OCEANIC WIND ENERGY INC.

(A Development Stage Company)

Management's Discussion & Analysis
For the quarter ended June 30, 2023

Containing information up to and including August 18, 2023

This Management's Discussion and Analysis ("MD&A") reviews the activities of Oceanic Wind Energy Inc., (the "Company" or "Oceanic"). 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 interim financial statements for the nine months ended June 30, 2023 and 2022 and the accompanying notes, and the MD&A for the year ended September 30, 2022. 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 18, 2023 (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, the Company trades on the TSX Venture Exchange-NEX (TSXV-NEX: NKW.H). On March 27, 2020, the Company signed definitive agreements (the "Agreements") to sell its development rights in its offshore wind project to Northland Power Inc. ("Northland"), 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 the Company's website and 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. Upon closing, which took place on September 1, 2020, Northland has the right to develop the offshore wind project located in Hecate Strait off the north coast of British Columbia.

Pursuant to the terms of the Agreement, the Company has the right to receive the following:

- upon the project reaching its financial close, as defined in the Agreements, a payment based on the size of the developed project ($67,500 per installed megawatt ("MW") to a maximum of $33,750,000), which is expected to be equal to the majority of the Company's historical development costs on the project (the "Cash Consideration");
- upon the project becoming operational, future payments consisting of 35% of annual cash distributions from the project after the operating costs and a specified return on equity have been recovered by Northland (the "Cash Distribution"); and
- subject to financial close of the project, an option to purchase up to a 10% interest in Northland's interest in their project(s) (the "Option").

Wind Energy Project in Hecate Strait

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.

Northland has the exclusive right to develop the offshore wind project located in Hecate Strait off the north coast of British Columbia.

Outlook

The significant wind energy resource in Hecate Strait provides an opportunity to supply renewable energy for the increasing requirements in the provinces of BC and Alberta, and the western USA. 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 below €100/MWh. WindEurope CEO Giles Dickson said: "the cost of offshore wind continues to fall – now to below €50/MWh including grid connection. Offshore wind is now the second cheapest form of new power generation in NW Europe – behind onshore wind. The technology continues to develop. The supply chain continues to evolve …". In 2018 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 wind competitive with most long-term energy prices and relative costs are expected to continue to improve with the advent of larger, 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.

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

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.

The BC Government policy announcements (CleanBC and Climate Change Policies) make it clear that to achieve the Paris Accord Climate Action objectives and the province's GHG targets, BC must electrify most energy consuming uses and 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 a large gas generation facility, it is clear that future energy supply must come from utility scale renewable resources like Northland's offshore 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 Northland's 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. Northland's wind project is the only large-scale project in the region that can meet the demand for power. It is highly likely all future developments in the northwest region of BC, which require power, will depend extensively on renewable power sources in the region. Additionally, this powerline has surplus capacity for energy flowing east to Prince George and the rest of the province. Renewable energy from the NW can also provide the needed electricity to reduce the provinces dependency on Fossil Fuels.

Green Hydrogen becoming a clean fuel of the future and the Port of Prince Rupert is building an Export Facility

Hydrogen production, shipping and use, for purposes such as electricity generation and fueling transportation is increasingly seen as a crucial element of decarbonization strategies. Trigon BC, a company in partnership with local First Nations, is developing a second terminal on Ridley Island to ship green fuels, hydrogen, ammonia and other renewable biofuels (https://www.trigonbc.com/trigon-terminals-set-to-nearly-double-shiploading/)

The Vopak Terminal on Ridley Island has their Federal Environmental assessment for the $1b fuel export facility (https://vopakpacificcanada.com/project-updates/f/federal-determinations-received). These facilities will require the production of green hydrogen/ammonia from local renewable energy projects. This market will rapidly grow in size as the critical demand for green fuels expands worldwide.

Green Hydrogen can be generated using local renewable energy and BC Hydro's clean hydro facilities. The important positives of this process is it can be used when the wind energy or Hydro energy is surplus to demand or when the spot market is very low, making green hydrogen less costly. As the carbon tax on hydro carbons increase to reduce the GHG emissions, Green Hydrogen will become more and more valuable. The Hecate Strait wind resource is an excellent source of local renewable power for Green Hydrogen production.

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 would be an award of an EPA to Northland from BC Hydro, a large industrial user of electricity, or a large corporate purchaser of renewable energy. With the approved sale to Northland, the Company is committed to support Northland in its endeavors to develop a 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, Oceanic is optimistic Northland's wind project can become part of these programs.

However, Oceanic cannot predict if an EPA will be awarded to Northland or if Northland will reach a financial close and successfully develop the wind project.

Capital Resources

Since the sale to Northland, the Company has substantially reduced its activity level and cash expenditures. During the year ended September 30, 2021, the Company completed a private placement issuing 2,068,967 units at $0.145 per unit, raising $300,000. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant is exercisable at an exercise price of $0.20 for a period of one year from the date of issuance. The private placement closed August 18, 2021. On August 18, 2022, all warrants expired unexercised.

During the three months ended December 31, 2022, the Company completed a private placement issuing 5,000,840 units at $0.05 per unit, raising $250,042. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant is exercisable at an exercise price of $0.07 for a period of one year from the date of issuance. The private placement closed November 25, 2022.

To complete its planned business objectives and cover ongoing operational costs, the Company intends to raise additional capital when necessary, by issuing additional equity and/or borrowing funds.

Wind Resource and Weather

Long-term historical wind data obtained from Environment Canada at or around the site for the Northland's 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.

Financial Summary

The following summarizes selected financial information for the three and nine months ended June 30, 2023, and 2022.

	Three months ended June 30,		Nine months ended June 30,	
	2023	2022	2023	2022
Loss and comprehensive loss	$82,741	$89,436	$268,614	$290,325
Loss per common share	$0.00	$0.00	$0.00	$0.00

The following summarizes the total assets and total liabilities as at June 30, 2023 and September 30, 2022, and 2021.

	June 30, 2023	September 30, 2022	September 30, 2021
Total Assets	$64,515	$67,521	$273,303
Total Liabilities	$1,098,444	$1,135,378	$1,120,820

The loss during the three months ended June 30, 2023 is primarily due to the Company's expenditures on the project and administration, which were expensed in the period incurred. The total assets position from September 30, 2022 to June 30, 2023 is related to the proceeds of the private placement which closed on November 25, 2022, net of cash disbursements since September 30, 2022.

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 detailed information, refer to the financial statements for the applicable periods.

Quarter ended	Revenues - $	Project, general and administrative expenses - $	Net loss (income) - $	Basic and diluted loss (income) per share - $
30-Jun-23	Nil	83,290	82,741	(0.00)
31-Mar-23	Nil	88,797	87,592	(0.00)
31-Dec-22	Nil	98,281	98,281	(0.00)
30-Sep-22	Nil	111,577	111,577	(0.00)
30-Jun-22	Nil	100,217	100,217	(0.00)
31-Mar-22	Nil	106,836	106,836	(0.00)
31-Dec-21	Nil	113,272	83,272	(0.00)
30-Sep-21	Nil	129,151	129,151	(0.00)

The level of expenditures and loss varies from period to period depending on the level of Company activity. The deal with Northland closed September 1, 2020 at which point the activities of the Company were significantly reduced. The decrease in net loss for the quarter ended December 31, 2021 reflects the $30,000 proceeds from the sale of portable assessment credits that originated from Oceanic's predecessor company Uniterre Resources.

Results of Operations

The Company reported a loss of $82,741 for the three months ended June 30, 2023 compared with a loss of $89,436 for the same period last year. Cash used in operations for the three months ended June 30, 2023 was $48,739 compared to $41,509 for the same period last year.

Project, general and administrative expenses ("PG&A") for the three months ended June 30, 2023 totaled $83,290 (2022 - $89,436) of which $1,094 (2022 – $262) related to public and community relations, $6,131 (2022 - $7,385) related to professional fees, $21,989 (2022 - $15,477) for office and administrative expenses and $896 (2022 - $855) related to travel. Compensation expense for the three months ended June 30, 2023, which is also included in PG&A, amounted to $53,180 (2022 - $65,457). Professional fees and Office and administration are higher for the last two quarters due to costs related to filings and follow up to the AGM held in the three months ended December 31, 2022 and a second AGM held in the three months ended March 31, 2023. Compensation costs were lower due to the difference in the cost of options issued; for the three months ended June 30 , 2023 the expense was $17,500 (2022 - $40,000).

During the three months ended December 31, 2021, the Company sold certain portable assessment credits that originated with its predecessor company, Uniterre Resources Ltd. The proceeds were $30,000 and are recorded as a gain on sale of assets as no asset was recorded previously due to the uncertainty of receipt of any such proceeds. This was the final asset from Uniterre Resources Ltd.

Liquidity

As at June 30, 2023, the Company had $55,125 in cash and cash equivalents compared to $49,926 as at September 30, 2022. Working capital, being current assets less current liabilities, as at June 30, 2023 was a deficit of $973,929 as compared to a deficit of $1,007,857 as at September 30, 2022. The increase in cash and cash equivalents and the decrease in working capital deficit during the nine months ended June 30, 2023 is the result of funds raised the private placement net of expenditures related to the ongoing overhead and administration to maintain the Company.

During the three months ended September 30, 2021, the Company completed a private placement issuing 2,068,967 units at $0.145 per unit, raising $300,000. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant is exercisable at an exercise price of $0.20 for a period of one year from the date of issuance. The private placement closed August 18, 2021. On August 18, 2022, all warrants expired unexercised.

During the three months ended December 31, 2022, the Company completed a private placement issuing 5,000,840 units at $0.05 per unit, raising $250,042. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant is exercisable at an exercise price of $0.07 for a period of one year from the date of issuance. The private placement closed November 25, 2022.

To provide near term funding, the Company borrowed $40,000 in April 2020 and $20,000 in December 2020 under the federal government Covid-19 relief program Canadian Emergency Business Assistance ("CEBA"). These funds are interest free until December 31, 2023 and if the loans are repaid by December 31, 2023, $20,000 of the amount is forgiven. After December 31, 2023 the loans bear interest at 5% per annum and all principal and interest amounts must be paid no later than December 31, 2025. Once there is greater certainty as it relates to both the markets and the future progress of the project, the Company will look at raising sufficient funds to maintain its reduced level of activity into the future, including the repayment of the loans.

The Company believes there is growing support for renewable energy to support the need for clean power to enable the development of the resources in the northwest. When those plans are better understood there will be strong demand for electricity and the project in Hecate Strait could play a role in meeting that demand.

The Company's ability to continue as a going concern is dependent on its ability to obtain additional financing. 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 year ended September 30, 2021, the Company issued 287,695 common shares at an average fair value of $0.15 per common share to directors as full payment of their remuneration. On August 18, 2021, the Company completed a private placement to raise $300,000 and issued 2,068,967 shares at $0.145 per share. As at September 30, 2021 the Company had 78,850,962 common shares issued and outstanding.

During the year ended September 30, 2022, the Company issued 176,094 common shares at an average fair value of $0.1225 per common share issued to directors as director compensation with such compensation being terminated on a go forward basis effective January 1, 2022. As of September 30, 2022, the Company had 79,027,056 common shares issued and outstanding.

During the three months ended December 31, 2022, the Company completed a private placement issuing 5,000,840 units at $0.05 per unit, raising $250,042. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant is exercisable at an exercise price of $0.07 for a period of one year from the date of issuance. The private placement closed November 25, 2022, and as of the Report Date the Company had 84,027,896 common shares issued and outstanding.

On October 1, 2020, 1,400,000 stock options were issued to officers and directors at an exercise price of $0.145 and an expiration date of September 30, 2030. On October 25, 2021, 1,500,000 stock options were issued to officers and directors at an exercise price of $0.14 and an expiration date of October 24, 2031. On October 27, 2022, 1,750,000 stock options were issued to officers and directors at an exercise price of $0.05 and an expiration date of October 26, 2032.

As of the Report Date, the Company had 5,739,474 stock options and 5,000,840 warrants 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
Stock Options	$0.145	September 30, 2030	1,400,000

Stock Options	$0.14	October 24, 2031	1,500,000
Stock Options	$0.05	October 26, 2032	1,750,000
Warrants	$0.07	November 25, 2023	5,000,840

Contingent Liabilities

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.

As at June 30, 2023, the remaining unpaid, unaccrued balance of these deferred retainer and fee amounts for consultants is $672,375 (2022 – $672,375).

Related Party Transactions

Key management compensation to the Chief Executive Officer ("CEO"), Chief Financial Officer, and the Board of Directors for the three months ended June 30, 2023 are as follows:

	2023	2022
Wages and benefits	$35,680	$36,238
Share-based	17,500	29,219
	$53,180	$65,457

During the three months ended June 30, 2023 the Company issued nil common shares (2022 – nil) with a fair value of nil (2022 - nil) to directors as their full compensation. Effective January 1, 2022 compensation to directors was cancelled. On October 25, 2021, 1,500,000 stock options, with a fair value of $160,000, were issued to officers and directors and $160,000 was recorded in compensation expense for the year ended September 30, 2022. On October 27, 2022, 1,750,000 stock options, with a fair value of $70,000, were issued to officers and directors and $17,500 was recorded in compensation expense for the three months ended June 30, 2023 (2022 - $40,000).

Salaries to the CEO and CFO, for August and September 2022, were deferred pending the receipt of the proceeds from the private placement, which closed November 25, 2022. As at September 30, 2022 the accrued salary payable amount was $22,772 (2021 - nil). Salaries to the CEO were further deferred for October, November, and December 2022, which was paid in January 2023. As of June 30, 2023 the accrued salary payable amount was nil (2022 – nil).

Pursuant to a management agreement dated June 15, 2010, as amended January 1, 2016 and September 1, 2020 (the "Management Agreement"), the Company agreed to pay Mr. Michael O'Connor a fee of $8,000 per month, such amount being based on working 800 hours per annum. The agreement provides that Mr. O'Connor shall receive a "Success Bonus" (as defined below) of either (a) $2,000,000 in the event a success event occurs and the sale or disposition of all or substantially all of the assets exceed $30,000,000; or (b) $1,000,000 in the event a success event occurs and the sale or disposition of all or substantially all of the asset are less than $30,000,000. At the election of Mr. O'Connor, the Success Bonus may be paid either in cash or common shares of the Company, provided that, if the Company has insufficient available cash resources to pay in cash, the Success Bonus will be paid in shares. The Company will obtain regulatory approval to the issuance of any common shares in lieu of cash.

The agreement also provides that if the Company is voluntarily, involuntarily wound-up or dissolved prior to the occurrence of a success event, then the Company will, to the extent it has the cash resources following payments to secured creditors (if any) pay Mr. O'Connor $1,000,000 prior to payment of any other unsecured creditors and prior to any distribution of the assets of the Company to its shareholders, provided that Mr. O'Connor acknowledges and agrees that under no circumstances will any shareholder, director or officer of the Company, or any other person, have any obligation to make any investment in or contribution to the Company to fund any payment to Mr. O'Connor. The agreement also provides that the Company may terminate the contract (i) at any time for cause, without notice or pay in lieu of notice and (ii) on 3 months written notice. Mr. O'Connor can terminate the contact: (i) at any time for good reason; or (ii) on 3 months written notice to the Company without good reason; or (iii) at any time within 6 months of a Change of Control. Upon termination, Mr. O'Connor shall be paid his accrued and unpaid salary up to the date of termination and accrued and unused vacation time as of such termination. Given these provisions in the agreement, the Company has accrued $1,000,000 (2022 - $1,000,000).

Wilbur Lang has a verbal agreement with the Company pursuant to the terms of which Mr. Lang has agreed to act as Chief Financial Officer, Corporate Secretary and VP Finance for the Company in consideration of the monthly compensation of $3,000 per month plus 10% vacation pay and benefits, based on work hours of up to 30 hours per month and then paid $100 per hour thereafter.

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 18, 2023