



Management's Discussion and Analysis

- Quarterly Highlights

**For the three and nine
months ended September
30, 2023**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30,
2023**

The following Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations of dynaCERT Inc. (“dynaCERT” or the “Company”) was prepared by management as at November 13, 2023 and was reviewed and approved by the board of directors of the Company. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited condensed consolidated interim financial statements of dynaCERT Inc. and notes thereto for three and nine months ended September 30, 2023. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", and "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Company's performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

NATURE OF BUSINESS

dynaCERT Inc. is domiciled in Canada with its registered and head office at 501 Alliance Avenue, Suite 101, Toronto Ontario, M6N 2J1. The Company is listed on the Toronto Stock Exchange (DYA), the Börse Frankfurt (DMJ) and the OTCQX (DYFSF).

dynaCERT is a cleantech sector Company that specializes in delivering Carbon Emission Reduction Technologies to the global diesel engine marketplace, along with the advancements in "Green Hydrogen" AEM Electroliser technology available globally in the Hydrogen Economy. Throughout dynaCERT's years in business, the Company has worked to provide a reliable and effective electrolysis unit that can generate hydrogen and oxygen on demand to: (a) address the growing requirements to reduce greenhouse gas emissions; and (b) address the desire to provide lower operating costs including a decrease in fuel consumption.

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The Company is engaged in the design, engineering, manufacturing, testing, and distribution of a transportable hydrogen generator aftermarket product, currently in use in the heavy Class 6-8 tractor trailer industry, the smaller Class 2-5 trucks, stationary power generation, off-road and on-road construction machinery and mining equipment, as well light, medium and heavy duty public sector fleet vehicles and targeted for use in refrigerated trailers and containers, and forestry industries, with potential for application in the ocean shipping, agricultural and trans-continental rail industries.

The system is a patented and patent-pending retrofit product that is designed to provide performance enhancements by introducing hydrogen and oxygen into the air intake manifold resulting in greater fuel efficiency and reduced carbon emissions in internal combustion engines.

***dynaCERT* Facilities and Dealers**

The Company operates in many jurisdictions around the world with facilities in Canada and through agents and dealers in Canada and internationally. The Company's headquarters are located in Toronto, Canada where accounting, sales, engineering, R&D, manufacturing, and distribution operate. The Company, through its *dynaCERT* GmbH division, has an office in Germany where it provides sales, engineering support, parts warehouse and quick-delivery services to its European clients of the HydraGEN™ family of products.

With 48 qualified agents and dealers operating in over 55 countries worldwide, the *dynaCERT* HydraGEN™ line of products is ready to be presented to the market.

***dynaCERT* International Strategic Holdings Inc.**

The Company has established a 100%-owned subsidiary called *dynaCERT* International Strategic Holdings Inc. ("DISH") to be used to support efforts worldwide with investments in strategically unique and exceptional CleanTech innovators directly related to *dynaCERT's* business.

Technology Validation, Certifications and Advancements

Independent testing with HG1 units now having the new DYA Smart ECU began in June 2017 at the North American-accredited PIT Group in Quebec. The PIT Group report found that the HydraGEN™ technology HG1 unit provided a 5.9% improvement in fuel consumption. Testing also proved that emissions were reduced significantly - CO by 48.1%, THC by 50.0%, and NOx by 46.1%, all of which exceeded *dynaCERT's* estimates.

The PIT Group wrote to *dynaCERT* in an email separate to the report: "...for any kind of automotive technology, 5.9% fuel savings is a result to be envied".

The Company's "Smart ECU" has shown significant advantages in several key areas: reading, collecting, storing and transmitting of data and altering the flow of gases produced; GPS capability; providing General Packet Radio Service ("GPRS") capability for remote access and allowing for future tracking.

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Research and Development Initiatives

Generally, the Company's HydraGEN™ Technology has depended entirely on R&D expenditures related to securing the Company's line of innovative patents, patents-pending and associated global trademarks showcasing the Company's advancements in Hydrogen Technology.

More specifically, on the Company's HG1 models, the Company has reduced the number of unique parts from over 300 to under 210 in order to reduce costs (making the product more robust, easier to manage, assemble and service), enhanced the engineering of the HG1 to allow it to function in high temperature and low temperature climates and environments, enhanced safety features of the HydraGEN™ technology, and made the product more user friendly, such as with the automatic distilled water filling mechanism. The Company's engineering team has also been developing an HG1 unit designed to accommodate the large "Road Trains" travelling across Australia.

On its HG2 models, the Company has developed these units to adapt *dynaCERT's* HydraGEN™ Technology to work on smaller size diesel engines (under 8 litres of displacement) and for refrigerated trailers ("Reefers") in order to address a sizeable world market for such smaller engines.

Using the HydraGEN™ Technology, several years of R&D by the Company also resulted in the larger HGC series of products, namely the HG4C and HG6C products, which are to be used primarily in heavy mining industry vehicles and construction equipment markets.

R&D expenditures have also consisted of expenditures that are required for PIT Group studies in Canada and subsequently for German Homologation and India's iCAT certification requirements.

dynaCERT also spent required R&D funds to develop its original Smart ECU and the current model Smart ECU2, developing both the hardware and related software and, over time, the related continuous enhancements, as well as reporting software, thereby providing alarms and warnings to both users and *dynaCERT* remotely in real time.

In furthering the functionality of the Smart ECU versions, *dynaCERT* has also developed its HydraLytics™ Telematics system and subsequent enhancements whereby users can monitor both carbon emissions savings and fuel savings in real time for each vehicle outfitted with HydraGEN™ Technology units. See "Business Developments – HydraLytics™ Telematics".

As more HydraGEN™ units are deployed in the field, *dynaCERT* continues its R&D to further enhance its line of HG1, HG2, HG4C and HG6C products, and HydraLytics™ services to end users.

The Company has recently entered into a collaboration agreement aimed (among other things) at commercializing its AEM technology. Further to *dynaCERT's* R&D in past years, since February 2023, Cipher Neutron Inc. (Cipher Neutron™) is developing a series of larger-volume AEM Electrolysers to produce "Green Hydrogen" Gas under pressure in exponentially larger quantities than *dynaCERT's* current HydraGEN™ Technology. *dynaCERT's* R&D had been done using

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current and available known technologies while R&D also developed a unique Flow Field Plate and applied for a patent for this plate, which is unique to the industry. AEM technology, although not new to the industry, to date, has not been widely used. Cipher Neutron exhibited the AEM technology at the Canadian Hydrogen Convention where they unveiled the 10kw AEM system which is the largest commercialized AEM (Green Hydrogen) electrolyser currently available in the world.

PRODUCTS

dynaCERT has been successful in offering its HydraGEN™ Technology in a diversity of markets because of its distinct line of products which includes the following models: HG1 model designed for 10 to 15 litre diesel engines; HG2 model, designed for 1 to 8 litre diesel engines; HG4C designed for 30 to 60 litre diesel engines, HG6C designed for 60 to 90 litre diesel engines.

Over the past two years, the HG4C and HG6C models have been significantly modified and improved to account for and respond to input and customer needs. The HG4C and HG6C units are designed to meet the growing need and demand for improved fuel efficiency, along with a significant reduction in GHG's of resources companies, and achieve future carbon credits such as in mining, forestry and oil & gas.

HG1

dynaCERT's flagship product offering for the HG1 line includes the HG1B and HG1R models in both 12vdc and 24vdc versions, which targets the 10 to 15 litre diesel engine market. These HG1 units are in production and are outfitted with the latest SMART ECU2 controller. The Company has initiated a Continuous Product Improvement (CPI) program that is focused on making enhancements to the manufacturing operation to improve product quality.

When operating at capacity, it is anticipated that the Company will be able to produce 6,000 HG1 units per month in its Toronto assembly facilities.

HG2

Under normal operating conditions, the HG2 unit will produce hydrogen (H₂) gas flows suitable for diesel engines from 2 to 8 litres in displacement. The HG2R model includes a newly developed HydraGEN™ technology reactor design, a built-in water tank, a climate control system and *dynaCERT's* Smart ECU2. The HG2 unit is reduced in size from the HG1 unit. The HG2 unit is suited for smaller diesel engines than those that are specifically suited to the HG1 line of HydraGEN™ technology. The HG2 unit is designed to be appropriate for those displacement diesel engines used in Buses, Class 2 to Class 7 trucks, Refrigerator Trailers and Containers ("Reefers"), Mobile Construction Equipment, Small Generators, and Smaller Trucks commonly found outside of North America, such as in European countries and in India and Pakistan.

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HG4C & HG6C

dynaCERT's product offering also includes the HG4C targeted for 40 to 60 litre engines, and the HG6C targeted for 60 to 100 litre engines, as used in the stationary generator market in mining applications and also for the large rock hauler trucks used in open pit mines for above ground mining. These new models have multiple HG1 reactor units inside a single large case. They are outfitted with a large, distilled water tank for longer use between refills. The cases are temperature-controlled, in certain cases for up to +50C to as low as -40C functionality with availability of an additional heating system. Each case has an air filtration system to reduce dust ingress.

As models are already custom configured to match the particular model and horsepower of the end user's engine, multiple units can be ganged together for a single engine that is larger than 100 litres.

MANUFACTURING CAPABILITIES

The Company has also now implemented systems based on Automotive Industry Action Group (AIAG) and ISO standards. Each unit manufactured has real time traceability for all Quality Inspections performed and logged digitally to the Company's ERP database. All supplied significant components are also traceable to the source and quality checks are performed. Layered audits are performed regularly to ensure that the integrity of these processes are sustained. All customer feedback is reviewed by *dynaCERT's* Engineering group and vetted through the Company's formal engineering change process.

SALES

During the three and nine months ended September 30, 2023, the Company recognized sales of \$139,145 and \$355,569, respectively.

Global Mining Industry

Sales of *dynaCERT's* proprietary HydraGEN™ Technology to the global mining industry, through dealers of the Company.

Australia

Gridfix Net2Zero, *dynaCERT's* dealer in Australia and New Zealand, has ordered HydraGEN™ Units. Gridfix Net2Zero have pilots underway with Capital Drilling with 1 HG1 in Australia and 3 HG1s on drill rigs in Egypt. Gridfix Net2Zero also has ordered an HG4C for Capital Drilling which was shipped after the quarter end.

Mexico

Sigma Alimentos has completed their pilot with good results.

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Canadian Oil & Gas

The Company's dealer, Simply Green Distributors, based in Alberta, secured clients that have purchased HG1 units for use on Drill Rigs and Fracking Pumps for pilot projects. Subsequent purchases in Q4 2022 to expand rollout to additional equipment were undertaken. These projects are being monitored and it is expected that Simply Green will look to leverage these into the small and large producers operating in the Alberta Oil Sands.

LEGAL MATTERS

The Company had filed a Statement of Claim with the Ontario Superior Court of Justice to recover cost associated with the loss due to the defective components, the work related to the redesign, and the delays in income related to business interruption in the total amount of \$47.7 million. Included in the amount claimed was \$46.8 million relating to the opportunity loss on potential sales of \$70.8 million to June 30, 2017. On July 12, 2023, the Company announced that it had entered into a settlement agreement with the defendant. Under the settlement agreement, without admission of liability, the defendant agreed to make a settlement payment to *dynaCERT* in the amount of \$50,000.

The Company confirms, with respect to the Guyana order, the issues disclosed in the Company's Press Release dated July 31, 2023 remain outstanding.

BUSINESS DEVELOPMENTS

HydraLytics™ Telematics

Since 2019, the Company made significant advances of its telematics software in order to better demonstrate to end-users the effectiveness of its products.

dynaCERT formally launched its vehicle telematics device and software ("HydraLytics™") in July 2019, enabling easy access to fuel savings and carbon emission reduction reports from diesel-powered vehicles and machinery equipped with the Company's HydraGEN™ technology.

The Company provides its HydraLytics™ Telematics to its dealers and clients such as construction companies, truckers and fleet owners equipped with the HydraGEN™ technology so that they can easily monitor from their computers an automatically calculated savings of diesel and carbon emissions while the vehicle is in use.

HydraLytics™ receives data directly from a truck's on-board-diagnostic port (the "OBD port"), and communicates this data to *dynaCERT's* cloud server remotely. At the time of activation of a HydraGEN™ unit the new software records, from the OBD data, the total lifetime mileage and lifetime hours used and calculates fuel consumed. Once the HydraGEN™ unit is operational, HydraLytics™ determines fuel consumption, average speed and distance traveled, and calculates fuel savings and reductions of polluting emissions in kilograms of CO₂ equivalent ("CO₂e"). CO₂e is the basis of calculating Carbon Credits.

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The HydraLytica™ software is designed to allow *dynaCERT* to provide to the market the effectiveness of the HydraGEN™ Technology. Since the data used and processed is taken directly from a vehicle's OBD port, HydraLytica™ removes certain doubts about the performance of the HydraGEN™ Technology as it does not rely on any human interpretation which could possibly be biased. With HydraLytica™, users will receive viewable and written confirmation direct from their own diesel engines that its HydraGEN™ technology is working and have peace of mind regarding performance.

HydraLytica™ software also enables a user to access telematics information from any location equipped with an internet connection. The HydraLytica™ software also clearly displays historical daily and weekly travel data after the HydraGEN™ technology has been installed on a vehicle. HydraLytica™ continuously maps the routes and locations of vehicles, both in real time and historically, and displays when the vehicle is moving or stationary or when its ignition is off. The intuitive user-friendly software of HydraLytica™ allows truckers and fleet owners to review historical and current performance of their on-road and off-road vehicles.

Patents and Proprietary Technology

dynaCERT has several patent applications filed in the US, Canada and other parts of the world, and patents pending for different aspects of the HydraGEN™ technology. These are progressing through the normal patent application process. The Company's R&D team has made improvements to its existing HydraGEN™ technology, and the Company has filed additional claims capturing those improvements.

Below are some of the key patents and patent applications in *dynaCERT*'s patent portfolio:

Patents Granted

The Company now owns 27 distinct patents in different countries around the world.

On April 9, 2019, the Company was granted a US Patent number 10,253,685, called "Method & System for Improving Fuel Economy & Reducing Emissions of Internal Combustion Engines". The Canadian version (patent application number 2882833) of this patent was granted on June 4, 2019, and issued to the Company on September 17, 2019. A continuation application (application number 16,280091) with additional claims to US Patent number 10,253,685 was filed on February 20, 2019, and a US Patent number 10,494,993 was issued on December 3, 2019. Another continuation application, (application number 16,661,575), which was filed on October 23, 2019, was issued a patent (patent number 10,883,419) on January 5th, 2021.

On September 3, 2019, the Company was also granted another key US Patent number 10,400,687, called "Management System and Method for Regulating the On-Demand Electrolytic Production of Hydrogen and Oxygen Gas for Injection into a Combustion Engine", which is referred to by the Company as the "Smart ECU patent". The embodiments of this US Patent relate to a management system and method that can simultaneously reduce polluting emissions and improve the performance

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of an internal combustion engine by: determining *dynaCERT's* reactor performance level or calculating the amount of gas being generated by *dynaCERT's* on-demand electrolytic reactor; monitoring the engine performance level, determining whether the engine performance level would change (i.e. decrease or increase), or remain the same to forecast a future engine demand level; adjusting the reactor performance level to improve the engine performance ahead of the forecast future engine demand level materializing to minimize parasitic loss associated with reactors operating continuously (i.e. reactors that are not capable of adjusting their performance level or the level of produced gas according to the real time engine performance level) and, thereby, improving the engine performance and reducing emissions.

Following a PCT application in 2017, patent applications have been filed in Canada and other countries and certain of such applications have been granted and others are awaiting review.

The Mexican application has been granted and patent number 380442 has been issued. The Russian application has also been granted and patent number 2748712 has been issued. The Chilean application has been granted and patent number 63.777 has been issued. The Chinese application has been granted and patent number ZL2017800653620 has been issued. The Australian application has also been granted and patent number 2017346959 has been issued.

The EPO (European Patent Office) application (application number 17862395.5) has been allowed, and the patent has been registered in Germany, France & the UK. The Saudi Arabian application (application number 519401612) has been granted and patent number 9216 has been issued. The Israeli application (application number 265880) has been granted and patent number 265880 has been issued.

Two continuation applications (number 16,514,460 and number 16,514,543), claiming the benefits of the US Patent number 10,400,687 ("Management System and Method for Regulating the On-Demand Electrolytic Production of Hydrogen and Oxygen Gas for Injection into a Combustion Engine") were filed on July 17, 2019. These applications have been granted, and patent number 10934952 and patent number 10961926 have been issued. Another continuation application (application number 17184005) which was filed on February 24th, 2021, has been granted and patent number 11268458 has been issued. Additionally, another continuation application (application number 17582527) which was filed on January 24th, 2022, has been granted and patent number 11619186 has been issued.

Patent Applications

Following a PCT Application in 2018 entitled "Systems and Methods for Tracking Greenhouse Gas Emissions Associated with an Entity", patent applications have been filed in Canada, USA and several other countries around the world. This application (PCT/CA2018/051235) is a method to securely and accurately capture and transmit data on greenhouse gases associated with the following: Residential Entity (single-family residence, townhouse, condo, apartment building), Industrial Entity (factory), Commercial Entity (medical building, educational institution), Power Generation Entity, Railway Entity, Marine Entity, Aviation Entity, On-Road & Off-Road Entities (trucks, cars, buses, ATVs), Agricultural Entity (tractors, combines, barns). The Company also included fertilizers,

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pesticides and other chemicals and carcinogens in its patent scope. *dynaCERT's* data collector, the Smart ECU, when attached to the emission source by way of sensors or any other measuring devices, can directly measure emissions output.

When the data is collected for the first time, it goes through a series of validation processes in order to determine an emission offset measurement based on an emission baseline. The output data is encrypted and then transmitted to a portal or platform where the data is analyzed to determine any changes in emissions output to validate compliance, determine amount of greenhouse gas credit or offset such as Carbon Credits required for trading.

The Russian application (application number 2020114937) has been granted and patent number 2767291 has been issued.

The USA application (application number 16837032) has been granted and patent number 11270319 has been issued. A continuation application (application number 16875843) which was filed on May 15th, 2020, has been granted and patent number 11,416,872 has been issued.

The Chilean application (application number 818-2020) has been granted and patent number 65480 has been issued.

Carbon Credits

The Company believes an opportunity exists to monetize carbon credits from the HydraGEN™ technology operating on diesel engines.

In recognition of the importance of Carbon Credits, *dynaCERT* has entered into a contractual agreement with International Environmental Partners Limited ("EP") of the UK, and its President, Ms. Monika Wojcik, to manage the *dynaCERT* application in the certification of the carbon reductions generated by its HydraGEN™ technology with Verra, a highly recognized international certification organization based in Washington, DC. EP is a Sustainability Advisor, Carbon & Biomass trader with relevant knowledge and data of over 15,000 carbon projects from all over the world. *dynaCERT*, working with these consultants, is placing its products in the front line to help HydraGEN™ technology end- users earn Carbon Credit Certificates from the emissions reductions in the transportation industry, a world-wide leading origination that has not been previously possible.

In November 2019, *dynaCERT* announced that the advancement of its application for a new Carbon Emission Reduction Methodology to develop Carbon Credit projects from its HydraGEN™ technology and HydraLytics™ Telematics abilities to reduce carbon emissions on a world-wide basis. With the support of EP, the Company has completed and submitted the application to develop a new Methodology to obtain Carbon Credits from the planned Carbon Credit projects which would be made available to *dynaCERT* clients. The application, submitted to Verra (www.verra.org) under its VCS programme, specifies an all-new Carbon Emission Reduction Methodology. The proposed Methodology uses the Company's patented HydraGEN™ technology to lower carbon emissions and its HydraLytics™ Telematics technology to securely record carbon emissions and other non-personal data from diesel and gas engines. Verra has furthered the application through multiple

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internal reviews.

On July 13, 2022, the Chief Program Development and Innovation Officer of Verra signed an agreement engaging Earthhood Services Private Limited ("Earthhood") to provide independent third-party verification services related to *dynaCERT*'s Carbon Credit Methodology.

In summary, *dynaCERT* and Verra have achieved the following steps in regard to *dynaCERT*'s Carbon Credit initiatives:

- *dynaCERT* Inc., the developer under the VCS programme, pursuant to the VCS rules of Verra, has, in October 2021, prepared the methodology submission and documentation and completed Step 1 as set out in Verra's methodology process.
- Verra has reviewed the methodology documentation as set out in Step 2 of its methodology approval process and has conducted its stakeholder consultation with the public as set out in Step 3 of its approval process which was completed after proposals were submitted in March 2022.
- As Step 4 of Verra's approval process, Verra contracted with a Verra approved Validator to provide services in respect of the "Validation of the Methodology" in accordance with the terms and conditions set out in the agreement and the VCS Rules.
- Accordingly, on July 13, 2022, Verra entered into a contract with Earthhood Services Private Limited (Earthhood") whereby Earthhood was engaged to conduct the validation of the *dynaCERT*'s methodology in accordance with VCS Rules.
- *dynaCERT*, Earthhood, Verra and EP are now currently engaged in completing the VCS process with a view to *dynaCERT*'s Carbon Credits achieving Verra's Verified Carbon Standard.

Earthhood was chosen by *dynaCERT* to review and provide services in respect of the "Validation of the Methodology" in accordance with the terms and conditions set out in the applicable program rules.

Earthhood has been finalizing an assessment report on the Methodology for improved efficiency of fleet vehicles and combustion engines (the "Assessment Report"), which is expected to support the Methodology which will be used by *dynaCERT* to validate its Carbon Credits under Verra's VCS Program. Please see www.earthhood.in for further information about Earthhood.

The agreed timeline between Earthhood and *dynaCERT* is established to conclude the Assessment Report process by December 31, 2023, at the latest. Moreover, to facilitate and speed up the process, Earthhood has indicated that it now expects to provide its Technical Review (the "TR") and a final submission of its TR findings to *dynaCERT* by mid-November 2023. If all findings are closed out appropriately and sufficiently, Earthhood will release the final methodology validation report by end of November 2023.

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Cipher Neutron

In February 2023, dynaCERT entered into a Collaboration Agreement with Cipher Neutron Inc. ("CN" or "Cipher Neutron"), a privately held Ontario based company, to further jointly develop, produce and market state-of-the-art Hydrogen technology, including AEM Electrolyser technology, that is designed to produce Green Hydrogen for world-wide large infrastructure projects, and Reversible Fuel Cell technology applied to emergency preparedness and efficient storage of Hydrogen as a long-term source of power.

Cipher Neutron develops a disruptive technology focused on Electrolysers for Green Hydrogen production and Reversible Fuel Cells for power generation and energy storage solutions. Cipher Neutron's innovative products, such as Electrolysers and Reversible Fuel Cells under development, have unique advantages over other hydrogen production, power generation and energy storage solutions currently available in the global market.

The Collaboration Agreement provides that dynaCERT and CN plan to expand the development of dynaCERT's previously announced Anion Exchange Membrane (AEM) Electrolysers, with a goal to expand dynaCERT's collaborative Research & Development.

The R&D goals of CN and dynaCERT are to eventually design and produce commercially larger systems capable of producing Green Hydrogen Gas at more competitive prices than are currently offered, in order to excel at the ever-increasing competitive Green Hydrogen pricing marketplace and place themselves at the forefront and cutting edge of the Hydrogen technology.

Under the Collaboration Agreement, dynaCERT has been provided with options to acquire common shares of CN (the "CN options") at various expiry dates up to July 31, 2025, which, if fully exercised, could result in dynaCERT obtaining up to a 50% ownership of CN (based on current CN shares outstanding as at the date of the Collaboration Agreement). The total exercise price of such CN options is \$17,500,000. The proceeds of this investment are expected to be used by CN, in collaboration with dynaCERT, to develop a state-of-the-art International Hydrogen Research Development facility in the Greater Toronto Metropolitan area, which would enable the development of AEM 250 Kilowatt Electrolysers while ensuring dynaCERT and CN retain their role in the Hydrogen Economy. As well, part of the proceeds shall be used to establish the necessary Production and Quality Control facilities for CN's line of Reversible Fuel Cell models, and AEM Electrolyser models.

In order to advance dynaCERT's and CN's penetration in the Hydrogen Economy and the AEM Electrolyser industry, dynaCERT has committed to exercise certain of its CN options in amounts ranging up to 50% of the net proceeds of any equity financing by dynaCERT up to a maximum of \$5,000,000 at favourable seed capital exercise prices of CN equity to dynaCERT. When dynaCERT exercises such options, dynaCERT may then own 25% of CN on an undiluted basis. As at the date hereof, dynaCERT does not own any shares (or rights to acquire shares) of CN, other than the CN options granted under the Collaboration Agreement. Additional financing activities by dynaCERT are expected to be necessary in order to facilitate the exercise by dynaCERT of the foregoing CN options.

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On July 7, 2023, dynaCERT Inc. and Cipher Neutron Inc. jointly announced that Cipher Neutron has received an initial purchase order from Blade Hydrogen Technology Co. (“Blade Hydrogen) for a 10-Kilowatt AEM Green Hydrogen Electrolyser stack. The AEM Green Hydrogen Electrolyser stack will be manufactured in dynaCERT’s production facilities in Toronto pursuant to the Collaboration Agreement between dynaCERT and Cipher Neutron dated February 17, 2023.

On July 14, 2023, dynaCERT Inc. and Cipher Neutron Inc. jointly announced that Cipher Neutron has received an initial purchase order for a 10-Kilowatt AEM Electrolyser Stack and signed a Memorandum of Understanding with the Kuber Group Africa (“Kuber”). The AEM Green Hydrogen Electrolyser stack will be manufactured in dynaCERT’s production facilities in Toronto pursuant to the Collaboration Agreement between dynaCERT and Cipher Neutron dated February 17, 2023. On July 14, 2023, dynaCERT Inc. and Cipher Neutron Inc. jointly announced that Cipher Neutron and the University of Alberta have entered into discussions to collaborate on advanced research in AEM Electrolyser Membrane Catalysts.

On July 26, 2023, dynaCERT and Cipher Neutron and the University of Alberta announce that they had entered into discussions to collaborate on advanced research in AEM Electrolyser Membrane Catalysts. The collaboration provides for the development of specialized Membrane Catalysts which can be used in the AEM Green Hydrogen Electrolysers of Cipher Neutron to further increase the superior efficiencies of Green Hydrogen production achieved by Cipher Neutron. The Research by the University of Alberta is expected to be endorsed in part by MITACS and Cipher Neutron, and the University of Alberta intends to continue with this prestigious MITACS sponsorship.

On August 16, 2023, dynaCERT, Cipher Neutron Inc. and Strategic Resources Inc. jointly announced that Cipher Neutron and Strategic have executed a collaboration agreement to study supplying the BlackRock Project’s metallurgical facility (owned by Strategic Resources Inc.), located in Saguenay, Québec (Canada) with Anion Exchange Membrane (“AEM”) Electrolysers. These AEM Electrolysers manufactured by Cipher Neutron will be designed to produce Green Hydrogen in order to support the transition to Green Steel. As per Strategic’s recent NI 43-101 Feasibility Study, Strategic plans on using natural gas for its Tenova HYL Energiron direct reduction plant, which can also use hydrogen.

PERFORMANCE MILESTONES AND VERIFICATION UPDATE

European Homologation

In May 2018, the Company began testing for the Homologation Certification process of the Transport Ministry of Germany, Kraftfahrt-Bundesamt ("KBA"), in cooperation with TUV NORD and TUV SUD in Germany to European standards for an Allgemeine Betriebserlaubnis ("ABE") (the general operating permit) that is required for all equipment used on pan-European road vehicles.

In August 2019, the Company received the ABE Homologation from KBA. In 2019, and 2020, the German Federal Motor Transport Authority (KBA) issued a general operating license (ABE) for *dynaCERT's* HydraGEN™ technology on the basis of UN-ECE Regulation 143 for MAN &

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Mercedes engine families.

In August 2019, *dynaCERT's* wholly-owned European subsidiary, *dynaCERT* GmbH obtained from Kraftfahrt-Bundesamt ("KBA"), the Transport Ministry of Germany, the Allgemeine Betriebserlaubnis ("ABE") National Type Approval ("Homologation"). ABE Homologation, which emanates from KBA, permits the marketing, sales, installation and use of *dynaCERT's* HydraGEN™ technology in Germany. The ABE provided by the KBA is a National Approval. Other countries may accept the ABE and give an approval based on it such as Switzerland. The International Standard are the UN-ECE Regulations that are valid in 60+ Countries.

Applications for ABE Type Approval must meet stringent testing and validations required by rigorous and exacting regulation in Germany. *dynaCERT's* HydraGEN™ technology is the only hydrogen on demand hydrogen and oxygen gas supply system that has ever been approved by KBA and received Homologation for the ABE Type Approval. This unique advantage gives *dynaCERT* a lead in hydrogen-based technology and provides a strong market benefit as well as a barrier to entry for imitators and possible competitive technologies. The addressable market of *dynaCERT's* HydraGEN™ technology has expanded significantly and globally in the hydrogen-on-demand industry with the addition of this first-in-kind ABE Homologation.

As a result of its reputation for excellence, the acceptance of an ABE Homologation is monitored by other countries on every continent of the globe. In regulating their transportation industry, many countries and jurisdictions world-wide rely on the ABE Homologation as the unequivocal standard of due diligence and excellence for the regulated use of new expertise, such as *dynaCERT's* HydraGEN™ technology.

dynaCERT's HydraGEN™ technology underwent thorough testing to obtain ABE Homologation. Moreover, the ABE Homologation from KBA required approximately 26 months of proofs of concept, testing, validations, verifications, confirmations, authentications, rigorous trials with strict protocols, scientific analysis, exacting reviews using both on-road and in-laboratory methods and accompanying certified reports. Numerous engineers, combustion specialists and automotive experts, including world-renowned authorities in Europe, such as Continental EMITEC, TÜV Nord, TÜV Süd, were consulted and relied upon by KBA in granting the ABE Homologation.

RESULTS OF OPERATIONS

Results of operations for the three months ended September 30, 2023, compared to the three months ended September 30, 2022

The Company reported a loss and comprehensive loss from operations for three months ended September 30, 2023, of \$1,643,305 compared to \$3,281,431 for the three months ended September 30, 2022. Revenue increased by \$70,057 during the current period compared to the prior period. See "Sales" section herein.

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Key influencers to the changes in expenditures are:

- During the three months ended September 30, 2023, inventory impairment write down decreased by \$99,705, as in the prior comparative period the Company made some engineering changes which resulted in a write down of raw material inventory.
- Business development costs decreased by \$265,144 in the current period compared to the prior comparative period as the Company undertook cost reduction initiatives.
- Research and development costs decreased by \$382,761, as the Company is preparing to focus on its R&D with Cipher Neutron.
- During the three months ended September 30, 2023, the Company recorded an increase of accretion of \$154,735, and an increase in interest expense of \$114,198. The increase was a result of the loans and a convertible note entered into in the year.
- Share-based compensation decreased by \$1,670,534, as the Company granted 7,593,335 stock options during the three months ended September 30, 2022, compared to the grant of nil stock options during the three months ended September 30, 2023.
- During the three months ended September 30, 2022, the Company reversed the write-off of \$340,000, which was previously written off.

Results of operations for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022

The Company reported a loss and comprehensive loss from operations for nine months ended September 30, 2023, of \$5,242,086 compared to \$7,847,711 for the nine months ended September 30, 2022. Revenue increased by \$91,705 during the current period compared to the prior period.

Key influencers to the changes in expenditures are:

- During the nine months ended September 30, 2023, inventory impairment write down decreased by \$533,332, as in the prior comparative period the Company made some engineering changes which resulted in a write down of raw material inventory.
-
- During the nine months ended September 30, 2023, the Company recorded an increase of accretion of \$360,397, and an increase in interest expense of \$205,288. The increase was a result of the loans and a convertible note entered into in the period.
- Business development costs decreased by \$338,236, in the current period compared to the prior comparative period as the Company undertook cost reduction initiatives.
- Legal and audit costs decreased by \$530,248 in the current period compared to the prior period. In the prior period the Company's audit committee engaged independent legal counsel to assist them in examining the future recoverability of certain related party transactions.
- Research and development costs decreased by \$858,182, as the Company is preparing to focus on its R&D with Cipher Neutron.

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- Share-based compensation decreased by \$1,670,534, as the Company granted 7,593,335 stock options during the nine months ended September 30, 2022, compared to the grant of nil stock options during the nine months ended September 30, 2023.
- During the three months ended September 30, 2022, an employee repaid a loan of \$199,238, and the Company completed negotiations with a Director of the Company regarding a loan for \$340,000.

Research and Development Expenditures

Research and development expenditures vary depending on amount of work being done on product development and testing. To date, the Company has expensed all research and development costs. For a further discussion regarding the Company's R&D initiatives, see "Research and Development Initiatives" herein.

The following tables provide a breakdown of the Company's expenditures on R&D initiatives by product and component for the three and nine months ended September 30, 2023 and 2022:

Total by component	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Material	\$ -	\$ 175,784	\$ 95,407	\$ 469,440
Labour	-	19,578	-	169,530
OH	47,058	234,457	274,601	589,220
Total	\$ 47,058	\$ 429,819	\$ 370,008	\$ 1,228,190

Total by Product	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Hydralytica	\$ 47,058	\$ 85,087	\$ 152,904	\$ 174,559
AEM Electroliser	-	267,022	215,074	448,168
HG1 & HG2	-	77,710	2,030	605,463
Total	\$ 47,058	\$ 429,819	\$ 370,008	\$ 1,228,190

Adjustment to loss on loans, investments, and prepayments

During fiscal 2020 and fiscal 2021, the Company entered into a series of loans in connection with the exercise of stock options ("Option Loans"), including a loan in the principal amount of \$340,000 to a director and officer of the Company, and a loan in the principal amount of \$199,238 to an employee of the Company. During fiscal 2021 these individuals sold the underlying securities relating to their respective Option Loans. The Company recognized a loss in 2021 on these unsecured Option Loans after considering the creditworthiness of the debt holders, and the Company's recourse options. All holders of loans related to option or warrant exercises agreed to either repay their loans or return their shares for cancellation on or before December 31, 2022. During year ended December 31, 2022, a loan due from an employee of the Company, in the principal amount of \$199,238 was

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repaid, and the Company reversed the credit loss on the \$340,000 loan to the director. Final settlement of the balance of the Option Loans was completed in February 2023 via the return of shares for cancellation.

LIQUIDITY AND CAPITAL

As at September 30, 2023, cash on hand was \$52,568 as compared to \$156,499 at December 31, 2022.

The Company had cash outflows from operating activities of \$2,687,3224, which was due to a net loss for the period of \$5,297,823, non-cash adjustments of \$1,458,120, and non-cash working capital items of \$1,152,379. Non-cash adjustments of \$1,458,120, comprised of accretion and amortization of \$1,057,347, interest paid of \$58,949, accrued interest of \$64,232, reversal of impairment of inventory of \$1,937, provision for warranties of \$119,461, and provision for credit losses of \$60,000.

Operating cash flows were affected by non-cash working capital items of \$1,152,379 which comprised of a decrease in prepaid expenses of \$77,310, an increase in amounts payable and other liabilities of \$962,628, an increase in customer deposits of \$337,649, an increase in deposits of \$86,947, offset by an increase in inventory \$196,825, an increase in accounts receivables and sales tax receivables of \$52,587, and a decrease in warranty provision of \$62,743.

The Company had cash outflows from investing activities of \$47,713, which was due to the acquisition of intangible assets.

The Company had cash inflows from financing activities from the issuance of a convertible note for \$2,000,000, the issuance of loans of \$500,000 from a significant shareholder, \$709,550 from a loan from the CEO and Director of the Company, offset by the repayment of \$207,885 to the related party loan, and made lease obligation payments of \$370,559.

As at September 30, 2023, the Company has \$501,665 of loans outstanding to the President and CEO for cash advances to the Company. The cash advances bear interest 9% per annum and are payable upon demand.

As at September 30, 2023, the Company has a \$350,000 loan outstanding to a significant shareholder. The loans bears interest at 12% and one loan in the amount of \$350,000 due upon the Company completing an equity funding of \$3,500,000, the other loan was due in April 2023, but remains unpaid.

As at September 30, 2023, the Company has a \$150,000 loan outstanding to a significant shareholder, which had an initial repayment date of April 2023.

As at September 30, 2023, the Company has a \$2,000,000 in convertible loans outstanding to a third-party arm's length company. The loan bears interest at 10% and matures on December 31, 2023.

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The Company expects to be financed primarily through future sales revenues and through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future sales will be recognized, or that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward Looking Statements", and "Risks and Uncertainties".

As at September 30, 2023, the Company had accounts payable and accrued liabilities of \$2,130,866 as compared to \$1,168,238 at December 31, 2022.

Going concern uncertainty

At each reporting period, management assesses the basis of preparation of the financial statements. The Company's unaudited condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. *dynaCERT's* unaudited condensed consolidated interim financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the nine months ended September 30, 2023, the Company incurred a net loss of \$5,297,823 (September 30, 2022 - \$7,847,711) and had negative operating cash flows of \$2,687,324 (September 30, 2022 - \$6,775,892). Although the Company has generated revenue from customer sales, the sales volumes achieved to date have not been sufficient to generate the margins required to cover the Company's operating costs and research and development costs. The Company has an accumulated deficit of \$102,288,948 since inception (December 31, 2022 - \$98,470,486).

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. While the Company has been successful in arranging financing in the past, there can be no assurance the debt financing or any equity offering will be successful. Management has determined that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The military conflict between Russia and Ukraine may increase the likelihood of supply chain interruptions and political instability worldwide. Such disruptions could make it more difficult for the Company to source necessary materials and service providers at favorable pricing or at all. While it is difficult to estimate the impact of current or future European or other sanctions on the Company's business and financial position, these sanctions and the overall impact of the conflict on world markets could adversely impact the Company's sales, costs, operations and/or development activities in future periods.

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RELATED PARTIES TRANSACTIONS

Key management includes directors and other key employees, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

Other than as disclosed elsewhere in this document, the following provides details of related party transactions.

The Company paid or accrued the following amounts to directors, companies controlled by directors or companies having common directors during the period ended September 30, 2023 and 2022:

Nature of Transaction	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Consulting fees paid to directors	\$ 169,229	\$ 80,992	\$ 408,595	\$ 271,418
Short-term benefits	66,000	66,000	198,000	198,000
Share based compensation	-	731,500	-	731,500
Total	\$ 235,229	\$ 878,492	\$ 606,595	\$ 1,200,918

The Company has a lease agreement with a former director of the Company; the amounts included in the table above are inclusive of the period while the former director, was a director of the Company.

Included in consulting fees to directors above for the nine months ended September 30, 2023 is \$44,800 (September 30, 2022 - \$50,040) for business development services, \$198,000 (September 30, 2022 - \$198,000) for officer services. As at September 30, 2023, officers and directors were owed \$85,364 (December 31, 2022 - \$nil) with respect to services provided.

Included in research and development for the nine months ended September 30, 2023, is \$92,008 paid to key employees/consultants for research and development work. These key employees/consultants are also directors in Cipher Neutron Inc.

The Previous Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three and nine months ended September 30, 2023, the Company paid or accrued professional fees of \$nil and \$15,135 (September 30, 2022 - \$15,135, and \$45,405, respectively) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting services, while the individual was an officer of the Company. As at September 30, 2023, MSSI was owed \$10,335 (December 31, 2022 - \$5,700) with respect to services provided.

On May 26, 2023, the Company received a purchase order of 3,000 HydraGEN™ Units brokered through a director of the Company where he acts as a conduit for the purchase of the units on behalf of dynaCERT for the purchaser.

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As at September 30, 2023, the Company has \$709,550 in loans outstanding to the President and CEO for cash advances to the Company. The cash advances bear interest 9% per annum, and are payable upon demand.

As at September 30, 2023, the Company has \$350,000 in loans outstanding to a shareholder. In accordance with its terms, the loan bears interest at 1% per month and is due upon the Company completing an equity funding of \$3,500,000. In connection with the loans the Company issued 7.5M options to the shareholder which are exercisable at \$0.175 for a period of five years.

As at September 30, 2023, the Company has a outstanding loan balance of \$150,000 from a shareholder of the Company. The loan bears no interest and was due on April 30, 2023. As part of the loan agreement, the Company agreed to issue 1,500,000 stock options with an exercise price of \$0.175 and a fair value of \$64,435. The shareholder agreed to exercise 1/3 of the options for shares within a period of time expiring no later than three consecutive days of the shares trading at no lower than \$0.50 per share on the TSX for three consecutive days and 1/3 of these options for shares of the Borrower within a period of time expiring no later than three consecutive of shares trading at no lower than \$0.75 per share for three consecutive days after the date of this loan agreement.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

SHARE CAPITAL TRANSACTIONS

See "Liquidity and Capital".

CAPITAL MANAGEMENT

The Company's shareholders' equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its products and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk level.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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There have been no changes to the Company's approach to capital management during three and nine months ended September 30, 2023. The Company is not subject to externally imposed capital requirements.

OUTSTANDING SHARE DATA AS OF November 13, 2023

The Company had 380,512,515 common shares outstanding as of September 30, 2023. There were no share transactions between September 30, 2023, and the date of this report.

Below is a summary of the stock options outstanding as of the date of this report:

Expiry Date	Exercise Price (\$)	Number of options outstanding
March 1, 2024	\$0.380	3,150,000
May 15, 2024	\$0.350	250,000
July 30, 2024	\$0.500	600,000
September 11, 2024	\$0.500	300,000
October 11, 2024	\$0.500	50,000
November 12, 2024	\$0.500	811,000
December 9, 2024	\$0.520	1,725,000
December 17, 2024	\$0.550	400,000
July 2, 2025	\$0.700	4,210,000
August 2, 2025	\$0.700	1,105,000
October 30, 2025	\$0.550	100,000
January 8, 2026	\$0.550	850,000
May 30, 2026	\$0.500	6,370,000
August 25, 2027	\$0.300	6,830,000
October 23, 2027	\$0.300	700,000
February 07, 2028	\$0.175	6,000,000
March 28, 2028	\$0.175	1,500,000
		34,951,000

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Below is a summary of the warrants outstanding as of the date of this report:

Expiry Date	Unit Price	Ending Quantity
November 14, 2023	0.65	14,900,000
March 31, 2026	0.30	666,667
		15,566,667

RISKS AND UNCERTAINTIES

Prior to making an investment, decision investors should consider the investment risks set out in the Annual Information Form ("AIF"), located on SEDAR at www.sedar.com, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out in the AIF to be the most significant to potential investors in the Company but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment relating to the Company.

ACCOUNTING POLICIES

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period."
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

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DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, and evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that, based on their evaluation, they are effective as at September 30, 2023, to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

The Chief Executive Officer and interim Chief Financial Officer are responsible for certifying the design of the Company's ICFR as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" and CSA staff notice 52-316 – "Certification of Design of Internal Control over Financial Reporting". The Company's ICFR are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting standards. ICFR should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail that accurately and fairly reflect the transactions and dispositions of the Company's assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with applicable accounting standards;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of their inherent limitations, ICFR may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Chief Executive Officer and interim Chief Financial Officer have evaluated the Company's ICFR and concluded that they are effective as at December 31, 2022. Management follows the Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company has designed appropriate ICFR for the nature and size of its business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with applicable accounting standards.

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During the three and nine months September 30, 2023, Chief Executive Officer and interim Chief Financial Officer have evaluated whether there were changes to the ICFR that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation which was based on the COSO Model.

SUBSEQUENT EVENTS

On October 16, 2023, the Company announced that it initiated a non-brokered private placement of equity of up to 40,000,000 units. Each unit shall be priced at \$0.15 per unit for a total maximum offering of \$6,000,000. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$0.20 per warrant at any time for a period commencing upon the closing for a period of thirty-six months thereafter. If at any time after the date that is four months and one day after the closing, the closing trading price of the common shares on the Toronto Stock Exchange is greater than \$0.35 per common share for a period of ten consecutive business days, then the Company may give notice thereof to the holders of the warrants, and, in such case, the expiry time of the warrants shall be accelerated and shall be the 30th day after the date on which such notice is deemed to have been given by the Company.

October 19, 2023, the Company provided an update to its shareholders for clarity and announced that it has agreed with Cipher Neutron Inc. that dynaCERT will invest in Cipher Neutron equity ten percent of the net proceeds upon closing of the Company's proposed Unit Offering announced in dynaCERT's Press Release dated October 16, 2023. Further investments in Cipher Neutron by way of dynaCERT's options to purchase equity in Cipher Neutron, described in dynaCERT's Press Release dated February 22, 2023, remain in place.