



MOUNT DAKOTA ENERGY CORP.

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FOR IMMEDIATE RELEASE

## Mount Dakota Energy Corp. Enters into Definitive Agreements for Reverse Take-Over and Amalgamation

**February 15, 2022 – Vancouver, British Columbia.** Mount Dakota Energy Corp. (TSXV: MMO.H) (the “**Company**”) announces, further to its news releases dated July 12, 2021 and February 11, 2022, that it has entered into a securities exchange agreement (the “**Securities Exchange Agreement**”) with HYTN Beverage Corp. (“**HYTN**”) and the securityholders of HYTN, pursuant to which the Company will purchase all of the outstanding securities of HYTN in exchange for common shares of the Company (“**Common Shares**”) and common share purchase warrants of the Company issued on a one-for-one basis to the former securityholders of HYTN (the “**Reverse Take-Over**”). In addition, the Company has entered into an amalgamation agreement (the “**Amalgamation Agreement**”) with 1306562 B.C. Ltd. (“**Numberco**”) and MMO Merger Holdings Inc., a wholly-owned subsidiary of the Company (“**Subco**”), pursuant to which Numberco and Subco have agreed to amalgamate under the *Business Corporations Act* (British Columbia) with the resulting entity (“**Amalco**”) continuing as a wholly-owned subsidiary of the Company (the “**Amalgamation**”, and together with the Reverse Take-Over, the “**Transactions**”).

The Transactions are expected to constitute a change of business for the Company, with the Company carrying on with the development and launch of HYTN’s sparking tetrahydrocannabinol and cannabidiol beverage business.

It is expected that on closing of the Transactions, the Company will change its name from “Mount Dakota Energy Corp.” to “HYTN Innovations Inc.” The Company has received conditional approval to list the Common Shares on the Canadian Securities Exchange (the “**CSE**”) under the symbol “HYTN”. Listing of the Common Shares will be subject to the Company completing the Transactions and satisfying all the listing requirements of the CSE. Closing of the Transactions is subject to the satisfaction of customary closing conditions.

### Reverse Take-Over

Pursuant to the Securities Exchange Agreement, the Company has agreed to purchase the outstanding securities of HYTN in exchange for the issuance of an aggregate of 15,532,000 Common Shares and 2,532,000 common share purchase warrants to the former securityholders of HYTN, with each such warrant exercisable to acquire one Common Share at a price of \$0.50 per share until February 1, 2023. In addition, the Company has agreed to issue an aggregate of 10,000,000 performance warrants (“**Performance Warrants**”) to certain members of the proposed incoming management team, with each Performance Warrant exercisable upon vesting to acquire one Common Share at a price of \$0.05 per share for a period of five years from the date of issuance. One-half of the Performance Warrants will vest and become exercisable upon the Company achieving revenue of \$5,000,000 over a 12-month period following closing of the Reverse Take-Over, with the remaining 50% vesting and becoming exercisable upon the Company achieving revenue of \$8,000,000 over a 12-month period following closing of the Reverse Take-Over.

### Amalgamation

Pursuant to the Amalgamation Agreement, all common shares of Numberco outstanding immediately prior to the Amalgamation (other than common shares of Numberco held by dissenting Numberco shareholders) will be exchanged on a one-for-one basis for Common Shares. There are currently 38,968,920 outstanding

common shares of Numberco. The 24,984 Numberco common purchase warrants outstanding immediately prior to the Amalgamation will also be exchanged for an equal number of common share purchase warrants of the Company, with each such warrant exercisable to acquire one Common Share at a price of \$0.50 per share until September 10, 2022.

### **Debt Settlement**

Prior to closing of the Transactions, the Company is expected to settle debt with certain creditors of the Company in the amount of \$1,782,474 through the issuance of 5,092,782 Common Shares at a deemed price of \$0.35 per share (the “**Debt Settlement**”). The Common Shares issued pursuant to the Debt Settlement will be subject to resale restrictions in accordance with applicable securities laws.

### **About HYTN**

HYTN is a craft-inspired cannabis company founded to provide consumers unparalleled cannabis experiences through the research, production, marketing, distribution and sale of premium quality cannabis products. HYTN focuses on producing premium cannabis products for recreational consumers throughout Canada, utilizing its purpose-built processing facilities located in the City of Kelowna in the Okanagan Valley Region of British Columbia, Canada. HYTN is currently focused on taking raw cannabinoid distillate and researching, producing, marketing and distributing premium cannabis products.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

*“S. John Kim”*

**S. John Kim**  
Director

*Neither the Canadian Securities Exchange nor the TSX Venture Exchange (nor its Regulation Service Provider, as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*Certain information contained herein may constitute forward-looking statements that involve risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements, including, but not limited to, statements regarding the Transactions, the Debt Settlement and the listing of the Common Shares on the CSE, including statements regarding the anticipated timing of and the satisfaction of closing conditions and receipt of regulatory approvals for the Transactions, Debt Settlement and listing of the Common Shares on the CSE. Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of the Company’s business include, among other things, the ability of the parties to satisfy the conditions to closing of the Transactions in a timely manner; the ability of the Company to receive all regulatory approvals in a timely manner; risks and assumptions associated with the Transactions; the realization of the anticipated benefits of the Transactions; the Company’s ability to generate sufficient cash flow from operations to meet its current and future obligations; the Company’s ability to access sources of debt and equity capital; competitive factors, pricing pressures and supply and demand in the Company’s industry; general economic and business conditions; and the effects and impacts of the COVID-19 pandemic, the extent and duration of which are uncertain at this time, on the Company’s business and general economic and business conditions and markets. Any statements that are not statements of historical fact are deemed to be forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this news release, and, except to the extent required by applicable law, the Company assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary note.*