BLACK ISLE RESOURCES CORP.

Management’s Discussion and Analysis

For the three months ended March 31, 2021
Date of this report and forward-looking statements

This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the three months ended March 31, 2021, compared to the three months ended March 31, 2020. This report prepared as at May 28, 2021 intends to complement and supplement our condensed interim consolidated financial statements (the "financial statements") as at March 31, 2021 which have been prepared in accordance with International Financial Reporting Standards, and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the financial statements and the accompanying notes. Readers are also advised to read the Company’s audited financial statements (the “financial statements”) and accompanying notes for the year ended December 31, 2020, (the “financial statements”), which have been prepared in accordance with International Financial Reporting Standards.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say “we”, “us”, “our”, the “Company” or “Black Isle”, we mean Black Isle Resources Corp., as it may apply.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Overall Performance

The Company is a renewable energy technology company engaged in the development of renewable energy and fuel cell technology. The Company is no longer engaged in the acquisition and exploration of exploration and evaluation assets in the United States and has written off its exploration and evaluation assets. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol BIT. During the year ended December 31, 2018, the Company received approval to voluntarily delist its common shares from the TSX-V. Capital markets have been active during COVID-19 with high interest from investors in the renewable energy technology and consequently the Company was able to gain access to sufficient capital through recent private placements. The Company recently formed Fuel Cell Power NV, its operating subsidiary which resides in Belgium and has begun operations in Europe.

Fuel Cell Power NV

On March 12, 2021, the Company incorporated a wholly owned subsidiary in Belgium named Fuel Cell Power NV.

Appointments and Resignations

On January 4, 2021, Eugene Beukman resigned as Chief Executive Officer of the Company and was replaced by Jef Spaepen.
On March 18, 2021, Jo Verstappen was appointed to act as the Chief Operating Officer of the Company and the Chief Executive Officer of the Company’s subsidiary, Fuel Cell Power NV.

On March 18, 2021, Gerard Sauer was appointed to act as the Chairman of the Company’s Advisory Board and the Project Manager of the Company’s subsidiary, Fuel Cell Power NV.

On March 18, 2021, Luc Pauwels was appointed to act as the Business Director of the Company’s subsidiary, Fuel Cell Power NV.

On January 14, 2021, the Company closed a non-brokered private placement for the sale of 16,000,000 common shares of the Company at a price of $0.005 per common share for gross proceeds of $80,000. In connection with the private placement, the Company also issued 2,500,000 common shares pursuant to a finder’s fee agreement with a non-arm’s length party.

On January 14, 2021, the Company closed a separate non-brokered private placement for the sale of 76,000,000 common shares of the Company at a price of $0.02 per common share for gross proceeds of $1,520,000.

On December 31, 2020, the Company entered into a consulting agreement with the incoming CEO in which the CEO will receive 18,000,000 common shares of the Company and a monthly consulting fee of €15,000. The agreement commenced January 4, 2021 and will be in effect until termination by either party. On January 14, 2021, the Company issued the 18,000,000 common shares to the incoming CEO.

On April 1, 2021, the Company closed a non-brokered private placement for the sale of 19,085,383 units of the Company at a price of $0.33 per unit for gross proceeds of $6,298,176. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional share at a price of $0.75 per warrant share for a period of two years from the date of issuance, subject to an accelerated expiry if the closing price of the Company's shares is greater than $1.50 per Share for a minimum of 10 consecutive trading days. The Company will give notice to the holders of the warrants of such accelerated expiry and the warrants will expire 30 days thereafter.

On April 9, 2021, the Company closed a non-brokered private placement for the sale of 21,651,715 units of the Company at a price of $0.33 per unit for gross proceeds of $7,145,066. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional share at a price of CDN$0.75 per warrant Share for a period of two years from the date of issuance, subject to an accelerated expiry if the closing price of the Company's shares is greater than CDN$1.50 per Share for a minimum of 10 consecutive trading days. The Company will give notice to the holders of the Triggering Event and the Warrants will expire 30 days thereafter.

On May 7, 2021, the Company closed a non-brokered private placement for the sale of 3,202,296 units of the Company at a price of $0.33 per unit for gross proceeds of $1,056,758. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional share at a price of CDN$0.75 per warrant Share for a period of two years from the date of issuance, subject to an accelerated expiry if the closing price of the Company's shares is greater than CDN$1.50 per Share for a minimum of 10 consecutive trading days. The Company will give notice to the holders of the Triggering Event and the Warrants will expire 30 days thereafter.
Results of Operations

During the three-month period ended March 31, 2021, the Company recorded a loss of $335,978 compared to a loss of $23,035 during the three-month period ended March 31, 2020 (the “comparative period”). The increase in loss is primarily due to increased activities related to changing its principal business to the development of renewable energy and fuel cell technology. Some of the significant changes to operations are as follows:

- Professional fees of $34,563 (2020- $10,500) include audit, accounting and legal fees. The increase is attributed to legal and accounting costs associated with the costs incurred for the formation of Fuel Cell Power NV.
- Management and Consulting fees of $243,543 (2020 - $9,000) are fees accrued to directors, and officers of the Company. Expenses during the period increased due to fees charged by incoming officers of the Company for the management of the Company and its subsidiary.
- Transfer agent and filing fees of $6,565 (2020 - $2,210) relates to filing and listing fees and transfer agent fees. Fees incurred during the period were higher due to the completion of multiple private placements.
- Office and sundry expenses of $38,531 (2020 – $1,168) consists of corporate administration, rent and bank charges. The Company incurred these fees to maintain the Company’s good standing. Increase in expense during the period is due to increase in upkeeping costs for the subsidiary’s office operating in Belgium.
- Transaction cost of $12,500 (2020 - $Nil) is due to finder’s fee charged by a third-party vendor for the finding of the Company’s new CEO.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

Cash Flow Analysis

Operating Activities

During the three-month period ended March 31, 2021 and 2020, cash used in operating activities was $195,968 and 19,052 respectively. The increase in cash outflow is due to increase in operating costs for the Company’s recent activities related to changing its principal business. During the comparative period, the Company was largely inactive.

Investing activities

During the three-month period ended March 31, 2021 and 2020, the cash used in investing activities was $30,474 and $Nil respectively. The increase in cash outflow is due to equipment purchased for the newly formed subsidiary. During the comparative period, the Company did not use any cash in investing activities.

Financing activities

During the three-month period ended March 31, 2021 and 2020, cash provided by financing activities was $ 6,188,612 and $Nil respectively. The increase in cash inflow is due to proceeds from share issuances of $1,600,000 and $4,588,612 from subscriptions received in advance for private placements completed in the subsequent period. During the comparative period, the Company did not raise any cash from financing activities.
Summary of Quarterly Results

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$6,025,177</td>
<td>$14,800</td>
<td>$14,818</td>
<td>$14,456</td>
</tr>
<tr>
<td>Working capital (deficiency)</td>
<td>5,618,232</td>
<td>(291,331)</td>
<td>(268,156)</td>
<td>(252,387)</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(335,978)</td>
<td>(23,175)</td>
<td>(15,769)</td>
<td>(22,982)</td>
</tr>
<tr>
<td>Loss per share</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
</tbody>
</table>

Fluctuations in assets are mostly due to cash being used in operational activities. Over the eight quarters, operational losses have remained fairly consistent due to attempts to preserve cash spending on general and administrative and the fact that the company is still seeking operational opportunities. Working capital deficiency increased over the course of the prior seven quarters as the Company maintained operations and had difficulty raising capital from capital markets. During the three months ended March 31, 2021, the Company was able to raise capital from private placements as it changed its principal business to the development of renewable energy and fuel cell technology.

Liquidity and Capital Resources

The Company is in a new entrant in the renewable energy technology market and is in early stages of technology development and therefore has no regular cash flow. The financial statements for the period ended March 31, 2021 have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The working capital deficiency of the Company is as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$5,961,456</td>
<td>$14,395</td>
</tr>
<tr>
<td>Sales tax recoverable</td>
<td>13,181</td>
<td>405</td>
</tr>
<tr>
<td>Prepaids</td>
<td>20,078</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(289,367)</td>
<td>(219,170)</td>
</tr>
<tr>
<td>Promissory notes</td>
<td>(87,116)</td>
<td>(86,961)</td>
</tr>
<tr>
<td></td>
<td>$5,618,232</td>
<td>(291,331)</td>
</tr>
</tbody>
</table>
The continuing operations of the Company are dependent upon its ability to obtain support from its creditors, to raise adequate financing and to commence profitable operations in the future. Management intends to finance operating costs and fund its renewable energy and fuel cell technology development activities over the next twelve months with private placements of common shares and/or loans from directors and companies controlled by directors.

To date, the Company has not earned significant revenues and is considered to be in the development stage. As at March 31, 2021, the Company had a working capital of $5,618,232 and cash on hand of $5,961,456 compared to a working capital deficiency of $291,331 and cash on hand of $14,395 at December 31, 2020.

Risk, Uncertainties and Outlook

The business of renewable energy and fuel cell development involves a high degree of risk. The Company’s success depends on the development of marketable proprietary technology which cannot be guaranteed. At present, the Company has not developed a prototype energy cell or fuel cell. Other risks facing the Company include competition with players that have successfully developed energy or fuel cell technology, as well as other new entrants in the field due to high interest from capital markets. Other risks include rights to intellectual property, rapid technological change, fluctuations in energy prices, fluctuations in exchange rates, share price volatility and uncertainty of additional financing.

Contingencies

The Company has no contingencies as at the date of this MD&A.

Off Balance Sheet Arrangements

The Company has no off-Balance Sheet arrangements as at the date of this MD&A.

Related Party Transactions

The Directors and Executive Officers of the Company are as follows:

Jef Spaepen  Chief Executive Officer  
Jo Verstappen  Chief Operating Officer, Chief Executive Officer of Fuel Cell Power NV  
Gerard Sauer  Chairman of the Company’s Advisory Board, Project Manager of Fuel Cell Power NV  
Luc Pauwels  Business Director of Fuel Cell Power NV  
Eugene Beukman  Former Chief Executive Officer, current Corporate Secretary and Director  
Joel Dumaresq  Chief Financial Officer and Director  
Troy Grant  Director  
Maciej Lis  Director

Included in accounts payable and accrued liabilities and loans at March 31, 2021 is $263,800 (December 31, 2020 - $185,632) owing to companies controlled by directors, former directors and officers of the Company. As at March 31, 2021, the Company also prepaid $18,602 (December 31, 2020 - $Nil) to companies controlled by officers of the Company for consulting fees. These amounts are non-interest bearing with no stated terms of repayment.

During the three months ended March 31, 2021 and 2020, the Company entered into the following transactions with related parties and incurred payments to key management personnel, which were in the normal course of operations.
## Related Party Transactions (cont’d)

<table>
<thead>
<tr>
<th>Service Description</th>
<th>March 31, 2021</th>
<th>March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional fees to a company controlled by a director and former director of the Company</td>
<td>$9,000</td>
<td>$9,000</td>
</tr>
<tr>
<td>Corporate service fees to a company controlled by a director of the Company</td>
<td>$9,000</td>
<td>$9,000</td>
</tr>
<tr>
<td>Rent to a company controlled by a former director of the Company</td>
<td>$1,500</td>
<td>-</td>
</tr>
<tr>
<td>Consulting fees to a company controlled by the CEO of the Company</td>
<td>$68,703</td>
<td>-</td>
</tr>
<tr>
<td>Consulting fees to a company controlled by the COO of the Company</td>
<td>$47,550</td>
<td>-</td>
</tr>
<tr>
<td>Consulting fees to a company controlled by the chairman the advisory board of the Company</td>
<td>$27,469</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>163,222</strong></td>
<td><strong>18,000</strong></td>
</tr>
</tbody>
</table>

### Voluntary De-listing from the TSX-V

The Company received approval from the TSX-V to delist all of its common shares from the TSX-V, effective at the close of business on December 31, 2018. The Company obtained approval for the delisting by way of written consent from a majority of the shareholders of the common shares, excluding those common shares held by officers or directors. Subsequent to delisting, the Company will continue to be a reporting issuer in certain jurisdictions in Canada and will remain subject to continuous disclosure requirements. Black Isle’s current shareholders will remain shareholders of the Company.

### Proposed Transactions

There are no proposed transactions.

### Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company’s financial statements include:

- The assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

### Changes in Accounting Policies including Initial Adoption

The preparation of financial statements requires that the Company’s management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company’s financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.
Financial Instruments and Other Instruments

The Company’s financial instruments consist of cash, receivables, and trade and other payables. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

The Company’s financial instruments are exposed to certain financial risks and the risk exposure is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has cash and short-term loan balances. The bank account is held with a major Canadian bank. As all of the Company’s cash is held by one bank, there is a concentration of credit risk with the bank. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company’s secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes.

Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs expenditures that are denominated in European euro while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company’s cash is held in both Canadian dollars and European euro.

Interest rate risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt; therefore, interest rate risk is nominal.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due. The Company is currently in default of its loans payable and convertible debenture. Management is investigating raising equity financing as required to carry on operations. Funding risk is the risk that market conditions will impact the Company’s ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions both liquidity and funding risk have been assessed as high.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. Management believes that interest rate risk to the Company is nominal as it is subject to this risk only on its bank account. The Company is not exposed to currency rate risk as it does not hold any loans payable or convertible debentures in a foreign currency. The Company is not affected by price risk as its mineral property is still in the exploration stage.

Management of industry risk

The Company is engaged primarily in mineral property exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.
Other Requirements

Outstanding Share Data

As at May 28, 2021, the Company has:

a) 168,057,561 common shares outstanding;
b) nil stock options outstanding; and
c) 44,196,506 share purchase warrants outstanding.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.SEDAR.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Forward-Looking Statements

This MD&A contains certain forward-looking statements relating, but not limited to, the Company’s operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "may", "will", "should", "expects", "projects", "plans", "anticipates" or similar expressions suggesting future outcomes.

Black Isle does not have a history of earnings. These statements represent management’s expectations or beliefs concerning, among other things, future performance and financial results and various components thereof. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking assumptions will not be achieved by the Corporation. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, including but not limited to: changes in business strategies; general economic and business conditions; the effects of competition; changes in laws and regulations, including environmental and regulatory laws; and various events that could disrupt operations. Actual performance and financial results in future periods may differ materially from any projections of future performance or results expressed or implied by forward-looking statements.

Black Isle undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise, or the foregoing list of factors affecting such information.