Background

This Management Discussion and Analysis (MD&A) of Oceanus Resources Corporation (Oceanus or the Corporation) is dated August 28, 2014 and provides an analysis of the financial operating results for the three month periods ended June 30, 2014 and June 30, 2013. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the years ended March 31, 2014 and March 31, 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for financial statements. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases, the Filing Statement and technical report referenced herein, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Corporation's name.

The common shares of Oceanus are traded on the TSX Venture Exchange under the symbol **OCN**. Additional information can be found on the Corporation's website at **www.oceanusresources.ca**.

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements or information (collectively "forward-looking statements"). The Corporation is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Corporation has assumed that the risks listed below will not adversely impact the business of the Corporation.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Corporation, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Corporation.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Corporation or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risks and Uncertainties".

Company Overview

Oceanus was incorporated on June 14, 2010 under the Canada Business Corporations Act (CBCA). The registered office of the Corporation is located at Suite 2108, Purdy's Tower Two, 1969 Upper Water Street, Halifax, Nova Scotia B3J 3R7. The Corporation completed a $500,000 Initial Public Offering ("IPO") in December 2010 with

5,000,000 shares being issued at a price of $0.10 per share. The common shares of Oceanus commenced trading on the TSX Venture Exchange ("Exchange") on December 17, 2010.

Oceanus was established as a "Capital Pool Company" ("CPC") and accordingly the principal focus of the Corporation during 2010 and 2011 was the completion of a "Qualifying Transaction". Qualifying Transaction means a transaction where a CPC acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means. Any Qualifying Transaction must be approved by the Exchange, and in the case of a Non-Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval, in accordance with the CPC Policy.

Oceanus entered into a definitive asset purchase agreement dated July 15, 2011 for the arm's length acquisition of the Lac Mégantic Gold- Base Metal Property (the "Transaction"). The Lac Mégantic Property is located about 70 kilometers southeast of the mining town of Thetford Mines and 210 kilometers east of Montreal in the Eastern Townships of the Province of Quebec. At time of acquisition the Property comprised 622 claims covering approximately 36,651 ha or 366.5 km^2.

The Transaction was completed on October 24, 2011 with Oceanus acquiring the Lac Mégantic Property in consideration for the issuance of 1,000,000 Oceanus common shares to the vendors and payment of $162,500. The vendors retained a net smelter royalty ("NSR") of 2%. Oceanus may at any time purchase one-half of the NSR for $1,000,000. Oceanus also paid a finder's fee of 125,000 of its common shares in connection with the acquisition.

The acquisition of the Lac Mégantic Property was approved by the TSX Venture Exchange as being the Corporation's Qualifying Transaction. Concurrently, the Corporation completed a private placement of flow-through common shares priced at $0.40 for gross proceeds of $500,000. The flow-through common shares entitle the purchasers to certain benefits under the Income Tax Act.

Trading of the common shares of Oceanus on the Exchange was halted from March 29, 2011, the date on which the Corporation press released its Qualifying Transaction. Trading of the common shares of Oceanus resumed on the TSX Venture Exchange on November 1, 2011 under the symbol "OCN".

On April 25, 2012 the Corporation completed a non-brokered private placement financing issuing a total of one million common shares at a price of $0.25 per share for gross proceeds of $250,000.

On October 24, 2012 the Corporation entered into a binding letter of intent to acquire all of the issued and outstanding securities of Lunar Gold Holdings Incorporated ("LGH"), a Canadian company, in consideration of the issuance of 11 million common shares of Oceanus ("LGH Acquisition"). LGH and LGH's wholly owned Canadian subsidiary, LGHI Holdings Incorporated ("LGHI"), together own 100% of Minera Pueblo de Oro S.A. de C.V., a Mexican company, ("MPO"). MPO is a party to three option agreements under which it can earn a 100-per-cent interest in twelve (12) Mexican mining concession titles, collectively known as the La Lajita Property, covering approximately 3,200 hectares in Durango, Mexico. Pursuant to Exchange Policy 5.3 trading of Oceanus's stock was halted on October 24, 2012 and remained halted until completion of the transaction.

On March 13, 2013 Oceanus completed the LGH Acquisition together with a private placement financing pursuant to which the Corporation issued 8,846,141 common shares at a price of $0.26 per share for gross proceeds of $2.3 million. Trading of Oceanus' common shares resumed on March 15, 2013.

On March 7, 2014 the Corporation completed a non-brokered private placement financing issued 6,003,622 common shares at a price of $0.22 per share for gross proceeds of $1.3-million.

On July 25, 2014 the Corporation completed a non-brokered private placement financing issued 8,000,000 common shares at a price of $0.35 per share for gross proceeds of $2.8 million. The net proceeds from the financing will be used for continuing exploration of the La Lajita gold property and for general working capital.

La Lajita Property, Mexico

The La Lajita Property comprises 12 mining concessions located in the south-west corner of Durango State, Mexico, along the western flanks of the Sierra Madre Occidental, in one of the largest volcanic belts in the world. This area is recognized as an extremely prospective mineral belt for gold and silver deposits. Furthermore, this area is a virgin district having never been discovered or worked by the Spanish and there are no historic mining records. There are numerous pits, adits and small shafts that have been developed by local gambusinos during the 1900's, and the locals continue to mine in the area to this day.

The property is underlain by volcanic sequences and intrusive rocks disrupted by faulting. Gold and silver mineralization is found in a number of locations along the northwest trending La Lajita and La Lajita East structures over a strike length of 2 km. Small scale mining by pick and shovel is the oldest known work on the property and dates back approximately 50 years. Gold is hand panned after pulverization of the material mined from five areas on the property. The most significant mining took place at Mina la Guadalupe where the underground workings have followed the mineralization along strike for a distance of 150 metres.

During 2003 and 2004, certain of these mining concessions were the focus of an exploration program by International Northair Mines Ltd. ("Northair"). Geologic mapping, rock sampling and other field investigations by Northair led to the discovery of several significant gold and silver mineralized zones, and there remains potential for additional discoveries both parallel to and along strike. Mineralization generally occurs as veins, stockwork and breccia zones along and adjacent to fault zones. The presence of relatively minor amounts of sulphide minerals along with hematite (locally as specularite) within these alteration zones indicates association with a low-sulfidation type epithermal system. Visible gold is present within siliceous quartz and hematite breccia hosted by maroon colored andesitic pyroclastic host rocks. Drilling completed by Northair indicates that gold and silver mineralized zones extend at least 100 meters from surface with true widths up to 12 meters. Wider zones of high grade gold and silver mineralization may also occur in areas influenced by structural intersections.

The most significant mineralization found on the property consists of five zones hosted by the La Lajita fault. From north to south these are the La Esperanza, El Tesoro, Santo Nino, Dos Hermanos and La Lajita Zones. Three other zones are located along a secondary fault, La Lajita East, that parallels the La Lajita fault, and are known as the La Guadalupe, Los Ratones and the Cerro de Sol Zones. The initial 2013 exploration program consisted of continued geological mapping, prospecting and sampling of these zones and their immediate extensions along strike. Additionally, in April 2013 Oceanus contracted a helicopter-borne magnetics and radiometric survey to be flown over the property to assist with the geological interpretation of the intrusive rocks and structures.

Results from the initial sampling program are detailed in the Oceanus news releases dated May 8, May 29, June 12 and August 22, 2013. Highlighted assay results include the following;

La Guadalupe Zone

- 13.7 g/t gold and 71.5 g/t silver over a length of 8 meters from underground channel SPML-033
- 11.0 g/t gold and 65.1 g/t silver over a length of 13.5 meters from underground channel SPML-023

Dos Hermanos Zone

- 9.55 g/t gold and 108.5 g/t silver over a length of 15 meters from surface channel SPML-001
- 10.3 g/t gold and 87.6 g/t silver over a length of 10 meters from underground channel SPML-040

Santo Nino Zone

- 10.64 g/t gold and 41.0 g/t silver over a length of 10 meters from underground channel SPML-015
- 3.46 g/t gold and 42.3 g/t silver over a length of 16 meters from surface channel SPML-016

La Fortuna Zone

- 8.53 g/t gold and 31.7 g/t silver over a length of 12 meters from channel sample OLL-011
- 5.41 g/t gold and 113.0 g/t silver over a length of 6 meters from channel sample OLL-108

At the La Lajita Property epithermal, low sulphidation gold and silver associated with hematite and silica alteration is hosted along NNW-SSW trending fault/breccia structures cutting tuffs and ignimbrites of the Upper Volcanic Series over a strike length of 3 kilometers. The mineralization is exposed on surface, in small scale workings and in the underground development and stopes at the Mina la Guadalupe deposit. Mapping and sampling of the underground workings at the Mina la Guadalupe has confirmed the relationship between high grade gold and silver mineralization associated with green quartz veins along the hanging wall side of the fault breccia and the overall dip of the structure.

In light of these encouraging results, MPO contracted SPM Perforacion of Hermosillo, Mexico to carry out a 1,000 meter diamond drilling program. The program commenced in June 2013 with the objective of establishing the depth to the contact with andesitic rocks of the Lower Volcanic Complex. The majority of the large multi-million ounce gold and silver deposits in the Sierra Madre i.e. Ocampo, Pinos Altos, Tayoltita occur at or below this contact.

On September 24, 2013 Oceanus press released that diamond drilling had intersected high-grade gold and silver mineralization at both the Santo Nino and Dos Hermanos gold-silver. Significant assay results are detailed in the following table.

2013 La Lajita Diamond Drill Hole Intersections								
Target	**DDH #**	**Comment**	**From (m)**	**To (m)**	**Length* (m)**	**Au (g/t)**	**Ag (g/t)**	**EqAu50** (g/t)**
Dos Hermanos	OCN-13-001		47.3	57.4	10.1	1.82	70.7	3.23
		including	49.4	56.3	6.9	2.59	94.1	4.47
Dos Hermanos	**OCN-13-002**		49.6	64.0	14.4	1.70	62.9	2.96
		including	**51.6**	**53.3**	**1.7**	**10.17**	**143.0**	**13.03**
Dos Hermanos	OCN-13-003		65.6	92.6	27.0	0.48	22.7	0.94
		including	66.3	69.3	3.0	2.58	46.8	3.52
Santo Nino	OCN-13-004		57.8	76.5	18.8	0.58	10.3	0.78
		including	57.8	59.5	1.8	3.29	25.9	3.81
Santo Nino	**OCN-13-005**		**66.6**	**86.6**	**20.0**	**7.09**	**48.8**	**8.07**
		including	**70.6**	**77.1**	**6.5**	**18.87**	**71.3**	**20.30**
Dos Hermanos	OCN-13-007		246.1	247.8	1.7	3.98	97.7	5.93

MPO commenced a Phase II diamond drilling program at La Lajita in late May 2014. The 2014 diamond drilling program will focus on the high-grade Santa Nino zone and the Dos Hermanos zone, both of which returned excellent results from the first round of drilling in 2013. The objective of the Phase II program is to test the down-dip extension of the "clavos" at both the Santa Nino and Dos Hermanos zones. On July 2, 2014 the Corporation press released that it had completed the first six drill holes at La Lajita.

MPO is party to three separate option agreements covering the twelve mining concessions. The terms of the three option agreements are summarized below.

Ten of the mining concessions are subject to an option agreement dated October 4, 2012 that provides for aggregate cash option payments aggregating US$2,000,000. The remaining cash option payments are as follows:

- On or before October 4, 2014 US$200,000
- On or before October 4, 2015 US$300,000
- On or before October 4, 2016 US$300,000
- On or before October 4, 2017 US$500,000
- On or before October 4, 3018 US$500,000

The option agreement also provides for minimum optional exploration expenditures of US$150,000 in each of the first four years of the agreement. To the extent that MPO incurs exploration expenditures greater than US$150,000 in a given year, the excess amount may be carried forward and applied against the required expenditure amount of the following year.

In the event MPO establishes mineral production on any of the ten concessions it is obligated to pay the Optionors a 2% net smelter return if gold is valued at or less than $1,000 per ounce or a 2.5% net smelter return if gold is valued at greater than $1,000 per ounce at the time of production. MPO has the option to purchase 50% of the net smelter return for a cash payment of US$1,500,000.

One of the mining concessions is subject to an option agreement dated October 4, 2012, as amended May 9, 2013 and December 19, 2013, that provides for aggregate cash option payments of US$150,000. As at June 30, 2014, the cash option payments had been fully paid.

In the event MPO establishes mineral production on this mining concession it is obligated to pay the Optionors a 2% net smelter return if gold is valued at or less than $1,000 per ounce or a 2.5% net smelter return if gold is valued at greater than $1,000 per ounce at the time of production. MPO has the option to purchase 50% of the net smelter return for a cash payment of US$200,000.

One of the mining concessions is subject to an option agreement dated October 15, 2012 that is for a term of 10 years and provides for monthly cash option payments of Mexican Pesos 15,000. In the event MPO establishes mineral production on this mining concession, the monthly cash option payment increases to Mexican Pesos 20,000.

Lac Mégantic Property, Canada

During the year ended March 31, 2012 the Corporation carried out an initial exploration program consisting of sampling and assaying of approximately 1,100 surface rock samples taken from across the Property. Exploration expenditures for the period aggregated $265,922. Acquisition costs including non-cash expenditures associated with commitments settled with the issuance of common shares aggregated $581,516.

During April 2012, the Corporation reduced the size of the Lac Mégantic claim holdings from 622 claims to 268 claims. Management recorded a write-down of $190,000 for the year ended March 31, 2012 related to the claims not renewed. A further 62 claims outside of the area of interest were allowed to lapse during the balance of calendar 2012.

During the year ended March 31, 2013 the Corporation expended $258,763 on exploration expenditures and renewal fees. The exploration expenditures were focused on further delineating the three known bedrock gold showings; the Marston, Marston-Piopolus and Marsboro showings. This work included line cutting, ground geophysics, soil sampling and trenching with the objective of identifying targets for follow-up diamond drilling. Continued prospecting along the Clinton volcano-sedimentary belt for base metals including copper, lead and zinc was also completed. The Clinton Belt is located on the southern boundary of the Lac Megantic claim block along the border with Maine, U.S.A. The Clinton Belt is host to a number of massive sulphide deposits and is receiving a renewed exploration focus by the junior explorers including Fancamp Exploration (TSXV:FNC).

The Corporation incurred expenditures of $1,815 on the Lac Megantic Property during the year ended March 31, 2014. During fiscal 2014 the Company's exploration focus shifted wholly to the La Lajita Property. Given the Corporation has no intentions of incurring further exploration expenditures on the Lac Megantic Property, the carrying value of the property was written down to $nil in the fourth quarter of fiscal 2014.

Qualified Person

David Duncan, P. Geo., a qualified person as defined by National Instrument 43-101, has reviewed and approved the information provided in this Management and Analysis for the three month period ended June 30, 2014.

Selected Financial Information

Oceanus' consolidated net loss was $462,413 ($0.01 per share) for the three month period ended June 30, 2014, $1,910,207 ($0.05 per share) for the year ended March 31, 2014 and $599,882 ($0.04 per share) for the year ended March 31, 2013. For the year ended March 31, 2014 the Corporation recorded a write-down of its Lac Megantic resource property in the amount of $0.9 million or $0.025 per share.

The following table contains selected financial information for the three month period ended June 30, 2014 and the years ended March 31, 2014 and March 31, 2013.

	3 months ended June 30, 3014	Year ended March 31, 2014	Year ended March 31, 2013
Revenue	$ -	$ -	$ -
Net loss and comprehensive loss	$ 462,413	$ 1,910,207	$ 599,882
Total assets	$ 6,034,314	$ 5,815,527	$ 5,827,392
Working capital	$ 419,108	$ 1,249,637	$ 1,738,784
Shareholder equity	$ 5,694,154	$ 5,639,267	$ 5,578,800
Loss per share	$ 0.01	$ 0.05	$ 0.04

Results of Operations – Three Months Ended June 30, 2014

For the three month period ended June 30, 2014 the Corporation incurred a net loss of $462,413 as compared to a net loss of $348,430 for the three month period ended June 30, 2013.

The expenses and income incurred during the three month periods ended June 30, 2014 and June 30, 2013 are detailed in the following table.

	3 months ended June 30, 2014	**3 months ended June 30, 2013**
Dues and fees	$ 8,738	$ 6,461
Foreign exchange loss	$ (14,481)	$ 18,593
Insurance	$ 10,725	$ 10,488
Office	$ 7,432	$ 8,869
Professional fees	$ 100,876	$ 23,293
Shareholder communication	$ 11,743	$ 35,416
Stock-based compensation	$ 189,000	$ 181,000
Travel	$ 8,819	$ 14,457
Wages and benefits	$ 141,113	$ 54,128
Total operating expenses	$ 463,965	$ 352,705
Interest income	$ (1,552)	$ (4,275)
Net loss for the period	$ 462,413	$348,430

For the three month period ended June 30, 2014 the Corporation incurred a net foreign exchange gain of $14,481, compared to a net foreign exchange loss of $18,593 in the prior year comparable period, related to the funding of its exploration activities in Mexico. The Mexican resource property expenditures are predominantly denominated in US dollars and the Corporation's reporting currency is Canadian dollars, consequently foreign exchange gains and losses result with changes in the US dollar/Canadian exchange rate.

Professional fees increased significantly during the three month period ended June 30, 2014 compared to the prior year comparable period as a consequence of increased corporate activity resulting from the acquisition and ensuing exploration of the La Lajita Property. Professional fees increased from $23,293 to $100,876.

For the three month period ended June 30, 2014 the Corporation recorded non-cash stock-based compensation expense of $189,000 compared to $181,000 for the prior year comparable period. In determining the stock-based compensation expense, the fair value of stock options issued is estimated using the Black-Scholes option pricing model.

For the three month period ended June 30, 2014 the Corporation recorded wages and benefits expense of $141,113 compared to $54,128 for the prior year comparable period. The increase is mostly attributable to the declaration of bonus payments to the Chief Executive Officer and the Chief Financial Officer aggregating $80,000.

Summary of Quarterly Results

The following table table contains selected financial information for the Corporation for the past eight quarterly periods.

	Revenue	Net loss and comprehensive loss	Total assets	Working capital	Shareholder equity	Loss per Share
June 30, 2012	Nil	$ 153,636	$1,092,686	$ 357,553	$1,006,315	$0.02
September 30, 2012	Nil	$ 109,083	$1,030,706	$ 22,498	$ 897,232	$0.01
December 31, 2012	Nil	$ 177,404	$ 972,331	($ 157,124)	$ 759,077	$0.02
March 31, 2013	Nil	$ 159,759	$5,827,392	$1,738,784	$5,578,800	$0.01
June 30, 2013	Nil	$ 348,430	$5,713,007	$1,037,524	$5,542,406	$0.01
September 30, 2013	Nil	$ 134,705	$5,617,206	$ 440,300	$5,407,702	$0.004
December 31, 2013	Nil	$ 315,235	$5,462,476	$ 206,339	$5,288,466	$0.01
March 31, 2014	Nil	$1,111,837	$5,815,527	$1,249,637	$5,639,267	$0.05
June 30, 2014	Nil	$ 462,413	$6,034,314	$ 419,108	$5,694,154	$0.01

Liquidity and Capital Resources

As at June 30, 2014 the Corporation reported cash and cash equivalents of $320,754, total current assets of $759,268 and working capital of $419,108.

The Corporation finances its operations through the issuance of equity securities. The Company is dependent on raising additional funding through the issuance of equity securities in order to fund future exploration programs and to meet its ongoing general and administrative requirements and while management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future. The reader should refer to the "Going Concern" disclosure in the Risks and Uncertainties section of this MD&A.

On July 25, 2014 the Corporation completed a non-brokered private placement financing issued 8,000,000 common shares at a price of $0.35 per share for gross proceeds of $2.8 million.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Related Party Transactions

All transactions with related parties are in the normal course of business.

Legal services were provided during the three month period ended June 30, 2014 period by a firm of which an officer of the Company is the sole lawyer practitioner. The cost of these legal services during the period was $142,780 (2013 - $16,750) of which $92,780 was recorded to professional fees expense and $50,000 to deferred share issue costs.

A non-executive director of the Company provided geological consulting services aggregating $18,000 (2013 - $27,000) during the three month period ended June 30, 2014. These costs were charged to resource properties.

The Company incurred office rent expenses of $900 during the three month period ended June 30, 2014 (2013 - $900) relating to the rental of an office from a non-executive director of the Company.

During the three month period ended June 30, 2014, the Company settled $140,000 of accounts payable that were due to the Chief Executive Officer, Chief Financial Officer, a company owned by the Corporate Secretary and a company owned by a non-executive director through the issuance of 424,241 common shares.

Accounting Standards Issued But Not Yet Applied

The Company does not expect to early adopt the following revised standards and amendments. Accordingly, the Company expects to adopt these standards as set forth below.

IFRIC 21, Levies

In May 2013, the IASB issued IFRIC 21, "Levies", an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, "Provisions, contingent liabilities and contingent assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Corporation is currently assessing the impact of adopting IFRIC 21.

IFRS 9, Financial Instruments

IFRS 9, "Financial instruments", introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods.

Requirements for classification and measurement of financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive loss.

IFRS 9 was amended in November 2013 to (i) include guidance on hedge accounting, (ii) allow entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in other comprehensive loss, without having to adopt the remainder of IFRS 9, and (iii) remove the previous mandatory effective date for adoption of January 1, 2015, although the standard is available for early adoption. The Corporation is currently assessing the impact of adopting IFRS 9.

IAS 32, Offsetting Financial Assets and Financial Liabilities

IAS 32, "Offsetting Financial Assets and Financial Liabilities", was issued in December 2011 and amends the criterion for an entity being allowed to report financial assets and liabilities on a net basis. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2014, with early adoption permitted. The Corporation has not elected for early adoption of this standard and does not expect there to be any financial impact upon adoption.

Outstanding Share Data

As at June 30, 2014 the Corporation had 43,873,633 common shares issued and outstanding of which 1,050,000 were subject to an escrow agreement. Pursuant to the terms of the escrow agreement 1,050,000 shares are released from escrow at six month intervals.

On July 25, 2014 the Corporation completed a non-brokered private placement financing and issued a total of 8,000,000 common shares for gross proceeds of $2.8 million. As at August 28, 2014 the Corporation had 51,873,633 common shares issued and outstanding.

As at June 30, 2014 the Corporation had outstanding 4,235,000 stock options of which 1,000,000 were granted to directors and officers having an exercise price of $0.10 per share and expire on December 13, 2020, 420,000 were granted to directors, officers and an employee having an exercise price of $0.20 per share and expire on May 18, 2022, 1,270,000 were granted officers, directors, employees and consultants having an exercise price of $0.20 per share and expire on May 16, 2023, 795,000 were granted to officers, directors, employees and consultants having an exercise price of $0.25 per share and expire on October 7, 2023, 700,000 were granted to directors, officers and consultants having an exercise price of $0.43 per share and expire on May 30, 2024 and 50,000 were granted to an investor relations consultant having an exercise price of $0.44 per share, a vesting date of September 1, 2014 and expire on June 9, 2019.

As at June 30, 2014 the Corporation also had outstanding 33,370 broker warrants which were issued in connection with the March 2014 private placement financing. The warrants have an exercise price of $0.30 per share and expire on March 7, 2015.

In connection with the July 2014 private placement financing, the Corporation issued 42,861 finder's warrants. Each finder's warrant is exercisable into one common share of the Corporation at $0.40 per share and expire on July 25, 2015.

The fully diluted number of common shares of the Corporation as at June 30, 2014 was 47,392,003 and at August 28, 2014 was 56,184,864.

Risks and Uncertainties

The following are certain factors relating to the business of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the operations of the Corporation. If any such risks actually occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its growth plans could be adversely affected.

The following is a description of certain risks and uncertainties that may affect the business of the Corporation.

Going concern

The Corporation's ability to continue as a going concern is dependent on its ability to successfully identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. The Corporation will actively seek financing from time to time to finance its operations; however, the availability, amount and timing of this financing is not certain at this time.

Capital Requirements, Liquidity and Dilution to Shareholders

Additional funds for the establishment of the Corporation's current and planned mining operations will be required. No assurances can be given that the Corporation will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Corporation may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Corporation or at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Limited Operating History

The Corporation is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Corporation was incorporated on June 14, 2010 and has yet to generate a profit from its activities. The Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Corporation anticipates that it may take several years to achieve positive cash flow from operations.

Competition

The Corporation will compete with many exploration companies that may have substantially greater financial and technical resources than the Corporation, as well as, for the recruitment and retention of qualified personnel.

Reliance on Key Individuals

The Corporation's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in its growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Corporation.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its exploration properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that Oceanus does not have title to its exploration properties could cause the Corporation to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Other Information

Additional information regarding the Corporation is available on SEDAR at www.sedar.com.