on February 12, 2026, the Company closed an equity financing for aggregate gross proceeds of \$50,000,100. Concurrently, all holders of the convertible debentures converted their respective debentures into units. As such, upon closing of the equity financing and conversion of all convertible debentures, the working capital deficit was reversed. The Company also continues to pursue securing a strategic partner to further advance the Hopes Advance Project.

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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.

	FY 2025	FY 2024	FY 2023
Revenue	\$ -	\$ -	\$ -
Net (loss) income	\$ (87,505,643)	\$ (4,677,584)	\$ 51,598
Basic and diluted net (loss) income per share	\$ (0.69)	\$ (0.04)	\$ 0.00
Cash dividend declared per share	\$ -	\$ -	\$ -

	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
<b>Assets</b>			
Cash	918,209	1,420,984	269,513
Other current assets	38,782	23,084	19,871
Current assets	956,991	1,444,068	289,384
Mineral properties	45,364,707	44,899,434	44,453,858
<b>TOTAL ASSETS</b>	<b>46,321,698</b>	<b>46,343,502</b>	<b>44,743,242</b>
<b>Liabilities</b>			
Current liabilities	40,388,853	9,848,540	4,488,245
Non-current financial liabilities	416,282	416,283	423,652
<b>TOTAL LIABILITIES</b>	<b>40,805,135</b>	<b>10,264,823</b>	<b>4,911,897</b>
<b>NET ASSETS</b>	<b>5,516,563</b>	<b>36,078,679</b>	<b>39,831,345</b>
<b>WORKING CAPITAL DEFICIT <sup>(1)</sup></b>	<b>(39,431,862)</b>	<b>(8,404,472)</b>	<b>(4,198,861)</b>

<sup>(1)</sup> Working capital is calculated as current assets less current liabilities

The change in total assets as at December 31, 2025 compared to December 31, 2024 was due to mineral property additions from advance royalty payable, geological, assays and metallurgical costs and incremental permitting and claims fees. The change in net assets as at December 31, 2025 compared to December 31, 2024 was primarily due to a non-cash fair value loss on the embedded derivative liability contained within the convertible debentures.

The change in total assets as at December 31, 2024 compared to December 31, 2023 was predominantly due to the proceeds received from the Series E Debentures in 2024. The change in net assets as at December 31, 2024 compared to December 31, 2023 was primarily due to a non-cash fair value loss on the embedded derivative liability contained within the convertible debentures and the addition of the Series E Debentures in 2024.

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The Company's cash flow activities have been summarized as follows:

	Q4 2025	Q4 2024	FY 2025	FY 2024
Cash used in operating activities	\$ (184,006)	\$ (97,968)	\$ (417,349)	\$ (797,470)
Cash used in investing activities	(54,345)	(158,506)	(200,036)	(250,808)
Cash (used in) from financing activities	(119,671)	(185,251)	114,610	2,199,749
Change in cash during the period	(358,022)	(441,725)	(502,775)	1,151,471
Cash, beginning of period	1,276,231	1,862,709	1,420,984	269,513
<b>Cash, end of period</b>	<b>\$ 918,209</b>	<b>\$ 1,420,984</b>	<b>\$ 918,209</b>	<b>\$ 1,420,984</b>

The Company's undiscounted commitments as at December 31, 2025 were as follows:

	December 31, 2025			
	Less than 1 year	1 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	\$ 312,381	\$ -	\$ -	\$ 312,381
Due to related parties	457,691	-	-	457,691
Convertible debenture - liability component	3,989,733	-	-	3,989,733
Advance royalty payable	200,000	400,000	400,000	1,000,000
	<b>\$ 4,959,805</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 5,759,805</b>

The convertible debenture – liability component represents principal and interest payments up to February 12, 2026. As at December 31, 2025, the convertible debentures and non-cash embedded derivative liabilities have a combined carrying value of \$39,452,031, representing the discounted face value of the debentures of \$3,441,343 (partially offset by a deferred loss balance of \$717,428), and fair value of the non-cash embedded derivative liabilities of \$36,728,116. On February 12, 2026, all holders of the convertible debentures converted their respective debentures into units. The resulting warrants from the conversions would expire at the current maturity date of the debenture and in the event that such warrants are "in the money", may result in cash inflows to the Company.

The debentures are secured with a first ranking charge against the assets of the Company, ranking pari-passu with all other secured debenture holders.

### 9. Off-Balance Sheet Arrangements

As at December 31, 2025, the Company had no off-balance sheet arrangements.

### 10. Financial Instruments and Other Instruments

#### *Financial Risk Management*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's Board of Directors approves and monitors the risk management processes.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, amounts due to related parties, advance royalty payable, and convertible debentures. These financial instruments are designated as follows: cash is a financial asset measured at amortized cost, accounts payable and accrued liabilities and amounts due to related parties are financial liabilities measured at amortized cost, the measurement of the advance royalty payable is disclosed in Note 5 of the Annual Financial Statements,

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and the measurement of the convertible debentures is disclosed in Note 6 of the Annual Financial Statements.

### 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 receivables. The Company has concentration of risk with respect to cash being held with one large Canadian financial institution. The Company's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the carrying value of the financial assets noted above.

### Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and the Company's cash needs over the short term. Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2025 are included in the "*Liquidity, Capital Resources, Cash flows and Selected Annual Information*" section of this MD&A.

### Market Risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments and convertible debentures can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in its cash. The Company manages market risk by investing funds with a reputable financial institution that provides competitive rates of return.

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is not significant and a 1% change in interest rates would not have a significant impact on the Company's net loss.

### Fair value

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The carrying values of cash, receivables, prepaid expenses and deposits, accounts payable and accrued liabilities, amounts due to related parties, advance royalty payable, and convertible debentures approximate their fair values due to their short-term nature. The embedded derivative liabilities included in the convertible debentures are measured under a level 3 hierarchy due to certain inputs that are not based on observable market data.

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### 11. Related Party Transactions and Key Management Compensation

#### *Key management compensation*

Key management includes the Company's directors (Cathy Chan, Steven Dean, Gordon Keep, Hon. John D. Reynolds P.C.), Chief Executive Officer and Director (Chris Batalha) and Chief Financial Officer and Corporate Secretary (Gerrie van der Westhuizen). Compensation awarded to key management, which includes compensation to the former Interim Chief Executive Officer (Bing Pan) who resigned August 22, 2024, and a former director (Thomas Lau (Tao Liu)) who resigned May 27, 2025, is also presented in the table below:

	Q4 2025	Q4 2024	FY 2025	FY 2024
Directors' fees	\$ 500	\$ 7,500	\$ 20,500	\$ 30,000
Consulting and management fees	80,000	80,000	320,000	311,022
Share-based compensation*	194,055	70,513	594,824	153,307
	\$ 274,555	\$ 158,013	\$ 935,324	\$ 494,329

\*Share-based compensation is valued based on the fair value of stock options and RSUs granted to individuals

#### *Payments for services by related parties*

During the year ended December 31, 2025, the Company incurred consulting fees of \$100,000 (2024: \$110,000), to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director of the Company. As at December 31, 2025, the Company owed \$76,933 (2024: \$33,333) to Sirocco relating to unpaid consulting fees.

During the year ended December 31, 2025, the Company incurred consulting fees of \$100,000 (2024: \$36,022) to the Company's Chief Executive Officer. As at December 31, 2025, the Company owed \$18,498 (2024: \$nil) to the Chief Executive Officer relating to unpaid consulting fees and expenses.

During the year ended December 31, 2025, the Company incurred consulting fees of \$nil (2024: \$45,000) to Sinocan Consultant Hong Kong Ltd. ("Sinocan"), a company controlled by the former Interim Chief Executive Officer.

During the years ended December 31, 2025 and 2024, the Company incurred consulting fees of \$60,000 to Timbavati Consult Inc. ("Timbavati"), a company controlled by the Chief Financial Officer. As at December 31, 2025, the Company owed \$80,000 (2024: \$20,000) to Timbavati relating to unpaid consulting fees.

During the years ended December 31, 2025 and 2024, the Company incurred consulting fees of \$60,000 to Fiore Management & Advisory Corp. ("Fiore"), a company controlled by a director of the Company. As at December 31, 2025, the Company owed \$80,000 (2024: \$20,000) to Fiore relating to unpaid consulting fees.

As at December 31, 2025, the Company owed \$73,500 (2024: \$67,500) in directors' fees to certain directors of the Company.

The Company was charged shared lease, overhead, and service costs by Artemis Gold Inc. ("Artemis"), a company with common management and directors. For the year ended December 31, 2025, the Company incurred \$20,524 (2024: \$18,796) in shared lease, overhead, and service costs. As at December 31, 2025, the Company owed \$128,760 (2024: \$108,236) to Artemis.

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## 12. Changes in Accounting Policies

### Accounting standards and amendments issued but not yet adopted

Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* ("**Amendments to IFRS 9 and IFRS 7**"): In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. Amendments to IFRS 9 and IFRS 7 are effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company has elected to derecognize financial liabilities settled through its electronic cash transfer systems before the settlement date if it has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant. The Company has determined the other amendments will not have a material impact.

IFRS 18, *Presentation and Disclosure in Financial Statements* ("**IFRS 18**"): In April 2024, the IASB issued IFRS 18, which will replace IAS 1. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the statement of income or loss, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company is assessing the impact of this standard on its disclosures. Due to the classification of income and expenses as operating, investing, or financing under IFRS 18, the Company expects changes to its subtotals on the statements of income or loss. The Company continues to assess the impact of IFRS 18 on its disclosures.

## 13. Outstanding Share Data

As at the date of this MD&A, there were 260,625,423 common shares issued and outstanding and 13,098,000 stock options, 33,334 RSUs and 91,020,684 common share purchase warrants outstanding.

## 14. Subsequent Events

- On February 12, 2026, the Company closed a private placement for 66,666,800 units of the Company at a price of \$0.75 per unit for aggregate gross proceeds of \$50,000,100. Each unit is comprised of one common share and one-half of one warrant of the Company. Each whole warrant will be exercisable to purchase one common share at an exercise price of \$0.95 per common share, expiring on February 12, 2029.
- On February 12, 2026, all outstanding Series A, B, C, and D Debentures were converted by debenture holders into units resulting in the issuance of 32,892,521 shares and 32,892,521 share purchase warrants.
- Subsequent to the year ended December 31, 2025, the Company issued 7,479,621 common shares for proceeds of \$1,421,128 pursuant to the exercise of share purchase warrants.
- Subsequent to the year ended December 31, 2025, the Company granted 2,688,000 stock options to directors, officers and consultants of the Company, exercisable at a weighted average price of \$0.77 per share for a period of 5 years.

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## 15. Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses are provided in the Company's statements of (loss) income and comprehensive (loss) income contained in its Annual Financial Statements, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## 16. Risks and Uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. At present, the mineral properties owned by the Company are located in Québec, Canada. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily exploration), the following risk factors, among others, will apply:

### *Going Concern*

The Annual Financial Statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Factors that may impact the Company's ability to continue as a going concern are described in the *Liquidity, Capital Resources, Cash flows and Selected Annual Information* section of this MD&A. The 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.

### *Exploration and Development Risks*

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

There is no certainty that the expenditures made by the Company toward the search and evaluation of minerals will result in discoveries of mineral resources, mineral reserves or any other mineral occurrences.

### *Political Stability and Government Regulation Risks*

The operations of the Company are currently conducted in Québec, Canada. As such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include but are not limited to: terrorism; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations.

Changes, if any, in mining or investment policies or shifts in political attitudes in Québec or Canada more broadly may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water

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use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

### *Insurance and Uninsured Risks*

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### *Environmental Risks and Hazards*

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

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## *Fluctuations in Metal Prices*

The price of the common shares, and the financial results and exploration, development and mining activities of the Company, may in the future be significantly and adversely affected by declines in the prices of iron ore and other metals or minerals. The prices of iron ore and other metals or minerals fluctuate widely and are affected by numerous factors beyond the control of the Company such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market prices of iron ore or other metals or minerals could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the prices of iron ore and other metals and minerals, cash flow from mining operations could not be sufficient and the Company may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's properties is dependent upon the prices of iron ore and other metals and minerals being adequate to make these properties economically viable.

In addition to adversely affecting the resource estimates of the Company and its financial condition, declining commodity prices can affect operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or interrupt operations until the reassessment can be completed.

## *Key Personnel*

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

## *Share Price Volatility and Liquidity*

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of us in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

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## 17. 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; (6) labour and material costs increasing on a basis consistent with the Company's current expectations; and (7) the ability to achieve the required financing from equity markets, debt markets and/or a strategic partner/off-taker to facilitate the development and eventual construction of the Company's projects. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risks and Uncertainties" in the MD&A for the year ended December 31, 2025. 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.sedarplus.ca](http://www.sedarplus.ca).