MOUNT DAKOTA ENERGY CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
SIX MONTHS PERIOD ENDED July 31, 2021

September 27, 2021 - The following Management Discussion and Analysis of financial results of Mount Dakota Energy Corp. ("Mount Dakota" or "the Company") should be read in conjunction with the Company's unaudited condensed interim financial statements for the six months ended July 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 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 unaudited condensed interim financial statements for the six months ended July 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 unaudited 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 six months ended July 31, 2021. The Company is continuing the process of re organizing and seeking business opportunities outside of the oil and gas sector.

FINANCIAL RESULTS

Gross revenue during the six months ended July 31, 2021 was $Nil compared to $NIL during the previous period ending in 2020. The Company has decided to abandon its oil and gas assets as they were deemed uneconomic by management. The Company is exploring business interests outside of the oil and gas sector.

Operating Income	**For six months ended July 31, 2021 ($)**	**For six months ended July 31, 2020 ($)**
Revenue	-	-
Royalties (Refund)	-	-
Production Costs	-	-
Gross Operating Profit (Loss)	-	-

General and Administrative

General and administrative expenditures for the six months ended July 31, 2021, were $56,583 as compared to $97,418 for 2020. Suspension of management & consulting fees and rent were responsible for the lower general and administrative expenditures. As of July 31, 2021, $4,725 (2020 - $1,868,939) has been accrued to parties related to a director of the Company. Amounts due to related parties were assigned to an arm's length party. As of July 31, 2021, $1,840,557 (2020 – Nil) loans payable remain outstanding. The outstanding amounts are non-interest bearing, unsecured and due on demand.

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)	(0.02)
Financial Position			
Working Capital (Deficiency)	(2,247,354)	(2,020,839)	(1,920,729)
Petroleum and Natural Gas Properties	-	1	1
2Total 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)

Cash Flow from Operations and Net Income (Loss)

For the six months ended July 31, 2021, the Company reported loss and comprehensive loss of $229,292 compared to loss and comprehensive loss of $96,862 for the comparative period in 2020. A loss on debt settlement of $172,900 was responsible for the higher losses.

Summary Information of the Eight Most Recently Completed Quarters:

Three-Month Period Ended	IFRS July 31, 2021	IFRS April 30, 2021	IFRS January 31, 2020	IFRS October 31, 2020
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Oil & Gas Expenditures	Nil	Nil	Nil	Nil
General & Administrative	29,902	26,683	47,468	81,630
Other Income	97	94	95	96
Total (Loss)	(202,705)	(26,589)	(47,373)	(81,534)
Loss Per Common Share - Basic & Diluted	(0.12)	(0.02)	(0.04)	(0.06)

Three-Month Period Ended	IFRS July 31, 2020	IFRS April 30, 2020	IFRS January 31, 2019	IFRS October 31, 2019
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Oil & Gas Expenditures	Nil	Nil	Nil	Nil
General & Administrative	49,711	47,707	56,152	54,638
Other Income	95	462	124	508
Total (Loss)	(49,616)	(47,245)	69,884	(54,131)
Loss Per Common Share - Basic & Diluted	(0.04)	(0.03)	0.05	(0.04)

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended July 31, 2021, the Company reported a net loss of $202,705, cash flows from operating activities of ($81,226), an accumulated deficit of $9,008,445 and a working capital deficiency of $2,071,188. 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. Total current liabilities outstanding is $2,077,265.

SHARE CAPITAL

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 1,336,136 post-consolidated common shares.

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 $232,750, (the "Debt Settlements"). The debt settlement for services rendered through the issuance of an aggregate total of 1,330,000 common shares of the Company at a deemed price of CDN $0.175 per common share to certain creditors of the Company. The Company has submitted the Debt Settlements for Exchange approval.

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) Net accounting expense totalling $9,000 (2020 - $5,400) plus applicable taxes provided by a company controlled by a director of the Company has been paid or accrued during the period. On May 7, 2021, $14,175 of outstanding payables have been settled by a third party (see Note 10(b). As at July 31, 2021, $4,725 (January 31, 2021 - $9,450) has been included in due to related parties.

(b) During the period ended July 31, 2021, the Company repaid a total of $7,000 (2020 - $Nil) in advances by a director of the Company.

(c) On May 7, 2021 the Company received notice from a director of the Company that an aggregated amount of $2,015,224 owed to the director has been assigned to an arms-length party. The assignment included all existing interest bearing loans of $37,800 (January 31, 2021 - $37,800) at 15% interest per year, and non-interest bearing advances, rent, consulting debts, and accrued interest owed by the Company.

LOANS PAYABLE AND DISCLOSURE ON DEBT ASSIGNMENTS AND SETTLEMENT

On May 7, 2021 the Company received notice from a director of the Company that an aggregated amount of $2,015,224 owed to the director has been assigned to an arms-length party ('Assignment'). The Assignment included interest bearing loans of $37,800, and non-interest bearing debts and accrued interest of $1,977,424. Parts of the Assignment were non-cash re-financing transactions and included a total amount of $1,859,489 to be re-categorized from due to related parties to loans payable and further an amount of $155,735 to be re-categorized from loans payable to loans payable to related parties.

The Assignment was accompanied by a total direct payment of $56,665 by the arms-length party to other creditors of the Company on behalf of the Company.

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.

Decommissioning Provisions

In estimating the future decommissioning provisions, the Company makes assumptions about activities that occur 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.

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 July 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:

	July 31, 2021		
Financial instruments	FVTPL	Amortized cost	Total
Cash	$ 698	$ -	$ 698
Amounts recoverable		5,379	5,379
Deposits		76,648	76,648
Accounts payable and accrued liabilities	-	(82,649)	(82,649)
Due to related parties	-	(4,725)	(4,725)
Loans payable	-	(1,840,557)	(1,840,557)
	$ 698	$(1,845,904)	$(1,845,206)

	January 31, 2021		
Financial instruments	FVTPL	Amortized cost	Total
Cash	$ 32,259	$ -	$ 32,259
Amounts recoverable	-	9,490	9,490
Deposits	-	76,456	76,456
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	$(2,103,880)	$(1,999,601)

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 July 31, 2021 are as follows:

	Balance at July 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	698	698	–	–

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 July 31, 2021, cash balances do not exceed the amounts covered by federal deposit insurance. As at July 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL INSTRUMENTS AND RISK

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 July 31, 2021, the Company had a working capital deficiency of $2,071,188. 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 July 31, 2021, $37,800 (January 31, 2021 - $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.

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 July 31, 2021. During this process, management identified certain weaknesses in internal controls over financial reporting which are as follows:

- 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.

COMMITMENT

During 2010, the Company entered into surface lease agreements with a third party whereby the Company will pay a total annual consideration of $12,000 for the Alsike properties for a total of five years. Total consideration paid at the end of five years will be $60,000. The Company has made total payments of $34,500 with $25,500 outstanding.

On October 28, 2020, the Company entered into a settlement-agreement according to which the Company agreed to pay the amount of $37,000 in full and final settlement for all damages that may have incurred on the surface leases.

Further, the Company will pay $3,000 representing rentals due and owing for period of January 1, 2020 to December 31, 2021.

Settlement	$	37,000
Rentals 2020 -2021		3,000
	$	40,000

SUBSEQUENT EVENTS

There are no subsequent events to report.