Oceanic Iron Ore Corp.

Unaudited Condensed Interim Financial Statements
For the three and six months ended September 30, 2018 and 2017
(Stated in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Oceanic Iron Ore Corp. have been prepared by and are the responsibility of the Company's management.

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

Oceanic Iron Ore Corp.

Consolidated Statements of Financial Position

	Notes	As at September 30, 2018	As at March 31, 2018
Assets			
Current			
Cash and cash equivalents		**$ 114,016**	$ 330,373
Receivables		**8,260**	6,924
Prepaid expenses and deposits		**11,677**	41,053
Restricted cash		**1,150**	1,150
		135,103	379,500
Mineral properties	*4*	**42,462,776**	42,325,645
		$ 42,597,879	$ 42,705,145
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 150,965**	$ 126,510
Due to related parties	*8*	**260,362**	188,835
Current portion of advance royalty payable	*4b*	**296,721**	278,148
		708,048	593,493
Non-current portion of advance royalty payable	*4b*	**494,395**	447,715
Convertible debentures	*5a*	**836,334**	1,184,281
		2,038,777	2,225,489
Shareholders' equity			
Share capital	*6a,b*	**60,026,231**	59,993,208
Contributed surplus	*6b,c,d*	**10,419,193**	10,400,443
Deficit		**(29,886,322)**	(29,913,995)
		40,559,102	40,479,656
		$ 42,597,879	$ 42,705,145

Nature of operations and going concern	*1*
Commitments	*7*
Subsequent Events	*10*

Approved by the Board:

" Steven Dean " Director

" Gordon Keep " Director

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

Oceanic Iron Ore Corp.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the three and six months ended September 30, 2018 and 2017

	Notes	**Three months ended September 30, 2018**	Three months ended September 30, 2017	**Six months ended September 30, 2018**	Six months ended September 30, 2017
Expenses					
Consulting and management fees		**$ 58,750**	$ 58,750	**$ 117,500**	$ 102,500
Directors' fees		**5,000**	2,500	**10,000**	10,000
Investor relations and corporate development		**-**	3,725	**835**	22,200
License and insurance		**4,985**	4,898	**9,725**	9,843
Office and general		**4,812**	4,269	**10,220**	9,000
Professional fees		**4,826**	23,455	**7,368**	32,628
Rent		**8,940**	8,755	**17,857**	17,507
Share-based payments	*6b,c,d*	**-**	43,905	**-**	115,640
Transfer agent and regulatory		**2,266**	6,886	**9,767**	7,033
Travel		**-**	48	**124**	101
Wages and benefits		**24,420**	37,344	**50,680**	108,009
		(113,999)	194,535	**(234,076)**	(434,461)
Other income (expenses)					
Unrealized gain (loss) on convertible debenture derivative liability	*5a*	**700**	-	**317,820**	-
Convertible debenture accretion expense		**(28,284)**	(97,294)	**(56,071)**	(191,259)
Net income (loss) and comprehensive income (loss) for the period		**$ (141,583)**	$ (291,829)	**$ 27,673**	$ (625,720)
Income (loss) per common share - basic and diluted		**$ (0.00)**	$ (0.01)	**$ 0.00**	$ (0.01)
Weighted average number of common shares outstanding		**68,038,277**	50,129,480	**68,018,008**	50,062,085

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

Oceanic Iron Ore Corp.

Consolidated Statements of Changes in Equity

For the three and six months ended September 30, 2018 and 2017

	Shares	Share Capital	Contributed surplus	Convertible debenture	Deficit	Total Equity
Balance - April 1, 2018	**67,997,516**	**$ 59,993,208**	**$ 10,400,443**	**$ -**	**$ (29,913,995)**	**$ 40,479,656**
Settlement of Convertible Debenture	625,000	33,023	18,750	-	-	51,773
Net income for the period	-	-	-	-	27,673	27,673
Balance - September 30, 2018	**68,622,516**	**$ 60,026,231**	**$ 10,419,193**	**$ -**	**$ (29,886,322)**	**$ 40,559,102**

	Shares	Share Capital	Contributed surplus	Convertible debenture	Deficit	Total Equity
Balance - April 1, 2017	**49,962,813**	**$ 57,804,901**	**$ 9,961,531**	**$ 339,739**	**$ (28,460,744)**	**$ 39,645,427**
Share-based payments recognized	-	-	115,640	-	-	115,640
Settlement of restricted share units	166,667	25,000	(25,000)	-	-	-
Net loss for the period	-	-	-	-	(625,720)	(625,720)
Balance - September 30, 2017	**50,129,480**	**$ 57,829,901**	**$ 10,052,171**	**$ 339,739**	**$ (29,086,464)**	**$ 39,135,347**

The accompanying notes are an integral part of these financial statements

Oceanic Iron Ore Corp.

Consolidated Statements of Cash Flows

For the three and six months ended September 30, 2018 and 2017

	Notes	***Three Months ended* September 30, 2018**	*Three Months ended* September 30, 2017	***Six Months ended* September 30, 2018**	*Six Months ended* September 30, 2017
Operating activities					
Net loss for the period		**$ (141,583)**	$ (291,829)	**$ 27,673**	$ (625,720)
Adjustments for:					
Share-based payments		**-**	43,905	**-**	115,640
Unrealized loss on convertible debenture derivative liability	*5a*	**(700)**	-	**(317,820)**	(48)
Interest and financing expense		**28,284**	97,294	**56,071**	191,259
Net changes in non-cash working capital balances:					
Prepaid expenses and deposits		**4,346**	(3,339)	**8,874**	9,755
Receivables		**127**	152	**(1,294)**	5,578
Accounts payable and accrued liabilities		**47**	(25,581)	**26,862**	(39,027)
Due to related parties		**62,006**	35,023	**71,527**	83,180
		(47,473)	(144,375)	**(128,107)**	(259,383)
Investing activities					
Mineral property expenditures		**(24,526)**	(91,054)	**(53,824)**	(93,212)
		(24,526)	(91,054)	**(53,824)**	(93,212)
Financing activities					
Interest paid on convertible debenture	*5a*	**(17,213)**	(30,380)	**(34,426)**	(72,746)
Proceeds received from restricted cash		**-**	33,350	**-**	33,350
Proceeds from convertible debenture net of issuance costs	*5a*	**-**	805,200	**-**	805,200
		(17,213)	808,170	**(34,426)**	765,804
Change in cash during the period		**(89,212)**	572,741	**(216,357)**	413,209
Cash, beginning of period		**203,228**	74,553	**330,373**	234,085
Cash, end of period		**$ 114,016**	$ 647,294	**$ 114,016**	$ 647,294

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Oceanic Iron Ore Corp. ("Oceanic" or the "Company") is an exploration stage company engaged in the acquisition and exploration of iron ore properties in Québec, Canada. The Company was incorporated on March 8, 1986 under the British Columbia Business Corporations Act. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, British Columbia. The Company's registered/records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia. Its common shares are traded on the TSX Venture Exchange under the symbol "FEO".

The Company acquired a 100% interest in certain mining claims (the "Property") located near Ungava Bay, Québec, Canada in November, 2010. The Company is currently conducting exploration activity on the Property.

While these financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events result in a material uncertainty casting significant doubt on the validity of this assumption. For the six months ended September 30, 2018, the Company reported earnings of $27,673 and as at that date had an accumulated deficit of $29,886,322 and working capital deficit of $572,945. The Company will need to raise additional funds in order to finance ongoing exploration, development and administrative expenses over the coming 12 months. On November 1, 2018, the Company announced a private placement financing for total proceeds of $1,800,000 by way of convertible debentures (*Note 10 – Subsequent Events*). In addition to this recent private placement, the Company continues to pursue a number of options to improve its financial capacity, including securing a strategic partner to further advance the Hopes Advance project, and obtaining cash flow through other forms of financing. The success of raising such funds cannot be assured. Factors that could affect the availability of financing include the Company's performance, the state of international debt and equity markets, investor perceptions and expectations, the retention of key executive management and the state of global financial and metals markets. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate, and these adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Auditing Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board. These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual financial statements for the year ended March 31, 2018. The accounting policies followed in these condensed interim financial statements are the same as those applied in note 3 of the Company's audited annual financial statements for the year ended March 31, 2018.

These financial statements were approved by the board of directors on November 22, 2018.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New relevant IFRS pronouncements that have been issued but are not yet effective are listed below. We plan to apply the new standard or interpretation in the annual period for which it is first required.

IFRS 9 – Financial instruments

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on the measurement of financial liabilities and de-recognition of financial instruments. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has assessed this standard as currently having no impact to the financial statements beyond what may exist for the Company's convertible debentures.

IFRS 16 – *Leases*

In January 2016, the IASB issued IFRS 16 – Leases which replaces International Accounting Standard 17 – Leases and its associated interpretive guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company has assessed this standard as currently having no impact to the Company's financial statements.

4. MINERAL PROPERTIES - UNGAVA BAY

a) Acquisition costs

	Six months ended September 30, 2018	Year ended March 31, 2018
Acquisition Costs - beginning of period	**$ 19,099,787**	$ 18,895,230
Additions during the period		
Additional advance royalty payable	**-**	81,919
Accretion of advance royalty payable	**65,253**	122,638
Acquisition Costs - end of period	**$ 19,165,040**	$ 19,099,787

b) Exploration costs

	Six months ended September 30, 2018	Year ended March 31, 2018
Cumulative exploration costs - beginning of period	**$ 23,225,858**	$ 23,079,218
Expenditures during the period		
Permitting & claims	**63,785**	47,742
Fieldwork & geology	**-**	8,421
Consultants	**-**	600
Equipment, supplies & rentals	**3,041**	8,646
Office and accomodation	**5,052**	79,333
Transportation	**-**	1,898
Exploration expenditures for the period	**71,878**	146,640
Cumulative exploration costs - end of period	**$ 23,297,736**	**$ 23,225,858**
Grand total - mineral properties	**$ 42,462,776**	$ 42,325,645

Under the terms of the acquisition of the Property, the Company must pay advance net smelter return ("NSR") payments of $200,000 per year until the commencement of commercial production. The aggregate advance NSR payments will then be credited against all future NSR payments payable from production. The advance NSR payments included in the purchase price represent the present value of advance payments to the royalty holders until the estimated date of commencement of commercial production.

154619 Canada Inc. is a corporation controlled by Mr. Peter Ferderber, who assigned his original 1% NSR to the numbered company in 2012. The remaining 1% NSR advance royalty payment is due to SPG Royalties Inc. ("SPG"), the assignee of the late Mr. John Patrick Sheridan.

The Company discounted the advance NSR payments using a discount rate of 20%, representing the estimated rate of return of similar investments. The advance royalty liability will be accreted up to the date of ultimate NSR advance payment, resulting in an increase to mineral property acquisition costs and the advance royalty payable.

4. MINERAL PROPERTIES - UNGAVA BAY (continued)

b) Exploration costs (continued)

The total estimated future undiscounted NSR payment as at September 30, 2018 is $1,100,000 (March 31, 2018: $1,100,000) (Note 7). For the three and six months ended September 30, 2018, accretion of the advance royalty payable totaled $33,435 and $65,253, respectively (September 30, 2017 - $33,192 and $64,778, respectively). At September 30, 2018, the total advance royalty payable was $791,116 (March 31, 2018: $725,863), with $296,721 (March 31, 2018: $278,148) recognized as a current liability and $494,395 recognized as a long-term liability (March 31, 2018: $447,715).

On November 20, 2017, the Company signed an amending agreement with 154619 Canada Inc., whereby the annual advance royalty payment of $100,000, originally due on November 30, 2017, was deferred for a period of one year. On November 30, 2018, the Company will have the option to settle the advance royalty payment by cash payment or by way of issuance of Common Shares of the Company.

5. CONVERTIBLE DEBENTURES

	Convertible debenture - 2017 Debentures (a)	Convertible Debenture - Sino-Canada Debentures (b)	Total
Opening balance - April 1, 2017	$ -	$ 1,862,062	$ 1,862,062
Cash received	810,000	-	**810,000**
Transaction costs allocated	(25,440)	-	**(25,440)**
Interest expense and accretion	52,611	253,990	**306,601**
Amortization of transaction costs	1,613	-	**1,613**
Interest payments	(35,321)	(90,723)	**(126,044)**
Settlement of convertible debenture	-	(2,025,329)	**(2,025,329)**
Unrealized (gain) loss due to fair value adjustment on derivative liability	380,818	-	**380,818**
Balance - March 31, 2018	**$ 1,184,281**	**$ -**	**$ 1,184,281**
Interest expense and accretion	54,459	-	**54,459**
Amortization of transaction costs	1,612	-	**1,612**
Interest payments	(34,426)	-	**(34,426)**
Partial settlement of convertible debenture	(51,772)	-	**-**
Unrealized (gain) loss due to fair value adjustment on derivative liability	(317,820)	-	**(317,820)**
Balance - September 30, 2018	**$ 836,334**	**$ -**	**$ 888,106**

a) 2017 Debentures

On September 26, 2017, the Company completed a non-brokered financing of $810,000 by way of issuance of convertible debentures (the “2017 Debentures”). The 2017 Debentures carry an interest rate of 8.5%, payable quarterly, with a maturity date of September 26, 2022.

5. CONVERTIBLE DEBENTURES *(continued)*

a) 2017 Debentures (continued)

The principal amount of the 2017 Debentures are convertible at any time at the election of the Company. The 2017 Debentures are convertible into Units, whereby each Unit consists of one common share of the Company and one share purchase warrant of the Company. The conversion price during the first year of the 2017 Debentures is $0.08 per Unit, increasing to $0.10 per Unit for the remainder of the life of the 2017 Debentures. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per common share, expiring September 26, 2022. The 2017 Debentures are secured against the assets of the Company.

As the conversion option contains both a common share and a warrant, IFRS does not allow the conversion feature to be accounted for as equity, but rather, IFRS requires this conversion option to be treated as a derivative liability and fair valued each reporting period, creating an accounting unrealized gain or loss. As a result of the application of this standard, the Company is required to recognize the convertible debentures as having two separate liability components. Firstly, the Units which are recognized as a derivative liability and fair valued each reporting period, and secondly the convertible debenture liability, which is fair valued at the time of issue, and then accreted to the face value over the life of the convertible debentures.

In September 2018, there was a partial conversion of the 2017 Debentures, whereby one of the holders converted $50,000 convertible debentures into Units comprising 625,000 common shares and 625,000 warrants. The share capital was valued as $31,250 using the closing stock price of the Company on the conversion date, with the residual amount of $18,750 allocated to the warrants and recognized in contributed surplus. The remaining principle balance outstanding on the convertible debentures at September 30, 2018 was $760,000.

Interest and accretion expense on the convertible debenture liability for the three and six months ended September 30, 2018 was $27,428 and $54,459, respectively (September 30, 2017 - $nil). The unrealized gain/loss recognized on the Units for the three and six months ended September 30, 2018 was $700 and $317,820 (September 30, 2017 - $nil).

b) Sino-Canada Debentures

On November 23, 2017 the Company settled the remaining principal amount of the Sino-Canada Debentures of $2,025,329 plus accrued and unpaid interest up to the maturity date of $17,798 through the issuance of 16,734,703 common shares of the Company. The conversion price used to determine the common shares issued to Sino-Canada Debenture holders was based on the volume weighted average share price during the 20 trading days ending on the day before the Company provided notice of its intent to repay the Sino-Canada Debentures in common shares of the Company, being November 17, 2017.

6. SHARE CAPITAL

a) Share Capital

Unlimited common and preferred shares without par value

b) Restricted Share Units ("RSUs")

A summary of the changes in RSUs is as follows:

	Number of RSUs
Balance - March 31, 2017	766,665
Granted	-
Settled	(300,000)
Forfeited	(33,333)
RSUs outstanding - March 31, 2018 and September 30, 2018	433,332

RSU expense for the three and six months ended September 30, 2018 was $nil (September 30, 2017: $3,958 and $15,417, respectively).

c) Stock options

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

	Options		Weighted average
Options outstanding - March 31, 2017	4,955,950	$	0.19
Fofeited	(581,667)		0.25
Options outstanding - March 31, 2018	4,374,283		0.19
Forfeited	(998,333)		0.19
Options outstanding and exerciseable - September 30, 2018	**3,375,950**	**$**	**0.19**

Total share-based payments recognized during the three and six months ended September 30, 2018 was $nil (September 30, 2017 - $39,947 and $100,223, respectively).

6. SHARE CAPITAL (continued)

c) Stock options (continued)

The following table summarizes information about stock options outstanding at September 30, 2018:

Number of Options outstanding	Exercise Price CAD	Expiry Date
392,350	0.20	November 30, 2020
250,000	0.20	January 5, 2021
30,000	0.20	January 11, 2021
10,000	0.20	April 5, 2021
110,600	0.20	May 18, 2021
205,000	0.20	December 16, 2021
183,000	0.20	January 18, 2023
765,000	0.155	November 25, 2024
25,000	0.155	December 15, 2024
570,000	0.15	December 2, 2025
835,000	0.25	January 20, 2027
3,375,950		

d) Share purchase warrants

As at September 30, 2018 the Company had a total of 625,000 share purchase warrants outstanding with an exercise price of $0.10, expiring on September 26, 2022.

A summary of the changes in the share purchase warrants is as follows:

	Number	Weighted average exercise price
Balance - March 31, 2017	20,173,750	0.30
Expired	(15,248,750)	0.30
Balance March 31, 2018	4,925,000	0.30
Expired	(4,925,000)	0.30
Issued	625,000	0.10
Balance - September 30, 2018	**625,000**	**$ 0.10**

7. COMMITMENTS

Effective March 1, 2011 (amended on January 1, 2017) the Company entered into an agreement with an affiliated company, with a director and officer in common, in respect of shared lease, overhead and service costs. Under the agreement, the Company is billed quarterly for office rental and other services relating to its office in Vancouver. The agreement expires on December 31, 2019. Either party may terminate the agreement by providing 90 days' notice.

As part of the acquisition of the Ungava Bay mineral properties, commencing on November 30, 2011, Oceanic must pay advance net smelter royalty ("NSR") payments of $200,000 per year, which will be credited against all future NSR payments payable from production (Note 4b).

The committed charges for the Company are as follows:

September 30	**Vancouver office rent**	**NSR payments**	**Total commitments**
2019	34,496	300,000	334,496
2020	8,624	200,000	208,624
Thereafter	-	600,000	600,000
	$ 43,121	$ 1,100,000	$ 1,143,121

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

a) Key Management Compensation

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

	Three months ended September 30, 2018	Three months ended September 30, 2017	**Six months ended September 30, 2018**	Six months ended September 30, 2017
Wages and benefits	**15,000**	$ 15,000	**30,000**	75,208
Directors' fees	**7,500**	5,000	**12,500**	12,500
Share-based payments	**-**	41,431	**-**	99,635
	$ 22,500	$ 61,431	**$ 42,500**	$ 187,343

b) Payments for services by related parties

During three and six months ended September 30, 2018, the Company incurred corporate consulting fees of $28,750 and $57,500, respectively (September 30, 2017: $28,750 and $57,500), to Sirocco Advisory Services Ltd., a company controlled by a director and officer of the Company. As at September 30, 2018, the Company owed $125,062 to Sirocco relating to unpaid consulting fees (March 31, 2018: $67,563).

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

b) Payments for services by related parties (continued)

During the three and six months ended September 30, 2018, the Company incurred corporate consulting fees of $15,000 and $30,000, respectively (September 30, 2017: $15,000 and $30,000, respectively) to Sinocan Consultant Hong Kong Ltd., a company controlled by an officer of the Company.

As at September 30, 2018, the Company owed $27,500 in directors' fees to certain directors of the Company (March 31, 2018 - $17,500). As at September 30, 2018, the Company owed unpaid salaries and benefits of $66,104 to an officer of the Company (March 31, 2018 - $35,000).

As disclosed in Note 7, the Company is charged shared lease, overhead, and service costs by Atlantic Gold Corporation, a company with a director and officer in common. For the three and six months ended September 30, 2018, the Company incurred $18,499 and $39,709, respectively (September 30, 2017: $18,844 and $38,095, respectively) in shared lease, overhead, and service costs. As at September 30, 2018, the Company owed $41,695 to Atlantic Gold Corporation (March 31, 2018: $68,772). Refer to Note 7 for a listing of future commitments in respect of such lease costs.

In September 2017, the Company completed a non-brokered financing by way of issuance of convertible debentures, whereby $105,000 of the debentures are held by directors and officers of the Company (refer to Note 5b for terms of the convertible debentures). The convertible debentures are secured against the assets of the Company.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 and cash equivalents, accrued interest receivable, restricted cash, accounts payable, accrued liabilities, due to related parties and convertible debenture liability approximate their fair values due to their short-term nature.

The Company's investment policy is to limit investments to guaranteed investment certificates, banker's acceptance notes, investment savings accounts or money market funds with high quality.

10. SUBSEQUENT EVENTS

In November 2018, the Company announced a non-brokered financing in an aggregate amount of up to $1,800,000 through the issuance of convertible debentures which will earn interest at a rate of 8.5% per annum over a 60-month term. As at the date of this report, this financing has yet to be completed.