# OCEANIC WIND ENERGY INC.

(A Development Stage Company)

## Management's Discussion & Analysis
## For the quarter ended June 30, 2020

Containing information up to and including August 10, 2020

***Note: Pursuant to a resolution passed by shareholders at the Company's May 15, 2020 Annual General and Special Meeting, the Company has changed its name. Effective May 28, 2020, the Company name has change to Oceanic Wind Energy Inc. The trading symbol "NKW" on the TSX-V exchange has remained the same.***

This Management's Discussion and Analysis ("MD&A") reviews the activities of Oceanic Wind Energy Inc., (the "Company" or "Oceanic") and its wholly owned subsidiary NaiKun Wind Development Inc. ("Devco"). For a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read together with the Company's condensed consolidated interim financial statements for the nine months ended June 30, 2020 and 2019 and the accompanying notes, and the MD&A for the year ended September 30, 2019. The above-mentioned documents along with additional information and disclosure relating to the Company can be found on SEDAR at www.sedar.com or on the Company's website, www.oceanicwind.ca.

## *Forward-Looking Information and Report Date*

This MD&A contains certain forward-looking information. Investors are cautioned that all information, other than historical facts included herein, including without limitation, data regarding future plans and objectives of the Company, is forward-looking information based on management's expectations, assumptions and estimates. Although the Company believes these underlying estimates and assumptions to be reasonable, they are difficult to predict, and actual results may differ materially from those in the forward-looking statements.

Forward-looking information can be subject to significant risks, uncertainties, estimates and assumptions can prove to be inaccurate. There are many factors that could result in materially different outcomes than the forward-looking information contained herein including, but not limited to, the state of capital and financial markets, the general economy, the political climate, the commodity markets, foreign exchange fluctuations, the energy sector, electricity demand, technology, environmental factors, community relations and First Nations. Investors should be aware that there can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

The information herein is only provided as of the date of this MD&A, August 10, 2020 (the "Report Date").

## *Description and Overview of Business*

Oceanic Wind Energy Inc. is a British Columbia ("BC") based renewable energy company with a current focus on an offshore wind energy project. Headquartered in Vancouver, it is a Tier 2 listed company that trades on the TSX Venture Exchange (TSX-V:NKW). The Company has been exploring how it can advance the project and how it can fit into the provincial government's clean energy plans like CleanBC. On March 27, 2020 the Company signed definitive agreements to sell the development rights to Northland Power Inc., a company with extensive experience in the development of offshore wind projects in Europe and Asia. The details of the definitive agreements can be found on Sedar at www.sedar.com under Oceanic Wind Energy Inc, filed April 20, 2020 under the category Material Document(s). On May 15, 2020, at the Company's Annual General and Special Meeting, the shareholders voted 99% in favour of the sale of the development rights to Northland and in favour of the name change of the company to Oceanic Wind Energy Inc. Upon closing, which is imminent, Northland will have the right to develop the offshore wind project located in Hecate Strait off the north coast of British Columbia (the "Project").

## *Wind Energy Project in Hecate Strait*

The wholly owned subsidiary of Oceanic has applied to renew the investigative use permits ("IUPs") from the Government of British Columbia which provides the Company with the ability to undertake the required studies and scientific investigations necessary to develop wind energy projects within an area in British Columbia's Hecate Strait. The IUPs also include two transmission corridors that would connect the Wind Project to Haida Gwaii and the mainland power grid and includes the license of occupancy for the Met Mast.

The area's wind resource is recognized as one of the best in the world. This is due to the strong, consistent and high wind speeds, with mean annual wind speeds exceeding 10.0 meters/second (rated as a Class 7 resource). The wind is the strongest and most consistent in the fall and winter when electricity demand in BC is the highest. Other characteristics that make Hecate Strait an ideal location for offshore wind projects include its flat sedimentary seabed, relatively shallow waters, access to BC Hydro's power grid, and its proximity to the increasing electricity demand in Northern British Columbia.

The wind energy potential of the area in Hecate Strait is well in excess of 2,000 megawatts ("MW"), enough to power more than 900,000 homes. If an Energy Purchase Agreement (EPA) is acquired, the Project would take approximately three years for finalization of supplier agreements, financial close on debt and equity, and construction.

The development schedules for subsequent phases are also subject to environmental and other approvals, First Nations engagement, and other factors.

In March 2011, Devco received a Federal screening decision from the Canadian Environmental Assessment Agency (CEAA). The decision concluded the harmonized environmental assessment review process and confirmed that the Project, which could be Canada's first offshore wind energy project, can be constructed with no significant adverse environmental, social or health effects. Responsible federal agencies are now authorized to issue the required construction and operating permits, including a Navigable Water Protection Act Approval and Fisheries Act Authorization. This Federal approval was in addition to the Environmental Assessment Certificate issued by the Government of British Columbia in December 2009. The Provincial Environmental Assessment Certificate was extended on December 9, 2014 for a five-year period and expired in December 2019. The first phase of the project and possible future phases have the potential to provide BC with a significant and scalable resource that is complementary to the aims and objectives of the Government in British Columbia.

## *Outlook*

The significant wind energy resource in Northwest BC's Hecate Strait provides an opportunity to supply renewable energy for the increasing requirements in the provinces of BC and Alberta and the western USA. When the Company was unsuccessful in the 2010 Clean Power Call it was determined that the best interest of the shareholders would be served by continuing to advance the wind project, reducing the day to day costs of operating the Company, and continuing to look for partnerships and business opportunities in the renewable energy field. The Company's efforts since that time have seen substantial refinement and development of the project that are associated with the remarkable improvements in offshore wind technology, associated lower costs, and expansion of the industry from a European base with a relatively small number of competitors to a low-cost world-wide industry that continues to see technology improvements and lower costs. The generation costs per megawatt and the energy production of offshore wind have significantly improved over the past few years. Electricity prices in Europe, based on recent projects, are now well below €100/MW. In November 2017, a project was awarded to a large utility in Europe which had an initial price of US$ 53/MW with the long-term levelized price projected at US$ 40/MW. More recently the 800 MW offshore wind project in Massachusetts was awarded to Vineyard Wind LLC and included electricity pricing of US$ 65/MW. These prices make offshore competitive with most long-term energy prices and costs will continue to drop with the advent of larger and more efficient turbines, other improvements in the industry, and supply of major components from Asia. The significant projections for offshore wind development in Asia demonstrate the speed of the world-wide development of offshore wind. Research from global natural resources consultancy Wood Mackenzie indicates Asia-Pacific's offshore wind capacity will rise 20-fold to 43 GW by 2027. Wood Mackenzie project that East Asia needs around US$37 billion in investments to meet the mammoth growth in offshore wind capacity over the next five years. The development of a strong supply chain from Asia will further reduce the costs of offshore wind in BC.

At the same time as the industry has progressed to a low-cost world-wide energy developer, the profile of the Project has changed from a local project in British Columbia to a well-known world ranked wind resource.

### **<u>BC Government Climate Action Plans and Renewable Energy "Road Map"</u>**

In the summer of 2017, the NDP party, with the support of the BC Green Party, formed government in BC. Both parties are strongly committed to a low carbon economy, a renewable energy future for BC, and significant advances in the Province's Climate Change Strategy; all of which bode well for the development of this strong, affordable wind resource.

The wind resource in Hecate Strait is a remarkable utility scale world-class wind resource that can be developed in a relatively brief time frame to meet the power needs in BC, Alberta and the western USA.

Haida Gwaii is the largest land mass in British Columbia that is not connected to the BC Hydro grid. Six communities on Haida Gwaii represent 10% of the communities that are still on diesel generation. The development of the wind development project would include a transmission line that would connect Haida Gwaii with the mainland BC Hydro grid. This would effectively bring cost-effective, reliable, green power to Haida Gwaii which would in turn facilitate the growth of a vibrant on-island renewable energy economy that could augment the forestry, fishery and other development initiatives on Haida Gwaii.

The BC Government policy announcements (Clean BC) make it clear that to achieve the Paris Accord Climate Action objectives and provinces GHG targets, BC must electrify most energy consuming uses and also must convert most carbon-based fuel industries to electricity. Couple these aggressive policy commitments with the likelihood that British Columbia will not build another new Hydro Dam or large gas generation facility, it is clear that future energy supply must come from utility scale renewable resources like the Company's wind project.

## Northwest BC is a Unique Region supplied by a single HVAC Transmission Line

With the growing demand for abundant and affordable electrical energy, there are compelling reasons for the project to proceed to the development stage. The wind resource in Hecate Strait is located in the northwest region of BC, a unique part of the province serviced by one 600km long HVAC transmission line with a finite capacity. Additional electrical power for this part of the province must be provided locally or via a new multi-billion-dollar transmission line that would take up to a decade to approve and complete. Providing electrical power locally is by far the most practical and cost-effective alternative for the fast growing commercial and industrial demand in the region. The Company's wind project is the only large-scale project in the region that can meet the demand for power in the region. It is highly likely all future developments in the NW that require power will depend extensively on renewable power in the region.

## New Partnership Engagement

Since October 2018 the Company has engaged numerous parties to partner in the development of the wind resource in Hecate Strait. To assist with the search for a partner to develop the offshore wind project, the Company engaged the services of PricewaterhouseCoopers (PwC).

On July 8, 2019 the Company signed an indicative agreement with a Northland Power Inc., a major offshore wind development company with worldwide experience and capabilities to develop the wind project in Hecate Strait. On March 27,2020 the companies signed the definitive agreements to sell the development rights to Northland Power Inc. and on May 15, 2020, at the Company's Annual General and Special Meeting, 50% of shareholders were represented and 99% of voted shares were voted in favour of the sale and the company name change to Oceanic Wind Energy Inc.

Upon closing, which is imminent, Northland will have the right to develop the offshore wind project located in Hecate Strait off the north coast of British Columbia (the "Project").

## *Risks and Uncertainties*

The Company's future and growth is dependent on a number of risk factors common to other companies in the renewable energy sector and, wind energy companies. Some factors that may have a material impact on the Company's future include, but are not limited to:

### Electricity Purchase Agreement ("EPA")

A significant milestone and risk factor for the Company is an award of an EPA from BC Hydro or a large industrial user of electricity. With the approved sale of the company, the company is committed to support Northland Power Inc. in its endeavors to develop the project and to assist where needed in demonstrating how the wind energy field will meet the Provincial Governments' clean energy plans (Clean BC). Oceanic is optimistic about the proposed plans of the Provincial and Federal Governments to proceed with a significant renewable energy program in the near future. Given the scale, cost, and availability of the resource and Northland as the developer, the Company is optimistic the first phase of the Company's wind project can become part of these programs in the near future.

However, the Company cannot predict when or if the Project will proceed, or if an EPA will be awarded.

### Capital Resources

Due to the delay in receiving an EPA for the Project, the Company has substantially reduced its activity level and cash expenditures. On November 21, 2018, to provide near term funding, the Company sold its common shares in Barkerville Gold Mine for $111,687 and, on January 24, 2019, entered into a loan agreement with one of the Company's directors to provide financing of $300,000. During the year ended September 30, 2019, 3,651,308 outstanding warrants, that were to expire on September 7, 2019, were repriced from an exercise price of $0.15 per common share to $0.10 per common share with 3,382,937 of such warrants being exercised prior to expiry. Total proceeds of $389,831 was raised from a total of 3,726,386 warrants being exercised. During the three months ending December 31, 2019, $300,750 was raised from the exercise of 2,700,000 options and 250,000 warrants. On January 17, 2020, 2,750,000 warrants were exercised, the proceeds of which were used to repay the Company's short-term loan. During the three months ending June 30, 2020 $113,750 was raised from the exercise of 1,160,526 options. Additionally, the Company secured a loan under the Federal Government Covid-19 relief program in the amount of $40,000.

Prior to executing an EPA, the Company will need to raise additional equity at the Company level to fund the 10% equity position in the project. The availability will be subject to market conditions at the time of any equity financing.

### Contracting Parties

The Company has been engaged in discussions with a number of energy companies with proven capabilities in financing, building, and operating offshore wind projects around the world. To assist in the successful search for a leading partner, the Company retained the services of PricewaterhouseCoopers. On July 8,2019, the Company signed an indicative offer with Northland Power Inc. to develop the wind project in Hecate Strait and on March 27, 2020 the two parties signed definitive agreements to sell the wind development rights to Northland

Power Inc. On May 15, 2020, at the Company's Annual General and Special Meeting, 50% of shareholders were represented and 99% of voted shares were voted in favour of the sale and the name change to Oceanic Wind Energy Inc. The Company's and other parties' ability to fulfill obligations can have a material impact on future success.

**Wind Resource and Weather**

Long-term historical wind data obtained from Environment Canada at or around the site for the Company's Wind Project, along with data received from the Met Mast, indicate this is a world-class, affordable wind resource. However, wind speeds may vary over time and may or may not continue at the historical trend due to changes in weather patterns. The 20 plus years of correlated data indicate the resource may be growing stronger over time, however, this is not assured. During construction, the weather and marine environment at the Project site can cause scheduling delays resulting in cost overruns or a delay in the operation start date. Where possible, the Company would incorporate their extensive experience to manage this risk.

## *Financial Summary*

The following summarizes selected financial information for the three and nine months ended June 30, 2020, and 2019.

| | Three months ended June 30, | | Nine months ended June 30, | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Loss and comprehensive loss | $176,601 | $294,574 | $555,940 | $887,148 |
| Loss per common share | $0.002 | $0.004 | $0.008 | $0.014 |

The following summarizes the total assets and total liabilities as at June 30, 2020 and September 30, 2019, and 2018.

| | June 30, 2020 | September 30, 2019 | September 30, 2018 |
|---|---|---|---|
| Total Assets | $510,350 | $609,440 | $581,696 |
| Total Liabilities | $1,567,027 | $1,832,020 | $1,086,422 |

The loss and the decrease in total assets during the three months ended June 30, 2020 is primarily due to the Company's expenditures on the Project and administration, all of which were expensed in the period incurred.

## *Summary of Quarterly Results*

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters. For more detail information, refer to the consolidated financial statements for the applicable periods.

| Quarter ended | Revenues - $ | Project, general and administrative expenses - $ | Net loss - $ | Basic and diluted loss per share - $ |
|---|---|---|---|---|
| 31-Jun-20 | Nil | 206,601 | 176,601 | 0.00 |
| 31-Mar-20 | Nil | 219,476 | 219,476 | 0.00 |
| 31-Dec-19 | Nil | 264,937 | 264,863 | 0.00 |
| 30-Sep-19 | Nil | 420,078 | 368,162 | 0.00 |
| 30-Jun-19 | Nil | 294,578 | 294,574 | 0.00 |
| 31-Mar-19 | Nil | 358,020 | 357,987 | 0.00 |
| 31-Dec-18 | Nil | 229,274 | 234,587 | 0.00 |
| 30-Sep-18 | Nil | 217,656 | 236,924 | 0.00 |

The level of expenditures and loss varies from period to period depending on the level of activity related to the development of the Company's Wind Project. Net loss during the earliest of the two years in this reporting period are consistent and lower than the current year due to the income received under the Orsted agreement which terminated in October 2018. Costs in the year ended September 30, 2019 are higher primarily due to interest and borrowing costs of $40,281, and consulting and professional services of $202,054 incurred in identifying and negotiating agreements with a potential partner to further the development of the Company's wind project. The costs in the three months ended December 31, 2019 are slightly higher than the same quarter last year due to continued work on the negotiations and legal agreements on the sale agreement with Northland Power Inc. The costs in the three months ended March 31, 2020 are lower that the same quarter last year as work on the negotiations and legal agreements with Northland were going strong last year and are largely complete now. The net loss for the three months ended June 30, 2020 is lower than the same period last year largely do to the proceeds from the sale of the crown claims and the income received under the Development Services Agreement with Northland.

## *Results of Operations*

The Company reported a loss of $176,601 for the three months ended June 30, 2020 compared with a loss of $294,574 for the same period last year. Cash used in operations for the nine months ended June 30, 2020 was $555,405 compared to $345,754 for the same period last year.

Project, general and administrative expenses ("PG&A") for the three months ended June 30, 2020 totaled $206,601 (2019 - $294,578) of which $4,391 (2019 - $60,805) related to public and community relations, nil related to consultant fees (2019 – $17,500), nil related to interest expense (2019 – $10,323), $37,501 (2019 - $16,928) related to professional fees, $28,281 (2019 - $35,418) for office and administrative expenses and $1,341 (2019 - $9,793) related to travel. Compensation expense for the three months ended June 30, 2020, which is also included in PG&A, amounted to $135,087 (2019 - $143,811). PG&A expenses were lower for the three months ended June 30, 2020 than the same period in the prior year as compensation ($8,724), public relations ($56,414), consultant fees ($17,500), interest and borrowing costs ($10,323), office and administration($7,137), and travel ($8,452) were lower, net of higher legal and tax consulting ($20,573) related to finalizing the sale to Northland.

During the three months ending June 30, 2020 the Company received three months of fees under the development services agreement signed with Northland. Total fees received were $105,000 (2019 – nil). Additionally, in the three months ending June 30, 2020, the Company sold its remaining crown claims in the Goldbridge/Bralorne region to Talisker Resources and realized $30,000 in other income related to this transaction. This sale represents the final holdings of Uniterre Resources, the predecessor company to Oceanic.

### *Liquidity*

As at June 30, 2020, the Company had $107,032 in cash and cash equivalents compared to $232,937 as at September 30, 2019. Working capital, being current assets less current liabilities, as at June 30, 2020 was $(1,016,677) vs. $(1,182,580) as at September 30, 2019. The decrease in cash and cash equivalents and the increase in working capital during the year ended September 30, 2019 is the result of expenditures related to the advancement of the Project and the ongoing overhead and administration to maintain the Company, net of funds raised through the exercise of options and warrants, 389,500 and 300,000 respectively. Additionally, the sale of the crown claims generated $30,000 in cash and the company secured a $40,000 loan under the Federal Government Covid-19 relief program.

During the quarter ended March 31, 2014 the Company made a deposit with Natural Resources Canada (NRC) as part of the Met Mast license renewal. This deposit is held by NRC to ensure the retirement obligation is fulfilled when the Met Mast is decommissioned.

On November 21, 2018, to provide near term funding of the Company's activities, the Company sold its common shares in Barkerville for $111,687. The Company also entered into a loan agreement dated January 24, 2019 with one of the Company's directors to provide financing of $300,000. During the year ended September 30, 2019, 3,651,308 outstanding warrants, that were to expire on September 7, 2019, were repriced from an exercise price of $0.15 per common share to $0.10 per common share with 3,382,937 of such warrants being exercised prior to expiry. Total proceeds of $389,831 was raised from a total of 3,726,386 warrants being exercised. During the three months ending December 31, 2019, $300,750 was raised from the exercise of 2,700,000 options and 250,000 warrants**.** In January 2020, 2,750,000 warrants were exercised, the proceeds of which were used to repay the Company's short-term loan. During the three months ended June 30, 2020, $113,750 was raised from the exercise of 1,160,526 options.

The Company believes it will still be some time before there is clarity on the development plans for the northwest region of BC, and until those plans are understood there is uncertainty as to the future demand for electricity and the role that the Project could play in meeting that demand.

The Company's ability to continue as a going concern is dependent on its ability to obtain additional financing or an investment by a strategic partner in order to meet its planned business objectives and be able to advance the Project. The Company will need to raise funds through grants, strategic collaborations, public or private equity, debt financing, or other funding sources. The funding may not be available on acceptable terms, or at all, and may be dilutive to shareholder interests. If the Company is unable to generate positive cash flows or obtain adequate financing, the Company would need to curtail operations.

## *Capital Resources*

During the three months ended June 30, 2020, the Company issued 98,012 common shares at a fair value of $0.11 per common share to directors as full payment of their remuneration. During the three months ended March 31, 2020, 2,950,000 common shares were issued upon the exercise of options and warrants at an average price of $0.10. During the three months ended June 30, 2020, 1,160,526 common shares were issued upon the exercise of options at an average price of $0.10. As at June 30, 2020 the Company had 76,340,281 common shares issued and outstanding. Subsequent to June 30, 2020, the Company issued 154,019 common shares at a fair value of $0.07 per common share to directors as full payment of their remuneration. This subsequent issuance covered compensation for the period of April 1, 2020 to June 30, 2020. As at August 10, 2020, the Company had 76,494,300 common shares issued and outstanding.

As of August 10, 2020, the Company had 1,089,474 stock options outstanding.

| Description | Exercise Price | Expiry Date | Number Outstanding |
|---|---|---|---|
| Stock Options | $0.095 | November 1, 2027 | 689,474 |
| Stock Options | $0.10 | January 24, 2029 | 400,000 |

## *Commitments*

On July 8, 2019 the company signed an indicative offer with Northland Power Inc., a major offshore wind development company and on March 27, 2020 the parties signed definitive agreements to sell the development rights of the project, through the sale of Naikun Wind Development Inc, to Northland Power Inc. On May 15,2020, at the Company's Annual General and Special Meeting, 50% of shareholders were represented with 99% of voted shares voted in favour of the sale of Naikun Wind Development Inc to Northland Power Inc and the change of name to Oceanic Wind Energy Inc.

The Company entered into a consulting agreement with PricewaterhouseCoopers ("PwC") in relation to assisting in identifying and securing a strategic partner for the Company's Wind Project. In exchange for services PwC received fixed monthly fixed monthly fees of $12,500 and 1,000,000 stock options which PwC exercised equal to the value of fees up to $100,000. No further monthly fees are owing under this agreement. Additionally, PwC will be entitled to 2% of any proceeds received by Oceanic for a period of 24 months, subject to a maximum fee of $500,000.

## *Contingent Liabilities*

The Company's Deferred Plan was designed to attract and retain qualified personnel while conserving cash during the Company's development stages. The Deferred Plan deferred payment of the majority of the Company's salary expenses prior to 2009 until Financial Close directly associated with the Project as defined within the Deferred Plan agreement. Amounts allocated to the Deferred Plan have not been accrued due to the uncertainty of the occurrence of the triggering event for payment, that being financial close. As at June 30, 2020, the remaining unpaid, unaccrued balance in the Deferred Plan amounted to approximately $4.2 million (2018 - $4.2 million).

To preserve cash, the Company entered into agreements with several consultants and the CEO to defer all or a portion of their retainer, fees, or compensation; the payment of which is triggered by a future Success Event. "Success Event" is defined as the point in time at which an agreement has been announced to undertake the first phase of the Project, to develop the project(s) on some deferred timeframe or to sell all or part of the Company assets. The agreement to proceed, to develop, or to sell assets may be undertaken by an arms-length third party acceptable to the board of Oceanic that may or may not be partially owned by Oceanic. In order for the deferred retainers and fees to become payable, the Success Event must provide Oceanic shareholders with a significant increase in share value and further, this event must provide Oceanic with sufficient liquidity to pay the outstanding amounts due. The accumulated amounts have not been accrued due to the uncertainty of the occurrence of a future Success Event.

The Company also entered into an agreement with its CEO to defer $220,000 per annum of his compensation. As at June 30, 2020, the total accumulated accrued amount of this deferral, which commenced January 1, 2016, is $990,000 (2019 - $770,000). In addition, a matching amount is contingently payable and triggered by a future Success Event. This portion has not been accrued due to the uncertainty of the occurrence of a future Success Event.

As at June 30, 2020, the remaining unpaid, unaccrued balance of these deferred retainer and fee amounts for consultants is $672,375 (2019 – $703,000) and for CEO compensation, the amount is $990,000 (2019 – $770,000).

## *Related Party Transactions*

Key management compensation to the Chief Executive Officer, Chief Financial Officer, and the Board of Directors for the three months ended June 30, 2020 are as follows:

| | 2020 | 2019 |
|---|---|---|
| Wages and benefits | $124,306 | $133,030 |
| Share-based | 10,781 | 10,781 |
| | $135,087 | $143,811 |

During the three months ended June 30, 2020, the Company issued 98,012 common shares (2019 – 179,687 common shares) with a fair value of $10,781 (2019 - $10,781) to directors as their full quarterly compensation for the period of January 1, 2020 to March 31, 2020.

As at June 30, 2020 $10,781 (2019 - $10,781) in directors' remuneration was accrued in accounts payable and accrued liabilities and was subsequently paid by issuance of common shares of the Company.

As at June 30, 2020 $990,000 (2018 – $770,000) was payable to the Company's CEO and included in deferred compensation payable.

## *Internal Controls and Procedures over Financial Reporting*

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the certifying officers (the Chief Executive Officer and Chief Financial Officer) do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## *Approval*

The board of directors of the Company has approved the disclosure contained in this MD&A.

## *Additional Information*

Additional information relating to the Company can be found on SEDAR at www.sedar.com under *Oceanic Wind Energy Inc.* or at *www.oceanicwind.ca*.
Dated   August 10, 2020