MOUNT DAKOTA ENERGY CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JANUARY 31, 2021

The following Management Discussion and Analysis ("MD&A") of financial results of Mount Dakota Energy Corp. ("Mount Dakota" or "the Company") is prepared as of May 21, 2021 and should be read in conjunction with the Company's audited annual financial statements for the year ended January 31, 2021 and the accompanying notes thereto. Additional information relating to the Company is available on SEDAR at www.sedar.com. Mount Dakota is listed on the TSX Venture Exchange under the symbol "MMO.V".

Mount Dakota is currently listed on the NEX on the TSX Venture Exchange. The Company is in the process of re-organizing and seeking opportunities outside of the petroleum and natural gas sector. The Company is pursuing the divestment of its petroleum assets. Therefore, the management of the Company wishes to inform shareholders of the Company, and potential shareholders, that shares in the Company should be rated as "highly speculative", and are not suitable for risk adverse individuals or portfolios. Please consult with your registered financial advisor as to the appropriateness of having or holding shares in a "highly speculative" security.

The audited consolidated financial statements as at and for the year ended January 31, 2021, which are discussed in this MD&A, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The significant accounting policies used by Mount Dakota are disclosed in Note 3 to the audited annual consolidated financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates. All dollar amounts included herein are in Canadian dollars except where noted.

OPERATIONS

Mount Dakota did not have any production to report during the year ended January 31, 2021. The Company successfully applied for the Alberta Government's Site Rehabilitation Program Grant (the "SRP") totaling $139,000. The Company used the SRP funding to successfully abandon and decommission its two remaining wells during the year ended January 31, 2021. The Company will apply for additional funding when made available by the SRP for the purposes of completing the reclamation of its three remaining leases.

FINANCIAL RESULTS

Gross petroleum and natural gas revenue during the year ended January 31, 2021 was $Nil compared to $Nil during the previous year ended January 31, 2020. The Company is exploring business interests outside of the oil and gas sector.

Operating Income	For year ended January 31, 2021 ($)	For year ended January 31, 2020 ($)
Revenue	-	-
Royalties (Refund)	-	-
Production Costs	-	-
Gross Operating Profit (Loss)	-	-

General and Administrative

General and administrative expenditures for the year ended January 31, 2021 were $226,517 as compared to $226,522 for 2020. As of January 31, 2021, $1,868,939 (2020-$1,733,489) has been accrued to parties related to a director of the Company. The outstanding amounts are non-interest bearing, unsecured and due on demand, (except for see "Interest Rate Risk" below on page 6).

MANAGEMENT DISCUSSION AND ANALYSIS

Cash Flow from Operations and Net Income (Loss)

For the year ended January 31, 2021, the Company reported loss and comprehensive loss of $225,768 compared to loss and comprehensive loss of $98,612 for the comparative period in 2020.

	Year ended January 31, 2021	2020
Loss for the year	($225,768)	($98,612)
Loss per share	($0.17)	($0.07)

Annual Financial Information

Year Ended	IFRS January 31, 2021	IFRS January 31, 2020	IFRS January 31, 2019
Financial Results			
Oil & Gas Expenditures	$ -	$ -	$ 731
General & Administrative	226,516	226,522	255,169
Loss for the Year	(225,768)	(98,612)	(254,893)
Loss Per Common Share (Basic & Diluted)	(0.17)	(0.07)	(0.24)
Financial Position			
Working Capital (Deficiency)	(2,247,354)	(2,020,839)	(1,920,729)
Petroleum and Natural Gas Properties	-	1	1
Total Assets	118,205	91,401	163,261
Share Capital	6,221,154	6,221,154	6,221,154
Deficit	(8,779,153)	(8,553,385)	(8,454,773)

Summary Information of the Eight Most Recently Completed Quarters:

Three-Month Period Ended	IFRS January 31, 2021	IFRS October 31, 2020	IFRS July 31, 2020	IFRS April 30, 2020
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Oil & Gas Expenditures	Nil	Nil	Nil	Nil
General & Administrative	47,468	81,630	49,711	47,707
Other Income	95	96	95	462
Total (Loss)	(47,373)	(81,534)	(49,616)	(47,245)
Loss Per Common Share - Basic & Diluted	(0.04)	(0.06)	(0.04)	(0.03)

Three-Month Period Ended	IFRS January 31, 2020	IFRS October 31, 2019	IFRS July 31, 2019	IFRS April 30, 2019
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Oil & Gas Expenditures	Nil	Nil	731	Nil
General & Administrative	56,152	54,638	70,741	44,991
Other Income	124	508	250	616
Total (Loss)	69,884	(54,131)	(69,990)	(44,375)
Loss Per Common Share - Basic & Diluted	0.05	(0.04)	(0.05)	(0.03)

MANAGEMENT DISCUSSION AND ANALYSIS

THREE MONTH PERIOD ENDING JANUARY 31, 2021

The Company had no revenue to report during the three months ended January 31, 2021. The Company's successful abandonment and decommissioning of its oil and gas assets was a significant step in disposing of the Company's liabilities. The reclamation of the leases are the remaining liabilities for the Company to address.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended January 31, 2021, the Company reported a net loss of $225,768, negative cash flows from operating activities of $33,730, an accumulated deficit of $8,779,153 and a working capital deficiency of $2,247,354. These factors raise significant doubt about the Company's ability to continue as a going concern. Under such conditions, the Company does not have sufficient working capital to maintain current operations for at least twelve months. The Company will need to raise capital through the equity markets for the necessary working capital. The Company will continue to rely on the goodwill of management until the Company is in the position to pay management. The Company has paid no dividends to date. The Company has financed operations to date through operations, and through the issuance of common shares to founding directors and other shareholders. The net debt outstanding including amounts due to related parties is $2,289,103.

SHARE CAPITAL

Proceeds of the offering were used for general operating expenditures relating to the Company's oil and gas properties and for repaying certain debts.

As at January 31, 2021, 1,336,136 (share consolidation effective February 16, 2021) common shares are outstanding and no Class A or B preference shares have been issued.

RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel and companies related to them were recorded as follows:

(a) Accounting expense totalling $14,400 (2020 - $10,800) provided by a company controlled by a director of the Company has been paid or accrued during the year. As at January 15, 2021, that company entered into a debt-purchase agreement with the director in the amount of $9,450 (2020 - $Nil) which has been included in due to related parties (2020 - $Nil).

(b) Rent totalling $36,000 (2020 - $36,000) for office premises provided by a company controlled by a director of the Company has been charged to operations. As at January 31, 2021, that company entered into a debt-purchase agreement with the director in the amount of $57,000 (2020 - $Nil) which has been included in due to related parties (2020 - $21,000).

(c) Consulting expenses totalling $90,000 (2020 – $120,000) provided by a director of the Company and a company controlled by a director of the Company have been accrued during the year and assigned to a director of the Company. As at January 31, 2021, $685,750 (January 31, 2020 - $595,750) has been included in due to related parties.

(d) Debt assignment agreements from previous years with parties related to a director of the Company for total amounts owing of $1,116,739 have been reassigned to a director of the Company. As of January, 31, 2021, $1,116,739 (2020 - $1,116,739) has been included in due to related parties.

Loan payable to related parties:

(e) During the years 2014-2018, the Company entered into loan agreements with a director and parties related to a director of the Company to borrow an aggregate of $187,800 at a rate of 15% per annum. During the year, all loan agreements have been transferred to another director of the Company. As of January 31, 2021, $37,800 (2020 - $37,800) of principal is outstanding and included in loans payable.

(f) Interest expense totalling $5,670 (2020 - $5,670) has been charged to operations. As at January 31, 2021, $69,517 (2020 - $63,847) has been included in loans payable.

(g) During the year, the Company received non-interest bearing advances totalling $54,000 from a director and a company controlled by a director of the Company. As at January 31, 2021, $54,000 ($Nil – 2020) remain outstanding and are included in loans payable.

BUSINESS PROSPECTS AND OUTLOOK

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company is exploring opportunities to acquire assets and/or businesses beyond the oil and gas sector within which it is currently operating.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. Significant areas requiring the use of management estimates include the determination of the recovery of accounts receivable, amortization, depreciation, depletion and impairment of property and equipment and exploration and evaluation assets, petroleum and natural gas reserves, decommissioning provisions, and deferred income tax assets and liabilities. Actual results could differ from these estimates.

Oil and Gas Accounting—Reserves Determination

The process of estimating reserves is complex. It requires significant estimates based on available geological, geophysical, engineering and economic data. To estimate the economically recoverable crude oil and natural gas reserves and related future net cash flows, the Company incorporates many factors and assumptions including the expected reservoir characteristics, future commodity prices and costs and assumed effects of regulation by governmental agencies. Reserves are used to calculate the depletion of the capitalized oil and gas costs and for impairment purposes as described in Note 3 (d) to the audited annual financial statements.

Property and Equipment

The Company evaluates its long - lived assets (petroleum and natural gas properties) for impairment if indicators exist. Cash flow estimates for the impairment assessments require assumptions and estimates about the following primary elements—future prices, future operating and development costs, remaining recoverable reserves and discount rates. In assessing the carrying values of the unproved properties, the Company makes assumptions about its future plans for those properties, the remaining terms of the leases and any other factors that may be indicators of potential impairment.

Decommissioning Provisions

In estimating the future decommissioning provisions, the Company makes assumptions about activities that occur many years into the future including the cost and timing of such activities. The ultimate financial impact is not clearly known as asset removal and remediation techniques and costs are constantly changing, as are legal, regulatory, environmental, political, safety and other such considerations. In arriving at amounts recorded, numerous assumptions and estimates are made on ultimate settlement amounts, inflation factors, discount rates, timing and expected changes in legal, regulatory, environmental, political and safety environments.

Depreciation and depletion

Depletion of petroleum and natural gas properties is provided using the unit-of-production method based on production volumes before royalties in relation to total estimated reserves as determined annually by independent engineers and internal reserve evaluations. Changes in forward price estimates, production levels or results of future drilling may change the economic status of reserves and may result in reserves being revised.

Share-based payments

The fair value of share options granted is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility, expected life of the options, expected dividends and the risk-free interest rate. These estimates will impact the amount of share-based payments recognized. When stock options are exercised, the cash proceeds along with the amount previously recorded as share-based payment reserves are recorded as share capital.

Income taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences and, accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time.

DISCLOSURE CONTROLS AND PROCEDURES OVER FINANCIAL REPORTING

Disclosure controls and procedures are designed to provide reasonable assurances that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), and that management has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in National Instrument 52-109 of the Canadian Securities Administrators and has concluded that such disclosure controls and procedures are effective. However, they do not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors or fraud. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

As of January 31, 2021, the Company did not have any off-balance sheet arrangements or proposed transactions.

FINANCIAL INSTRUMENTS AND RISK

Financial Instruments

The Company classified its financial instruments as follows:

	January 31, 2021		
Financial instruments	FVTPL	Amortized cost	Total
Cash	$ 32,259	$ -	$ 32,259
Accounts receivable	-	9,490	9,490
Accounts payable and accrued liabilities	-	(87,550)	(87,550)
Due to related parties	-	(1,868,939)	(1,868,939)
Loans payable	-	(161,317)	(161,317)
	$ 32,259	$(2,102,316)	$(2,076,057)

	January 31, 2020		
Financial instruments	FVTPL	Amortized cost	Total
Cash	$ 11,989	$ -	$ 11,989
Accounts receivable	-	3,703	3,703
Accounts payable and accrued liabilities	-	(30,938)	(30,938)
Due to related parties	-	(1,733,489)	(1,733,489)
Loans payable	-	(101,647)	(101,647)
	$ 11,989	$(1,862,371)	$(1,850,382)

IFRS 7 *Financial Instruments – Disclosures*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. The financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The Company's financial assets and liabilities measured at fair value on a recurring basis as of January 31, 2021 are as follows:

	Balance at January 31, 2021 $	Quoted Prices in Active Markets for Identical Assets (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $
Financial Assets:				
Cash	32,259	32,259	–	–

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by management. There have not been any significant changes from the previous year as to how these risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risk exposures is described below.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and amounts recoverable. To minimize the credit risk related to cash, the Company places these instruments with high credit quality financial institutions. The Company's current policy is to invest excess cash in investment-grade, short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts. As at January 31, 2021, cash balances do not exceed the amounts covered by federal deposit insurance. As at January 31, 2021, the Company has minimal amounts recoverable exposure, as it relates to amounts due from the government of Canada pursuant to goods and services tax credits.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining adequate cash and credit facilities with financial institutions and other parties. The Company continuously monitors and reviews both actual and forecasted cash flows. As at January 31, 2021, the Company had a working capital deficiency of $2,247,354 (see Note 1). The carrying value of balances due within 12 months approximate their fair values due to their relatively short period to maturity.

Foreign Exchange Risk

The Company's functional currency is the Canadian dollar. The Company is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. As at January 31, 2021, $37,800 (2020 - $37,800) in loans payable is owing and is subject to interest at a fixed rate of 15% per annum. The Company is therefore not exposed to significant interest rate risk on its financial instruments.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of its commodities. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

RECENT ACCOUNTING PROUNCEMENTS AND ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards, amendments to standards and interpretations have been issued, effective for annual years beginning on or after January 1, 2020:

Accounting standards and 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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and CFO of Mount Dakota are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Company assessed the design of its internal control over financial reporting as of January 31, 2021. During this process, management identified certain weaknesses in internal controls over financial reporting which are as follows:

- Due to the nature of the joint venture agreements, the Company is completely reliant on joint venture partners for revenue and cost statements for some of the Company's wells; the Company's limited size does not make it economically feasible to establish a staff to audit the statements of the Company's partners

- Due to the limited number of staff, the Company does not have the sufficient number of financial personnel with the technical accounting knowledge to address all the complex and non-routine accounting transactions that may arise

These weaknesses in internal controls over financial reporting result in a possibility that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of a material misstatement in financial reporting, however, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

READER ADVISORY

Statements in this document may contain forward-looking information. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on this forward looking information.

SUBSEQUENT EVENTS

On February 11, 2021 the Company announced that TSX Venture Exchange approved the Company's share consolidation of the basis of one (1) post-consolidated common share for each ten (10) pre-consolidated common shares of the Company. The Consolidation, which was authorized and approved by the board of directors pursuant to a resolution dated December 10, 2020, is effective on February 16, 2021 (the "Effective Date"). The pre-consolidated common shares totaling 13,362,562 have been reduced to approximately 1,336,136 post-consolidated common shares.

On May 14, 2021, the Company appointed MR. Rick Brar to the Board of Directors. Mr. Brar is an experienced business leader in the cannabis, nutraceutical, beverage, consumer packaged goods, agriculture, land development and construction sectors. Mr. Brar has international expertise in emerging market sectors, having incubated and grown several companies over his career. He is experienced in sales and marketing, with a track record of success in corporate sales growth, new market penetration, new product development, and long-range planning. Mr. Brar is currently the Chief Executive Officer & Chairman of Brains Bioceutical Corp. a global manufacturer and distributor of Cannabinoid API.

On May 14, 2021, the Company also announced that it has entered into a debt settlement agreement with certain creditors, pursuant to which it has discharged an aggregate total indebtedness of CDN $227,500, (the "Debt Settlements"). The debt settlement for services rendered through the issuance of an aggregate total of 1,300,000 common shares of the Company at a deemed price of CDN $0.175 per common share to certain creditors of the Company.