



Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

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 14, 2024 and was reviewed and approved by the board of directors and audit committee 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, 2024. 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.sedarplus.ca.

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 OTC (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, busses, off-road and on-road construction machinery and mining equipment, as well as 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 and delivery services to its European clients of the HydraGEN™ products.

With 48 qualified agents and dealers operating in over 55 countries worldwide, the *dynaCERT* HydraGEN™ line of products are commercially available 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 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%.

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.

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.

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, 2024 and 2023:

Total by component	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023		2024	2023	
Material	\$	-	\$	-	\$	95,407
Labour		-	\$	-		-
Overhead		350		47,058	\$	9,583
Total	\$	350	\$	47,058	\$	9,583
						\$ 370,008

Total by Product	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023		2024	2023	
Hydralytica	\$	350	\$	47,058	\$	9,583
AEM Electroliser		-		-		152,904
HG1 & HG2		-		-		215,074
Total	\$	350	\$	47,058	\$	9,583
						\$ 370,008

The Company also has a Continuous Product Improvement (CPI) program that is focused on making enhancements to the manufacturing operation to improve product quality and is not included in the chart above.

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 a double HG1 unit designed to accommodate the large "Road Trains" travelling across Australia, South America and in the Alberta oil and gas industry. A smaller more condensed HG1 model with a smaller footprint is also being developed to accommodate certain needs in the European market.

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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.

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".

The Company had entered into a collaboration agreement aimed at commercializing AEM technology which was terminated during the quarter in return for a 15% equity stake in Neutron Inc. ("Cipher Neutron"). 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 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. Cipher Neutron exhibited the AEM technology at various conventions where they unveiled both a 10kw and 40kw AEM system.

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.

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, the HG1 line, includes the HG1R models in both 12vdc and 24vdc versions, which target the 10 to 15 litre diesel engine market. These HG1 units are in production and are outfitted with the latest SMART ECU2 controller.

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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, Reefers", Mobile Construction Equipment, Small Generators, and Smaller Trucks commonly found outside of North America, such as in European countries and in Asia.

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 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.

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 equipment telematics 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. The HydraGEN™ technology, in combination with HydraLytics™, monitors and automatically calculates the fuel savings and the resulting avoidance of carbon emissions.

HydraLytics™ receives data from a truck's on-board-diagnostic port (the "OBD port") and communicates this data to *dynaCERT*'s cloud server remotely. The HydraLytics™ software gathers, records, combines the OBD data, the HydraGEN™ unit data, and additional needed information to calculate fuel performance and vehicle efficiency. HydraLytics™ is designed to show and compare baseline activity to determine fuel performance and vehicle efficiency to calculate fuel savings and

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emission reductions. The reductions can be displayed in kilograms of CO2 equivalent ("CO2e"). CO2e is expected to be the basis of calculating Carbon Credits.

The HydraLytics™ 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, HydraLytics™ removes certain doubts about the performance of the HydraGEN™ Technology as it does not rely on human interpretation which could possibly be biased. With HydraLytics™, users receive data that is directly from their own diesel engines showing that the HydraGEN™ technology is working and have peace of mind regarding performance.

HydraLytics™ software also enables user access to the telematics information from locations equipped with an internet connection. The HydraLytics™ software is also designed to display historical data after the HydraGEN™ technology has been installed on a vehicle. HydraLytics™ maps the routes and locations of vehicles or equipment and can determine when the vehicle is moving or stationary and when its ignition is off. The intuitive user-friendly software of HydraLytics™ allows owners and operators to review a baseline and compare it to current performance to improve the overall fleet, vehicle, or equipment efficiency.

MANUFACTURING CAPABILITIES

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.

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 is sustained. All customer feedback is reviewed by *dynaCERT's* Engineering group and vetted through the Company's formal engineering change process.

SALES

During the nine months ended September 30, 2024, the Company recognized sales of \$1,391,028.

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 a multinational Drilling company with 1 HG4C in Australia and 3 HG1s on drill rigs in Egypt. Gridfix Net2Zero also has also purchased an HG4C and HG6C for a mining company and to be installed in Australia which was shipped after the quarter end. There is an initial HG2 sold by Gridfix to Port of Nelson in New Zealand. They have also in an HG1 installed on Waste Management trash compactor in New Zealand.

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Mexico

Sigma Alimentos has completed their pilot with good results and have ordered 18 additional HG1s for deployment in Mexico which are being installed by H2Tek.

Our new dealer, Thinking Capital, have received shipment of 6 HG1s for initial installs scheduled for three trucking fleets in Mexico. Thinking Capital subsequently has ordered 2 HG1s for Laredo, Texas for customers in Texas.

Mining Peru and Brazil

As a follow on to a 2 year pilot project H2Tek have executed an order of 120 units including HG1 and HG2 units for Brazil and Peru. The shipment has arrived by ship at both destinations and the units are scheduled to be rolled out over the next 3 months.

Brazil

H2Tek has sold three HG6C units to a large multinational mining company in Brazil and were installed after quarter end.

France

dynaCERT GmbH sold HG1 and HG2 Units in France.

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. 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.

Purchase Orders

Following prior trials, repeat purchase orders with deposits (received but not shipped in 2023 and Q1 2024) included 137 Units, of which 119 HG1 and HG2 Units destined for Peru and 18 additional HG1 Units for deployment in Mexico to be shipped before the end of Q2 2024.

LEGAL MATTERS

The Company previously received an order for HydraGEN™ Technology Units, the recipient of which is a company located in Guyana (the "Recipient"). On July 31, 2023, the Company delayed deliveries of HydraGEN™ Units under this order pending further notice by either the Recipient or its representatives that certain outstanding issues were resolved to everyone's satisfaction, details of which were disclosed in the Company's press release dated July 31, 2023. The Company has been named in litigation that appears to relate to the purchase order in question. First, an action requesting the return of the initial deposit that was received by wire in May 2023. This action alleges that the lawyer for the broker of the sale wired the deposit under a mistake of fact, having believed that certain cheques paid by the Recipient to the broker's lawyer in trust had cleared prior to him initiating the wire transfer to the Company (the "Wire Return Action"). Second, a third-party proceeding among various extraneous parties claiming damages and other relief. These two matters have since been consolidated

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by the court. At a recent case conference, the third-party plaintiff's counsel has given the Company a waiver of defence in respect of the third-party claim (such that the Company shall only require a defence to the Wire Return Action). The Company believes that this litigation has no merit against *dynaCERT*. The initial round of examinations for discovery in the Wire Return Action has taken place, and the company continues to monitor the third-party claim. Given the emergence of litigation and lack of progress in resolving delivery issues over past months, the Company announced in Press Release dated March 28, 2024 that it has determined to suspend indefinitely this purchase order pending resolution by courts or clarification of the litigation issues in question.

Subsequent to December 31, 2023, the Company received a statement of claim from a former consultant of the Company and the consultant's principal officer alleging wrongful (constructive) dismissal and breach of contract. The claim seeks damages in the amount of \$679,400 and other incidental relief including benefits, unpaid vacation pay and rights in unexercised options. The Company believes that the claim is excessive and to the extent that it alleges an employment relationship and related claims has no merit. Neither the possible outcome nor the amount of possible settlement can be foreseen at this time.

BUSINESS DEVELOPMENTS

In 2023, the Company hired a software data analytics team to ready the application of HydraLytics™ for the launch of the Company's Carbon Credits program.

European Homologation

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.

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. *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 processes. The Company's R&D team has made improvements to its existing HydraGEN™ technology, and the Company has filed additional claims capturing those improvements.

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dynaCERT owns 23 distinct patents in different countries and jurisdictions around the world. These patents can be sectioned into 6 overarching families of patents.

The chart below is a summary view of the patent portfolio's standing.

<i>dynaCERT</i> Patent Summary	
# of Patent Families	6
Patent: Granted	2 3
Patent: Pending	2 7
Total Patents & Applications	5 1

The chart below is an overview of the patent portfolio.

<i>dynaCERT</i> Patent Portfolio	
Patent Family	Jurisdictions Granted
MANAGEMENT SYSTEM AND METHOD FOR REGULATING THE ON-DEMAND ELECTROLYTIC PRODUCTION OF HYDROGEN AND OXYGEN GAS FOR INJECTION INTO A COMBUSTION ENGINE	1. United States of America 2. China 3. Chile 4. France 5. Germany 6. Israel 7. Mexico 8. United Kingdom 9. Russia 0. Saudi Arabia
SYSTEMS AND METHODS FOR TRACKING GREENHOUSE GAS EMISSIONS ASSOCIATED WITH AN ENTITY	1. United States of America 2. Chile 3. Russia
METHOD AND SYSTEM FOR IMPROVING FUEL ECONOMY AND REDUCING EMISSIONS OF INTERNAL COMBUSTION ENGINES	1. United States of America 2. Canada
SYSTEMS AND METHODS FOR IMPROVING FUEL ECONOMY OF INTERNAL COMBUSTION ENGINES	1. United States of America
ELECTROLYTIC REACTOR AND METHOD OF OPERATING SAME	1. United States of America
METHOD AND SYSTEM FOR AUTOMATIC MONITORING OF THE LEVEL OF ELECTROLYTE SOLUTION INSIDE OF AN ELECTROLYTIC REACTOR	1. United States of America

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Carbon Credits

The Company believes an opportunity exists to monetize carbon credits from the HydraGEN™ technology operating on diesel engines. 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 HydraLytica™ Telematics abilities to reduce carbon emissions on a world-wide basis. The Company had 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 HydraLytica™ Telematics technology to securely record carbon emissions and other non- personal data from diesel and gas engines. Verra has furthered the application through multiple 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.

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 finalized an assessment report on the Methodology for improved efficiency of fleet vehicles and combustion engines, which supports 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.

Verra has posted on its website that the methodology is currently at "Step 6: Final Verra Review and Decision" of the VCS Methodology Development and Review Process.

In 2024, the Company is working with Verra on its final stages of its VCS Program.

Cipher Neutron

In June 2024, *dynaCERT* acquired a 15% ownership stake in Cipher Neutron, a privately held Ontario based company, which develops, produces and markets Anion Exchange Membrane (AEM) Electrolyser technology, designed to produce Green Hydrogen. Since June 2024, *dynaCERT* also holds warrants to purchase further shares in Cipher Neutron.

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 AEM 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.

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RESULTS OF OPERATIONS

Results of operations for the three months ended September 30, 2024, compared to the three months ended September 30, 2023

The Company reported a loss and comprehensive loss from operations for three months ended September 30, 2024, of \$3,302,909 compared to \$1,643,305 for the three months ended September 30, 2023. Revenue increased by \$466,031 compared to the prior quarter.

Key influencers to the changes in expenditures are:

- Cost of Goods sold increased by \$603,983 as a result of higher sales than the previous quarter.
- Accretion decreased by \$154,735 as a result of loans and convertible note entered into last year.
- The Company granted stock options 9,130,250 with a stock based compensation of \$1,454,728.

Results of operations for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023

The Company reported a loss and comprehensive loss from operations for nine months ended September 30, 2024, of \$6,457,985 compared to \$5,297,823 for the three months ended September 30, 2023. Revenue increased by \$1,035,459 compared to the prior quarter.

Key influencers to the changes in expenditures are:

- Cost of Goods sold increased by \$965,901 as a result of higher sales than the previous quarter.
- Accretion decreased by \$330,992 as a result of loans and convertible note entered into last year.
- Research and development costs decreased by \$360,425 as a result of the less support and consulting work in 2024 vs 2023.
- The Company granted stock options 9,130,250 with a stock based compensation of \$1,454,728.

LIQUIDITY AND CAPITAL

As at September 30, 2024, cash on hand was \$2,907 as compared to \$247,268 at December 31, 2023.

The Company had cash outflows from operating activities of \$3,781,342, which was due to a net loss for the period of \$6,457,985, non-cash adjustments of \$2,268,065, and non-cash working capital items of \$408,578. Non-cash adjustments of \$2,268,065, comprised of accretion and amortization of \$667,674, stock based compensation of \$1,454,728, interest paid of \$38,890, accrued interest of \$51,787, provision for warranties of \$92,292, reversal of impairment of inventory of \$88,830, and loss on settlement of debt of \$8,186.

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Operating cash flows were affected by non-cash working capital items of \$408,578 which comprised of a decrease in inventory of \$845,006, a decrease in prepaid expenses of \$4,808, a decrease in warranty provision of \$11,934, a decrease in deposits of \$7,244, offset by an increase in accounts receivables and sales tax receivables of \$321,164, a decrease in customer deposits of \$25,528, a decrease in amounts payable and other liabilities of \$113,722.

The Company had cash outflows from investing activities of \$37,431 which was due to the acquisition of intangible assets of \$13,632, acquisition of property plant and equipment of \$3,799, and investment in associate of \$20,000.

The Company had cash inflows from financing activities of \$3,574,412, which was due from the issuance of units of \$4,299,191 less paid commissions of \$3,747.

As at September 30, 2024, the Company has \$226,815 of principal loans outstanding plus accrued interest of \$59,058 owing to Chairman and CEO for cash advances to the Company for a total of \$285,873. The cash advances bear interest at 12% per annum and are payable upon demand.

The Company had a \$350,000 loan outstanding to a shareholder which was due upon the Company completing an equity funding of \$3,500,000, and another loan in the amount of \$150,000. The \$350,000 loan was due in April 2023, and was repaid in July 2024, and the remaining \$150,000 loan plus interest remains outstanding as of September 30, 2024. The loans bear interest at 1% per month without compounding.

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 December 31, 2024, the Company had accounts payable and accrued liabilities of \$2,616,700 as compared to \$2,785,072 at December 31, 2023.

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.

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For the three and nine months ended September 30, 2024, the Company incurred a net loss of \$6,457,985 (September 30, 2023 - \$5,297,823) and had negative operating cash flows of \$3,781,342 (September 30, 2023 - \$2,687,324). 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 \$108,892,612 since inception (December 31, 2023 - \$104,471,428).

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.

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 certain of the following amounts to directors, companies controlled by directors or companies having common directors during the three and nine months ended September 30, 2024 and September 30, 2023.

Nature of Transaction	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Consulting fees paid to directors	\$ 124,343	\$ 169,229	\$ 447,339	\$ 408,595
Short-term benefits	66,000	66,000	198,000	198,000
Total	\$ 190,343	\$ 235,229	\$ 645,339	\$ 606,595

Included in consulting fees to directors above for the nine months ended September 30, 2024, are commissions of is \$nil (2023 - \$9,930) in connection with certain sales contracts, \$36,697 (September 30, 2023 - \$27,800) for business development services, \$182,346 (September 30, 2023 - \$182,346) for advisory services. As at September 30, 2024, officers and directors were owed \$255,958 (December 31, 2023 - \$258,500) with respect to services provided

Included in research and development for the nine months ended September 30, 2024, is \$nil (September 30, 2023 - \$92,008) paid to key consultants for research and development work. These key consultants are also directors of Cipher Neutron Inc.

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During the nine months ended September 30, 2024, the CEO, and director agreed to settle \$190,925 of the balance of the loan for 1,272,836 Units at a price of \$0.15 per Unit and recorded a loss on settlement of the debt of \$6,364. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Share at an exercise price of \$0.20 per Share on or before February 22, 2027. As at September 30, 2024, the Company has \$285,873. in loans outstanding with interest to the CEO, and director for cash advances to the Company. The cash advances bear interest 12% per annum and are payable upon demand.

As at December 31, 2022, the Company had loans to officers, and directors of the Company in the aggregate amount of \$550,000 relating to share capital. The loans were non-interest bearing and due on demand. During the three months ended September 30, 2023, the shares were returned to the Company and the loans were cancelled.

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.

Further during the three and nine months ended September 30, 2024, and during the year ended December 31, 2023, Cipher Neutron Inc. was provided space within the Company's premises at no additional cost.

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.

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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.

There have been no changes to the Company's approach to capital management during year ended December 31, 2023, and the three and nine months ended September 30, 2024. The Company is not subject to externally imposed capital requirements.

OUTSTANDING SHARE DATA AS OF September 30, 2024

The Company had 436,512,516 common shares outstanding as of September 30, 2024. Refer to the subsequent events section for share transactions between September 30, 2024, 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
December 9, 2024	\$0.520	1,725,000
December 17, 2024	\$0.550	400,000
July 2, 2025	\$0.700	3,915,000
July 2, 2025	\$0.700	1,095,000
October 30, 2025	\$0.550	100,000
January 26, 2026	\$0.550	850,000
May 30, 2026	\$0.500	5,940,000
August 25, 2027	\$0.300	6,070,000
October 23, 2027	\$0.300	100,000
February 7, 2028	\$0.175	6,000,000
March 28, 2028	\$0.175	1,500,000
July 12, 2029	\$0.200	9,065,250
July 12, 2029	\$0.200	65,000
		36,825,250

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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
March 31, 2026	\$0.300	666,667
December 4, 2026	\$0.200	9,669,277
December 4, 2025	\$0.150	5,000
December 20, 2026	\$0.150	3,156,499
December 20, 2025	\$0.180	18,150
February 22, 2027	\$0.200	5,149,223
February 22, 2026	\$0.180	24,983
June 27, 2027	\$0.200	6,383,667
June 27, 2026	\$0.180	21,667
July 3, 2027	\$0.200	3,616,334
October 9, 2026	\$0.280	4,166,667
		32,878,134

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.sedarplus.ca, 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 accounting standards adopted

The IASB 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 Company adopted this amendment on January 1, 2024 and there was no material impact on the condensed consolidated interim financial statements.

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New standards not yet adopted

There were no new or amended accounting standards or interpretations that are expected to have a material impact on the Company's condensed consolidated interim financial statements.

Accounting Treatment of Cipher Neutron Agreement

In June 2024, the Collaboration Agreement between the Company and Cipher Neutron was terminated. No options were exercised by the Company and no future commitments exist under this agreement. There is no impact on the financial statements from this termination.

In June 2024, the Company acquired a 15% ownership stake in Cipher Neutron with warrants enabling an increase in ownership stake to 20%. The Company is using the equity method to record this investment (IFRS 11 & IAS28).

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, 2024, 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.

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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 Chief Financial Officer have evaluated the Company's ICFR and concluded that they are effective as at December 31, 2023. 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.

During the three and nine months September 30, 2024, Chief Executive Officer and 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 6, 2024, the Company announced that the Company has received the final Verra approval of its Carbon Credit Methodology.

On October 9, 2024, the Company announced the closing of a fully-subscribed arm's length non-brokered offering for aggregate gross proceeds of \$1,000,000 (the "Offering"). The Company has issued one Unit at a price of \$1,000,000 per Unit, such Unit consisting of: (a) one (1) Convertible Note bearing an annualized interest of eight percent (8%) maturing on October 9, 2025 and convertible at the option of the holder in whole or in part into 4,166,667 common shares of the Company (the "Shares") being a conversion price of \$0.24 per Share; and (b) 4,166,667 common share purchase warrants (the "Warrants"). Each Warrant entitles the holder thereof to purchase one (1) Share at an exercise price of \$0.28 per Share on or before October 9, 2026.