OCEANIC WIND ENERGY INC.

(A Development Stage Company)

Management's Discussion & Analysis
For the year ended September 30, 2020

Containing information up to and including January 25, 2021

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 changed its name 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"). 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 consolidated financial statements for the years ended September 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, January 25, 2021 (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 wind 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 (the "Agreements") to sell its development rights 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 and in favour of the name change of the Company to Oceanic Wind Energy Inc. 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 (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 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 wind 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.

BC Government Climate Action Plans and Renewable Energy "Road Map"

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 (Clean BC) 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 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 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, that require power, will depend extensively on renewable power sources in the region.

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 or a large industrial user of electricity. 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 the first phase of Northland's wind project can become part of these programs in the near future.

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

Due to not 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. Subsequent to September 30, 2020, the Company secured an additional $20,000 under the Federal Government relief program.

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.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and our business are not known at this time. The impact on the capital markets could adversely impact the ability of the Company to raise capital.

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 years ended September 30, 2020, 2019, and 2018.

	2020	2019	2018
Loss and comprehensive loss	$560,034	$1,255,310	$846,864
Loss per common share	$0.01	$0.02	$0.01

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

	September 30, 2020	September 30, 2019	September 30, 2018
Total Assets	$96,098	$609,440	$581,696
Total Liabilities	$1,146,088	$1,832,020	$1,086,422

The loss and the decrease in total assets during the year ended September 30, 2020 is primarily due to the Company's expenditures on the project and administration, all of which were expensed in the period incurred. In the case of total assets and total liabilities, the transaction with Northland resulted in the transfer to Northlands of the Natural Resources Canada ("NRCan") deposit of $360,000 and the related asset retirement obligation ("ARO") of $400,000.

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 (income) - $	Basic and diluted loss (income) per share - $
30-Sep-20	Nil	149,094	(100,906)	(0.00)
30-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

The level of expenditures and loss varies from period to period depending on the level of Company activity. 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 year ended September 30, 2020 are lower than the previous year as the majority of costs related to negotiating the sale agreement with Northland were substantially complete by early in the second quarter; the Company earned $210,000 in income received under the Development Services Agreement with Northland; the Company received $30,000 proceeds from the sale of crown claims that originated with the predecessor company to

Oceanic; and the Company recorded $40,000 income resulting from the sale of the ARO and associated NRCan deposit as part of the agreement with Northland.

Results of Operations

The Company reported a loss of $560,034 for the year ended September 30, 2020 compared with a loss of $1,255,310 for the same period last year. Cash used in operations for the year ended September 30, 2020 was $640,617 compared to $659,626 for the same period last year.

Project, general and administrative expenses ("PG&A") for the year ended September 30, 2020 totaled $840,108 (2019 - $1,301,950) of which $34,190 (2019 - $200,497) related to public and community relations, $12,500 related to consultant fees (2019 – $103,800), $7,419 related to interest expense (2019 – $40,281), $159,434 (2019 - $174,372) related to professional fees, $134,196 (2019 - $130,552) for office and administrative expenses and $10,014 (2019 - $48,414) related to travel. Compensation expense for the year ended September 30, 2020, which is also included in PG&A, amounted to $482,355 (2019 - $604,034). PG&A expenses were lower for the year ended September 30, 2020 than the same period in the prior year as compensation ($121,679), public relations ($166,307), professional fees ($14,938), consultant fees ($91,300), interest and borrowing costs ($32,862), and travel ($38,400) were lower. Expenses were generally lower as the Company worked through the final negotiations of the sale to Northland and all future development efforts were transitioning to Northland. Borrowing costs were down as the Company repaid the short term loan in January 2020. Compensation costs were down as there was less involved with due diligence than in the previous year and the CEO's compensation was amended to reflect the decrease in responsibilities post-closing on the sale to Northland.

During the year ended September 30, 2020 the Company received six months of fees under the development services agreement signed with Northland. Total fees received were $210,000 (2019 – nil). Additionally, in the three months ending June 30, 2020, the Company sold 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 crown claims of Uniterre Resources Ltd, the predecessor company to Oceanic. The transaction with Northland, in which the Company sold Devco to Northland, resulted in a gain of $40,000 related to the derecognition of the ARO ($400,000) and the associated deposit held by NRCan ($360,000), which was transferred to Northland.

Liquidity

As at September 30, 2020, the Company had $51,820 in cash and cash equivalents compared to $232,937 as at September 30, 2019. Working capital, being current assets less current liabilities, as at September 30, 2020 was a deficit of $1,009,990 as compared to a deficit of $1,182,580 as at September 30, 2019. The decrease in cash and cash equivalents and the decrease in working capital deficit during the year ended September 30, 2020 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 of $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.

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. 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, 2020, the Company issued 380,291common shares at average 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 September 30, 2020 the Company had 76,494,300 common shares issued and outstanding. Subsequent to September 30, 2020, the Company issued 74,354 common shares at a fair value of $0.145 per common share, and 79,860 common shares at a fair value of $0.1350 per common share to directors as full payment of their remuneration. These subsequent issuances covered compensation for the period of July 1, 2020 to September 30, 2020, and October 1, 2020 to December 31, 2020, respectively. As at January 25, 2021, the Company had 76,648,514 common shares issued and outstanding.

Subsequent to September 30, 2020 1,400,000 stock options were issued to officers and directors and an exercise price of $0.145 and an expiration date of September 30, 2030.

As of January 25, 2021, the Company had 2,489,474 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
Stock Options	$0.145	September 30, 2030	1,400,000

Commitments

On March 27, 2020, the Company signed the definitive agreements to sell the development rights to Northland. The Company is providing development services to Northland under a Development Services Agreement and is earning fees for services of $35,000 per month. It is anticipated that this monthly fee will end on March 27, 2021 unless Northland chooses to extend it.

On February 15, 2019, the Company entered into a consulting agreement with PricewaterhouseCoopers ("PwC") in relation to assisting in identifying and securing a strategic partner. In exchange for services, PwC received 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

In 2003/2004 the Company's Cash Completion Bonus Pool ("CCBP") Plan was established to attract and retain qualified personnel while conserving cash during the Company's early development stage. The CCBP Plan deferred payment of some of the Company's salary expenses prior to late 2007, to be paid/bonused on financial close of the Company's wind project that was bid into the BC Hydro Clean Power Call (the bonus-able completion event). Amounts allocated to the CCBP were not previously accrued due to the uncertainty of the bonus-able event. As at June 30, 2020, the remaining unpaid, unaccrued balance in the CCBP amounted to approximately $4.2 million (2018 - $4.2 million) as a bonus-able event had not occurred. After the sale of the project to Northland on Sept 1, 2020, the Board reviewed many areas of the Company with the recognition that Oceanic was now essentially a holding company with no ability to affect a Power Purchase Agreement for the previously owned development project in Hecate Strait. One area of specific review was the CCBP Plan. The Board decided, based on, among other things, its own deliberations; reports from the Company's management; advice from the Company's legal advisors; its review of the terms and conditions of the CCBP Plan including the context, objective, and intention behind the CCBP Plan; and the Company's current status; acting equitably and in good faith, and in the best interests of the shareholders, to terminate the CCBP Plan, and any entitlements under the CCBP Plan effective Sept 2, 2020.

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 September 30, 2020, the total accumulated accrued amount of this deferral, which commenced January 1, 2016, is $1,000,000 (2019 - $825,000). 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 September 30, 2020, the remaining unpaid, unaccrued balance of these deferred retainer and fee amounts for consultants is $672,375 (2019 – $672,375) and for CEO compensation, the amount is $1,000,000 (2019 – $825,000).

Effective September 1, 2020 an agreement was reached, through a contract revision with the CEO, to freeze both the success bonus and deferred compensation amounts at $1,000,000, and to reduce the CEO's compensation to $8,000 per month.

Related Party Transactions

Key management compensation to the Chief Executive Officer ("CEO"), Chief Financial Officer, and the Board of Directors for the year ended September 30, 2020 are as follows:

	2020	2019
Wages and benefits	$439,231	$496,409
Share-based	43,124	107,625
	$482,355	$604,034

During the year ended September 30, 2020, the Company issued 380,291 common shares (2019 – 607,628 common shares) with a fair value of $43,124 (2019 - $43,125) to directors as their full annual compensation.

As at September 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 September 30, 2020 $1,000,000 (2018 – $825,000) 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 January 25, 2021