HYTN INNOVATIONS INC.
(formerly: MOUNT DAKOTA ENERGY CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JANUARY 31, 2022

The following Management Discussion and Analysis ("MD&A") of financial results of HYTN Innovations Inc. ("HYTN" or "the Company") is prepared as of May 27, 2022 and should be read in conjunction with the Company's audited annual financial statements for the year ended January 31, 2022 and the accompanying notes thereto. Additional information relating to the Company is available on SEDAR at www.sedar.com. HYTN is listed on the Canadian Stock Exchange CSE under the symbol "HYTN.CN".

On February 17, 2022, in connection with a Reverse Take-Over with HYTN Beverage Corp., the Company completed a securities exchange agreement (the "Securities Exchange Agreement") with HYTN Beverage Corp. ("BEV-CORP") and the security holders of BEV-CORP, pursuant to which the Company purchased all of the outstanding securities of BEV-CORP 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 security holders of the Company (the "Reverse Take-Over" or "RTO").

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 amalgamated 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 constituted a change of business for the Company, with the Company carrying on with the development and launch of BEV-CORP's sparking tetrahydrocannabinol and cannabidiol beverage business.

The audited consolidated financial statements as at and for the year ended January 31, 2022, 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 the Company 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

Prior to the RTO and the Transaction, the Company did not have any production to report during the year ended January 31, 2021. The Company formerly known as Mount Dakota Energy Corp. 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 and continued with its reclamation efforts during the year ended January 31, 2022. Going forward, 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

Revenue during the year ended January 31, 2022 was $Nil compared to $Nil during the previous year ended January 31, 2021. During the year, the Company explored its new business interests leading to the RTO.

Operating Income	For year ended January 31, 2022 ($)	For year ended January 31, 2021 ($)
Revenue	-	-
Royalties (Refund)	-	-
Production Costs	-	-
Gross Operating Profit (Loss)	-	-

General and Administrative

General and administrative expenditures for the year ended January 31, 2022 were $174,866 as compared to $226,516 for 2021. As of January 31, 2022, $1,843,392 (2021-$161,317) are loans payables and $181,745 (2021-$Nil) notes payable while amounts due to related parties of the Company were $Nil (2021-$1,868,939). The outstanding amounts are non-interest bearing, unsecured and due on demand, (except for see "Interest Rate Risk" below).

MANAGEMENT DISCUSSION AND ANALYSIS

Cash Flow from Operations and Net Income (Loss)

For the year ended January 31, 2022, the Company reported loss and comprehensive loss of 347,382 compared to loss and comprehensive loss of $225,768 for the comparative period in 2021.

	Year ended January 31, 2022	2021
Loss for the year	($347,382)	($225,768)
Loss per share	($0.17)	($0.20)

Annual Financial Information

Year Ended	IFRS January 31, 2022	IFRS January 31, 2021	IFRS January 31, 2020
Financial Results			
Oil & Gas Expenditures	$ -	$ -	$ -
General & Administrative	174,866	226,516	226,522
Loss for the Year	(347,382)	(225,768)	(98,612)
Loss Per Common Share (Basic & Diluted)	(0.17)	(0.20)	(0.07)
Financial Position			
Working Capital (Deficiency)	(2,189,470)	(2,247,354)	(2,020,839)
Total Assets	93,506	118,205	91,401
Share Capital	6,626,804	6,221,154	6,221,154
Deficit	(9,126,535)	(8,779,153)	(8,553,385)

Summary Information of the Eight Most Recently Completed Quarters:

Three-Month Period Ended	IFRS January 31, 2022	IFRS October 31, 2021	IFRS July 31, 2021	IFRS April 30, 2021
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Oil & Gas Expenditures	Nil	Nil	Nil	Nil
General & Administrative	51,673	66,608	29,902	26,683
Other Income	98	95	(172,803)	94
Total (Loss)	(51,575)	(66,513)	(202,705)	(26,589)
Loss Per Common Share - Basic & Diluted	(0.02)	(0.02)	(0.12)	(0.01)

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)

MANAGEMENT DISCUSSION AND ANALYSIS

THREE MONTH PERIOD ENDING JANUARY 31, 2022

The Company had no revenue to report during the three months ended January 31, 2022. The Company's ongoing reclamation of its oil and gas assets was a significant step towards disposing of the Company's liabilities.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended January 31, 2022, the Company reported a net loss of $347,382, negative cash flows from operating activities of $263,426, an accumulated deficit of $9,126,535 and a working capital deficiency of $2,189,470. The Company is transitioning into a new industry sector and in the process of decommissioning its previous assets and site rehabilitation of its former oil and gas operations. In

In connection with the RTO, the Company entered into a amalgamation agreement with 1306562 BC Ltd., a company which had previously raised sufficient working capital for all amalgamating companies to meet their liquidity needs for a period of at least twelve months after their amalgamation.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

SHARE CAPITAL

On July 6, 2021, the Company issued 1,330,000 common shares at fair value of $405,650 to settle a total of $232,750 in debt resulting in a loss on debt settlement of $172,900.

NOTES PAYABLE

On November 1, 2021, the Company entered into a promissory note agreement with a third party lender for a sum of up to $200,000 due on or before November 1, 2022. Interest shall accrue at 10% on the indebted balance due on the demand date or before.

As of January 31, 2022, the Company's indebtedness is $181,745 (2021 - $Nil). An total amount of accrued interest of $3,179 (2021 - $Nil) has been included in accounts payable and accrued liabilities

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:

Due to related parties and loans due to related parties:

(a) Net accounting expense totalling $18,000 (2021 - $14,400) provided by a company controlled by a director of the Company has been paid during the year ended January 31, 2022. As at January 31, 2022, $Nil (2021 - $9,450) has been included in due to related parties.

(b) During the year ended January 31, 2022, the Company repaid a total of $7,000 (2021 - $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

Loan continuity table	January 31,2022
	$
Balance, beginning of year	-
Debt assignment	2,015,224
Advances	56,665
Settlement via share issuance	(232,750)
Interest on loans	4,253
Balance, end of year	1,843,392

(a) 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 amount is comprised of a total amount of interest bearing loans of $37,800, and non-interest bearing debts 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.

(b) 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 was exploring opportunities to acquire assets and/or businesses beyond the oil and gas sector within which it was operating. As a result of completing the Securities Exchange Agreement and Amalgamation Agreement, the transactions constituted a change of business for the Company, with the Company carrying on with the development and launch of HYTN's sparkling tetrahydrocannabinol and cannabidiol beverage business.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated 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.

Property and Equipment

The Company evaluates its long-lived assets 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 provision, 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.

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, 2022, 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, 2022		
Financial instruments	FVTPL	Amortized cost	Total
Cash	$ 244	$ -	$ 244
Accounts receivable	-	11,422	11,422
Accounts payable and accrued liabilities	-	(31,665)	(31,665)
Loans payable	-	(1,843,392)	(1,843,392)
Notes payable	-	(181,745)	(181,745)
	$ 244	$(2,045,380)	$(2,045,136)

	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)

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, 2022 are as follows:

	Balance at January 31, 2022 $	Quoted Prices in Active Markets for Identical Assets (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $
Financial Assets:				
Cash	244	244	–	–

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, 2022, cash balances do not exceed the amounts covered by federal deposit insurance. As at January 31, 2022, 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.

FINACIAL INSTRUMENTS AND RISKS

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, 2022, the Company had a working capital deficiency of $2,189,470 (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, 2022, $37,800 (2021 - $37,800) in loans payable is owing and is subject to interest at a fixed rate of 15% per annum.

As at January 31, 2022, $181,745 (2021 - $Nil) in notes payable is owing and is subject to interest at a fixed rate of 10% per annum.

The Company is therefore not exposed to significant interest rate risk on its financial instruments.

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, 2022. 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 17, 2022, in connection with the Reverse Take-Over with HYTN Beverage Corp., the Company completed a securities exchange agreement (the “Securities Exchange Agreement”) with HYTN Beverage Corp. (“HYTN”) and the security holders of HYTN, pursuant to which the Company purchased 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 security holders 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 amalgamated 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 constituted 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.

Reverse Take-Over

Pursuant to the Securities Exchange Agreement, the Company purchased 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 issued 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 prior to the Amalgamation were 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 prior to the Amalgamation were also 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 settled 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 are subject to resale restrictions in accordance with applicable securities laws.

Equity Incentive Awards

The Company issued an aggregate of 10,000,000 performance warrants (“Performance Warrants”) to certain members of the incoming management team in connection with the Reverse Take-Over, with each Performance Warrant exercisable upon vesting into one Common Share at a price of $0.05 per share for a period of five years from the date of issuance.

The Company also issued 1,725,000 options (“Options”) and 1,900,000 restricted share units (“RSUs”) to directors, officers, employees and consultants of the Company. Each Option is exercisable upon vesting to acquire one Common Share at a price of $0.35 per share until February 17, 2026.

On February 22, 2022, the Company granted further 265,000 options to purchase common shares to certain employees and consultants of the Company. Each option is exercisable upon vesting to acquire one common share at a price of $0.35 per share for a period of four years.

Canadian Stock Exchange

On February 22, 2022, upon closing of the Transactions, the Company changed its name from “Mount Dakota Energy Corp.” to “HYTN Innovations Inc.” and listed its Common Shares on the Canadian Securities Exchange (the “CSE”) under the symbol “HYTN”.