



dynaCERT Inc.

ANNUAL INFORMATION FORM

For the fiscal year ended December 31, 2021

April 4, 2022

TABLE OF CONTENTS

PRELIMINARY NOTES	3
GLOSSARY OF TERMS.....	4
CORPORATE STRUCTURE.....	5
Name, Address, Incorporation	5
Intercorporate Relationships	5
GENERAL DEVELOPMENT OF THE BUSINESS.....	6
Three Year History.....	6
Significant Acquisitions	7
DESCRIPTION OF BUSINESS	7
Corporate Summary	7
Products and Services.....	8
Production.....	10
Product Developments.....	11
Technology Validation, Certifications and Advancements.....	12
Research and Development Initiatives	13
Patents and Proprietary Technology.....	14
Government Support Programs and Initiatives	15
Carbon Credits	15
Competitive Conditions.....	16
New Products / Segments	17
New Markets.....	17
Cycles.....	18
Economic Dependence	19
Changes to Contracts.....	19
Employees	19
Loss on loans, investments, and prepayments.....	19
RISK FACTORS.....	20
Impact of COVID-19 Pandemic and Global Health Crisis	20
Market Acceptance.....	21
Operating Results.....	21
Audit Committee Review	22
Economic Conditions	22
Ability to Achieve and Manage Growth.....	22
New Markets.....	23
Rapid Technological Advancement.....	23
Product Liability	23
Competition	24
Software Defects.....	24
Price Variation	24
Dependence On Key Distributors.....	24
Replacement Or Reduced Use Of Products And Services	25
Dependence On Key Suppliers	25
Currency Fluctuation.....	25
International Operations & International Trade Relations	25
War in Ukraine.....	26
Reliance on Key Personnel	26
Safety Performance	26
Intellectual Property Infringement	26
Failure to Expand	26
Failure to Succeed in Promoting, Strengthening and Continuing to Establish the dynaCERT Brand	27
Credit Risk.....	27
Insurance Sufficiency, Availability And Rate.....	27
Cyber Security	27
Information Security.....	27

Conservation Measures And Technological Advances.....	28
Need for Future Financing.....	28
Future Equity Sales May Cause Dilution.....	28
Dividends.....	28
Shareholder Activism	28
Conflicts	28
Catastrophic Events, Natural Disasters, Severe Weather And Disease.....	29
DIVIDENDS AND DISTRIBUTIONS	29
DESCRIPTION OF CAPITAL STRUCTURE	29
Common Shares	29
Stock Options.....	29
Warrants	31
MARKET FOR SECURITIES.....	33
Trading Price and Volume	33
Prior Sales.....	33
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	33
DIRECTORS AND OFFICERS	34
Name, Occupation and Security Holding	34
Biographies.....	35
Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....	37
Conflict of Interest	37
AUDIT COMMITTEE	37
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	39
Legal Proceedings	39
Regulatory Actions.....	39
INTERESTS OF MANAGEMENT AND OTHERS MATERIAL TRANSACTIONS	39
TRANSFER AGENT AND REGISTRAR.....	40
MATERIAL CONTRACTS	40
INTERESTS OF EXPERTS	40
ADDITIONAL INFORMATION	40
APPENDIX A.....	41

PRELIMINARY NOTES

Currency

Except where otherwise indicated, all references to currency in this Annual Information Form are to Canadian dollars.

Date of Information

All information in this Annual Information Form is as of December 31, 2021, unless otherwise indicated.

Forward-Looking Statements

This Annual Information Form contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, but is not limited to, information with respect to the developments in dynaCERT's operations in future periods, the adequacy of dynaCERT's financial resources, costs and timing of development and dynaCERT's executive compensation approach and practice. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation, those described under "Risk Factors" which list is not exhaustive of the factors that may affect any of the Company's forward-looking information. Although dynaCERT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Forward-looking information involves statements about the future and is inherently uncertain, and dynaCERT's actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this Annual Information Form under the heading "Risk Factors" and elsewhere in this Annual Information Form. In connection with the forward-looking statements contained in this Annual Information Form, the Company has made certain assumptions about its business and the industries in which it operates and has also assumed that no significant events occur outside of the Company's normal course of business other than as disclosed in connection with the ongoing global COVID-19 pandemic and financial crisis. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable as of the date of this Annual Information Form, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein. dynaCERT's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date that the statements are made, and the Company does not assume any obligation to update forward-looking information, whether as a result of new information, future events or otherwise, other than as required by applicable law. For the reasons set forth above, prospective investors should not place undue reliance on forward-looking information.

Industry and Market Data

Unless otherwise indicated, information contained in this Annual Information Form concerning dynaCERT's business and the industries and markets in which dynaCERT operates, including the Company's general expectations and market position and opportunity, is based on information from independent industry analysts and third-party sources and other industry publications, surveys and forecasts and dynaCERT's internal research and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from dynaCERT's internal research, and are based on assumptions made by the Company based on such data and its knowledge of its industry and markets, which the Company believes to be reasonable. None of the sources cited in this Annual Information Form has consented to the inclusion of any data from its reports, nor has dynaCERT sought their consent. The Company's internal research has not been verified by any independent source, and the Company has not independently verified any third-party information. While dynaCERT believes the market position and opportunity information included in this Annual Information Form is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of dynaCERT's future performance and the future performance of the industries and the markets in which it operates is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the "Risk Factors" section of this Annual Information Form and elsewhere in this Annual Information Form. These and other factors could cause results to differ materially from those expressed in the estimates made by third parties or by the Company.

Any logos or other trademarks mentioned in this Annual Information Form are the property of their respective owners.

GLOSSARY OF TERMS

In this Annual Information Form, the following words and phrases have the meanings set forth below, unless otherwise indicated.

"Board" means the board of directors of the Company.

"Common Shares" or "Shares" means the common shares in the capital of the Company.

"Company" or "dynaCERT" means dynaCERT Inc.

"Dealer" means a duly registered dealer of dynaCERT's HydraGEN™ Technology products.

"ECU" means engine control unit.

"HydraGEN™ Technology" means the Company's patented HydraGEN™ Technology whereby water is turned into hydrogen and oxygen through electrolysis in a sealed, non-pressurized reactor that uses an electrolyte with distilled water and battery power to convert the water into hydrogen and oxygen.

"OBCA" means the *Business Corporations Act* (Ontario), together with any or all regulations promulgated thereunder, as amended from time to time.

"NI 51-102" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

"Shareholders" means holders of Shares and "Shareholder" means any one of them.

"TSX" means The Toronto Stock Exchange.

"TSX-V" means the TSX Venture Exchange.

CORPORATE STRUCTURE

Name, Address, Incorporation

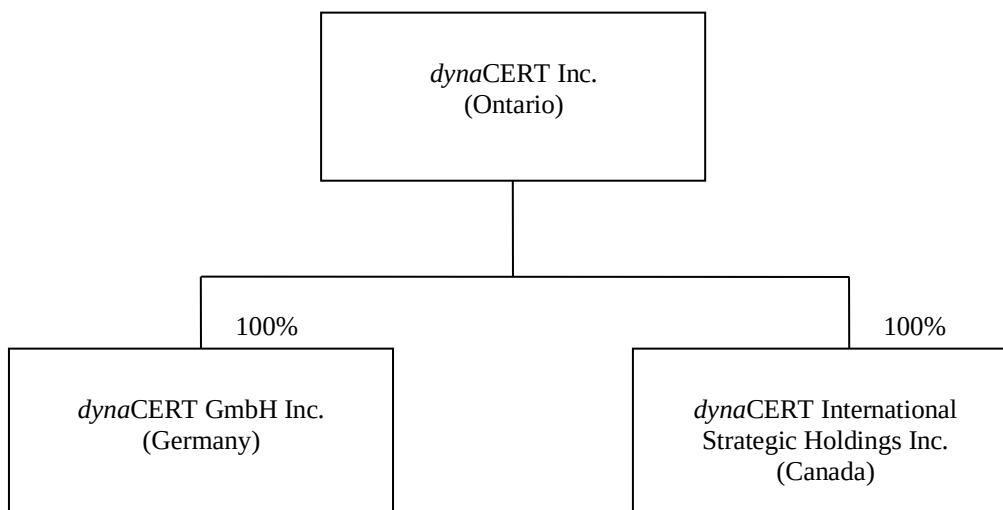
The Company was formed upon the amalgamation of Dynamic Fuel Systems Inc. and Chancellor Enterprises Holdings Inc. under the *Business Corporations Act* (Ontario) on December 31, 2003. The Company was initially named "Dynamic Fuels Systems Inc." On December 4, 2012, the Company filed Articles of Amendment to change its name to "dynaCERT Inc." The Company's head, registered and records offices are all located at Suite 101, 501 Alliance Avenue, Toronto, Ontario M6N 2J1.

dynaCERT is a growing cleantech sector company that specializes in delivering Carbon Emission Reduction Technologies to the global diesel engine marketplace. Throughout its years in business, the Company has worked to provide a reliable and effective electrolysis unit that generates hydrogen and oxygen on demand to: (a) address the growing requirements to reduce toxic emissions; and (b) address the desire to provide lower operating costs including an increase in fuel economy.

The Company is engaged in the design, engineering, manufacturing, testing, and distribution of a transportable hydrogen generator aftermarket product, currently for 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, and targeted for use in refrigerated trailers and containers, and forestry industries, with potential for application in the ocean shipping 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.

Intercorporate Relationships

The Company operates its business through the parent corporation and through its two principal wholly-owned subsidiaries, dynaCERT GmbH Inc. (Germany) and dynaCERT International Strategic Holdings Inc. (Canada).



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

In 2019, the Company focussed its efforts on growth, marketing its commercial products and innovating new products in new market verticals including trucking, refrigerated trailers, mining equipment, on-road and off-road equipment, construction, marine applications and power generators. As well, the Company expanded its product applications with the introduction of its proprietary HydraLytics™ telematics software to allow end-users of its products to measure, in real time, the effectiveness of its fuel savings and emissions reduction products. The Company focussed, through its newly-established Dealer network, on instituting beachheads in the North American market, Mexico, mining in South America, trucking and busing in India and Europe and the Middle East, with early orders of its product offering. As a result of its carbon emission reducing HydraGEN™ Technology the Company also initiated the process of establishing Carbon Credit certifications for users of its HG systems and has engaged experts in the industry to further such efforts.

In mid-2019, the Company contracted with KarbonKleen Inc. ("KarbonKleen" or "KK"), a preferred service provider, and other Dealers, to begin to market new Company products in North America and other jurisdictions. At the end of 2019, Mr. Eric Sprott, a strategic investor focussed on gold mining globally, invested significantly in the Company's equity by way of a private placement, thereby funding the Company to continue to pursue its global strategy of offering its proprietary Carbon Emissions Reduction Technology and to expand its assembly facilities in Toronto in anticipation of the launch of the Company's marketing strategy. Mr. Sprott invested (through a wholly-owned company) a total of \$14,000,000, acquiring 28,000,000 Common Shares and 14,000,000 common share purchase warrants, thereby making him an Insider of the Company at that time.

In early 2020, the Company established a 100%-owned subsidiary called dynaCERT International Strategic Holdings Inc. ("DISH"), to be used to support sales efforts worldwide with investments in strategically unique and exceptional CleanTech innovators directly related to dynaCERT's business, including a subscription programme of dynaCERT's HydraGEN™ Technology to enhance end-user adoption. As its first investment, DISH acquired a twenty percent (20%) interest in KarbonKleen, dynaCERT's preferred service provider. The purpose of this investment by DISH was to accelerate its market penetration and sales in the USA market which both dynaCERT and KarbonKleen determined is a growing priority in North America. On May 9, 2020, KarbonKleen provided the Company with a purchase order for 3,000 HydraGEN™ Technology units.

In June 2020, the Company completed an overnight marketed offering of units at a price of \$0.68 per unit for aggregate gross proceeds of \$8,367,400. Shortly thereafter, the Company's listing was graduated from the TSX Venture Exchange to the TSX under the trading symbol 'DYA'. The warrants issued under the overnight marketed offering were also listed on the TSX at that time under the trading symbol 'DYA.WT'.

In Q1 2021, dynaCERT received purchase orders with advanced payment for twenty (20) of the Company's newest 2021 model HG1R units for the North American continental trucking customers of KarbonKleen, which is furthering its successful trials to its trucking and logistics clients. This order is not part of the subscription programme for 3,000 units noted above. For a further discussion regarding this arrangement, see "Products and Services – Product Sales – KarbonKleen/Sofina".

Impact of COVID-19 Pandemic

The rapid spread of COVID-19 worldwide has caused significant economic contraction and uncertainty, resulting in the Company not being able to produce product and thereafter to be able to ship product to its customers for an extended period of time. While the Company resumed operations on August 4, 2020, the worldwide pandemic starting in late 2019 slowed down parts of the Company's supply chain, thereby stopping all final assembly work on existing client orders until raw material deliveries resumed and were received towards the end of March 2020. Further, European shut down of non-essential commerce from January through August 2020 significantly affected the Company's ability to deliver finished goods as the Company's customers were not able to accept incoming goods or install HydraGEN™ Technology units on their trucks and equipment. Further sales efforts were also curtailed with potential Dealers and their customers all being affected by the Stay-at-Home rules put in place by the countries where the Company does business. Although the Ontario pandemic response was a few weeks behind the early stages of European experiences, in Ontario, the government mandated that all non-essential work be stopped, and employees

be sent home on March 16, 2020 and the Company fully complied. While the Company was able to have a few materials-team members intermittently on hand for the receiving of the remaining raw materials that were in transit from the supply chain, all long-term deliveries to dynaCERT were put on hold at that time. The Ontario Government released certain qualifying companies and services to re-open in a staged process. On Wednesday, July 28, 2020, the Ontario Government released companies in the Greater Toronto Area (GTA) to begin work at midnight on July 31, 2020. dynaCERT recalled employees for Tuesday, August 4, 2020, after the statutory holiday and has been operational since this re-opening date. The Ontario Government lifted COVID-related restrictions on most public places on March 21, 2022, except for public transit and health care settings. Remaining COVID-related restrictions are scheduled to terminate in Ontario on April 22, 2022.

The COVID-19 pandemic has continued to rapidly evolve and fluctuate throughout 2021, and the Company will continue to monitor the effects of COVID-19 on its business around the world. The extent to which COVID-19 may impact dynaCERT's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the emergence of variants of concern, the geographic spread of the disease, the duration and degree of future waves of infection, business closures or business disruptions, public health restrictions on travel and in-person interactions, and the effectiveness of action to contain and treat the disease in the United States, Mexico, Europe, South America, the Middle East and India, and the other markets where the Company may seek to offer its products. The Company cannot presently predict with accuracy the duration, scope and severity of any potential business closures or disruptions, or the overall effects of COVID-19 on its business over time. Though many shutdowns and restrictions have been lifted and businesses have re-opened in many parts of the world, future shutdowns or other business interruptions could result in material and negative effects on the Company's ability to conduct its business in the manner and on the timelines presently planned, which could have a material adverse impact on the Company's business, results of operation, and financial condition. See section "Risk Factors – Impact of COVID-19 Pandemic and Global Health Crisis" below.

Significant Acquisitions

The Company has not completed any acquisition during its most recently completed financial year for which disclosure is required under part 8 of NI 51-102.

DESCRIPTION OF BUSINESS

Corporate Summary

dynaCERT is a growing cleantech sector company that specializes in delivering Carbon Emission Reduction Technologies to the global diesel engine marketplace. Throughout its years in business, the Company has worked to provide a reliable and effective electrolysis unit that generates hydrogen and oxygen on demand to: (a) address the growing requirements to reduce toxic emissions; and (b) address the desire to provide lower operating costs including an increase in fuel economy.

The Company is engaged in the design, engineering, manufacturing, testing, and distribution of a transportable hydrogen generator aftermarket product, currently for 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, and targeted for use in refrigerated trailers and containers and forestry industries, with potential for application in the ocean shipping 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.

The Company's primary focus to date has been on marketing its HydraGEN™ Technology to the after-market long-haul trucking industry. The value proposition of the Company's HydraGEN™ Technology for the aftermarket trucking industry is readily calculable, normally having a less than one-year payback period, based solely on fuel economy. In addition, the Company continues to lobby governments to adapt regulations fostering the emissions reduction benefits of the HydraGEN™ Technology.

The Company's products are offered internationally through its global Dealer network of more than 47 qualified Dealers and agents (in over 38 countries worldwide), with current and potential markets including Canada, the United

States, Mexico, South America, Europe, South Asia and the Middle East. Its products cross varying market segments for trucks, reefer trailers, buses, heavy construction, mining equipment, electrical power generators, marine and locomotive. Dealers are selected based on their capital strength capabilities, their relationships with potential end-users of the Company's proprietary HydraGEN™ Technology and their ability to install and service the Company's products on the vehicles and equipment of potential end-user clients.

The Company's business strategy has been to sell its products to such Dealers which, in turn, sell, install and service their own end-users of the HydraGEN™ Technology. The Company provides its Dealers with training, servicing expertise and marketing support. One Dealer, KarbonKleen, offers its end-users (clients) with monthly financing alternatives when they install and use HydraGEN™ Technology.

The Company has also entered into an agreement with Martin Technologies LLC to collaborate on scientific expansions required for introducing dynaCERT's HydraGEN™ Technology to Original Equipment Manufacturers ("OEM's") in North America and globally. This agreement contemplates that the scientific and engineering aspects of dynaCERT's existing HydraGEN™ Technology will be further industrialised for deployment to the OEM market. Upon completion of phase one of the ongoing testing and validation of the science behind dynaCERT technology, it was verified that the introduction of the Hydrogen and Oxygen gases produced and delivered from the HydraGEN™ unit did improve fuel efficiency. Martin Technologies determined that further work is warranted to overcome certain sensors causing the engine's computer under some conditions to override the benefits of the gases introduced. Mr. Harold Martin, the CEO of Martin Technologies LLC, also joined the advisory board of *dynaCERT*.

Products and Services

The Company's patented HydraGEN™ Technology produces measured amounts of pure hydrogen and oxygen that are introduced into any internal combustion engine air intake, before the turbo charger to create a homogeneous mixture with the injected fuel that is consumed during the combustion process, resulting in fuel savings and emission reductions. With the HydraGEN™ Technology, water is turned into hydrogen and oxygen through the process of electrolysis in a sealed, non-pressurized reactor that uses an electrolyte with distilled water and power to convert the water into hydrogen and oxygen. The gases from the HydraGEN™ unit are then introduced into the engine's air intake after the air filter and before the turbo, by a gas feed line. The HydraGEN™ Technology is employed by dynaCERT throughout its product lines, which include the HG1, the HG2 and the HG4C and HG6C.

HG1

dynaCERT's flagship product offering for the HG1 line includes the HG1B and the HG1R models in both 12 vdc (volts, direct current) and 24 vdc versions, which targets the 10 to 15 litre diesel engines. These HG145 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 approximately 2,000 HG1 units per month (operating one shift per day) or up to 6,000 HG1 units per month (operating three shifts per day) in its Toronto assembly facilities. New assembly line equipment has been engineered and was implemented in early 2020. 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.

The upgrades to the HG1 line feature fewer moving parts, less electrical connections, a simpler design and more user-friendly operation than the existing HG145 units that had been deployed since 2017. dynaCERT continues to offer existing customers with the latest upgrades to ensure its continued goodwill with end-users.

HG2

The Company launched the marketing of its HG2 line of on-board, on-demand hydrogen injection system for diesel engines in August 2019. After approximately two years of R&D, testing, verifications, modifications and re-designs, the HG2R units with HydraGEN™ Technology products are available and being shipped.

The HG2 unit is reduced in size as compared to the HG1 unit. The HG2R unit is suited for smaller diesel engines than those that are specifically suited to the HG1 line of HydraGEN™ Technology. The HG2R unit is designed to be appropriate for those smaller displacement diesel engines used in buses, Class 2 to Class 7 trucks, refrigerator trailers and containers, mobile construction equipment, small generators and smaller trucks commonly found outside of North America, such as in European countries and in India and Pakistan.

dynaCERT's engineers were successful in combining the benefits of two prototype HG2 models into one single, more advanced and more powerful model. The HG2R model includes a completely newly developed HydraGEN™ reactor design, a built-in water tank, a climate control system and dynaCERT's Smart ECU2. Under normal operating conditions, the HG2R unit will produce hydrogen (H₂) gas flows suitable for diesel engines from 2 to 8 litres in displacement.

HG4C & HG6C

dynaCERT's product offering also includes the HG4C, targeted for 40 to 60 litre engines, and the HG6C, targeted for 60 to 90 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. This comes as a result from many discussions with producing mining companies that are operating mines globally and that have set corporate goals to reduce their environmental footprint. These models have multiple HG1 and HG2 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 and have air filtration systems 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 even be ganged together for a single engine that is larger than 100 litres.

Product Sales

During the fiscal year ended December 31, 2021, the Company's sales continued to be significantly impacted by COVID-19 restrictions worldwide and the Company's Dealers' inability to provide installation services (for a complete description of the COVID-19 pandemic on the Company's operations, see "General Description of Business – Impact of COVID-19 Pandemic" and "Risk Factors – Impact of COVID-19 Pandemic and Global Health Crisis"). In 2021, the Company shipped 139 HydraGEN™ units to Dealers and clients. Gross revenues from product sales in 2021 were \$757,002. These sales mostly represent units bought and installed on larger fleets or companies that are running initial pilot projects while closely monitoring the fuel savings and emission reductions with the support of dynaCERT and its HydraLytics™ telematics software installed.

Global Mining Industry

In Q1 2021, dynaCERT shipped or received confirmed orders of its flagship HG1R HydraGEN™ Technology units, as well as its sister HydraGEN™ HG2R, HG4C and HG6C large capacity units to international mining companies operating in Russia, China, Chile, Brazil and Peru through sales to its arms-length dealer H2Tek, which specializes in the sale of HydraGEN™ Technology in the mining industry. H2Tek is sponsored internationally by Export Development Corporation, a Crown Corporation of Canada. dynaCERT's has delivered HG units for above ground and underground mining machinery to a coal mining operating company in China. Operations such as diamond mines, coal mines, copper and gold mines are adopting HydraGEN™ Technology globally. The HydraGEN™ HG4C and HydraGEN™ HG6C large capacity units have been deployed in open pit mining operations on large 50 and 68 litre diesel engines that operate in hostile climates where temperatures dip to -40 degrees Celsius and are located in very remote areas of the planet. Other major mining companies in South America and Australia are also trialing HydraGEN™ units where their open pit mine temperatures could reach +50C deep in the pit and with limited air ventilation causing air pollution inversions.

KarbonKleen / Sofina

In November 2021, the Company announced the implementation of its flagship HydraGEN™ Technology and its telematics HydraLytics™ Technology by Sofina Foods Inc. ("Sofina") in Canada.

KarbonKleen has informed the Company that Sofina will expand its installation of dynaCERT's Technology from four (4) HydraGEN™ Technology units to twenty (20) units, with a goal of using dynaCERT's patented technology to improve the efficiency and reduce harmful emissions of diesel-powered engines. With Sofina's installation of a combined twenty (20) of dynaCERT's HG1 HydraGEN™ units, KarbonKleen will be featuring HydraLytics™ telematics technology to its client.

Sofina has indicated that it will be installing this technology as part of its ongoing commitment to continuously improving the environmental impact of its operations and products. Sofina is well known for working with its customers and suppliers to find opportunities to minimize the environmental impact of its operations. Working with KarbonKleen to use dynaCERT's Technology is in alignment with those principals.

KarbonKleen has also indicated that although the relentless COVID economic slowdown has affected the initial deployment by KarbonKleen of its 3,000 HydraGEN™ unit commitment, KarbonKleen continues to offer attractive financing options to its clients under KarbonKleen's unique leasing programme. To date, KarbonKleen has received from DISH 12 units under the leasing programme and has purchased a total of 191 units, of which 31 units were in the 2021 financial year.

For a discussion regarding certain accounting treatments of the foregoing transactions, see "Loss on loans, investments, and prepayments" in the Company Management's Discussion & Analysis regarding the impairment of KarbonKleen investment and loan.

Sparta Group

In August 2020, the Company signed a dealer agreement with Sparta Group's affiliate, TruckSuite Canada Ltd., and received a corresponding purchase order for the Company's HydraGEN technology products with a first commitment for 150 HG1 units. As has been the case with other purchase orders, fulfillment of this order has been delayed, largely due to COVID. As Sparta's clientele is primarily in the US, border restrictions largely prevented this purchase order from carrying forward through 2021. The Company has remained in contact with Sparta management and Sparta management has confirmed their expectation that this purchase order would be fulfilled once the US border is re-opened fully. Of the 150 unit purchase order, Sparta has taken delivery of 10 units under this Order to date. With the US border having remained closed to cross-border traffic until November 8, 2021, the Company has not been able to estimate the timeline for delivery of the remaining 140 units under this purchase order, however conversations with Sparta management are continuing and timing is expected to become more apparent as border traffic eases and commercial operations return to normal expectations.

Production

The Company operates in many jurisdictions around the world with owned facilities and through agents and dealers. The Company's headquarters are located in Toronto, Canada where accounting, sales engineering, R&D, manufacturing and distribution operate from the Company's 29,700 square foot building. The Company, through its dynaCERT GmbH division, has an office and warehouse in Germany where it provides sales, engineering support, parts warehouse and quick-delivery services to its European clients of the HydraGEN™ family of products. In September 2021, dynaCERT GmbH moved to a new facility in Upper Bavaria.

Historically the Company's HG-model production method has been a single-piece build, with one work station building an entire HG-model. With the significant capital investment completed in late 2019, a semi-automated material handling system with computerized inventory control was developed and expanded. The HG1 and HG2 products are built on this automation equipment. The large mining units HG4C & HG6C are partially manufactured on the automation equipment and then completed on a manual assembly line.

For the semi-automatic process, materials are ordered thru a Material Resource Planning ("MRP") tool to match the sales order and inventory order plan. Each workstation on the assembly line receives its required assembly parts and the operator records each step through a handheld scanner interface. As each assembly Stage is completed a unique QR Code tag identifier is placed onto the assembly. This QR tag provides all of the necessary work instructions to the next workstation as the assembler receives them through his handheld scanner and is also used to ensure that all parts (regardless of location) in the factory can be identified.

Production has multiple stages of assembly, with each stage tested prior to releasing the completed stage to the next stage. Production scheduling and control is completed by the operator at each work station to fully record a unit's genealogy for parts used and the person who completed the stage with DateTimeUserStamp. This genealogy remains with the unit and is tagged to the finished goods with a unique serial number.

Upgrades to the electrical panel assembly combined with a change from a manual wire harness manufacturing assembly process with manual wire cutting and crimping operation to a semi-automated wire machine line ensures 100% OSHA (Occupational Safety and Health Administration) compliant connectors for each wire used. The electrical panel design reduces the quantity of connections by approximately 25%.

Materials used in the HydraGEN™ units are sourced from approximately 65 different vendors, some of which provide multiple parts for each HG model. Some parts are provided through local retail stores.

Management prefers that materials are primarily sourced from Canada however some parts are simply not made in Canada so they arrive from the USA, Germany, Switzerland and China. Once completed the different HydraGEN™ units have approximately 80% Canadian content.

Product Developments

HydraLytics™ Telematics

In 2019 and 2020, the Company made significant advances of its telematics software in order to better demonstrate the effectiveness of its products to end-users.

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. Now the Company provides its Dealers and clients, such as construction companies, truckers and fleet owners equipped with the HydraGEN™ Technology, with HydraLytics™ telematics so that they can easily monitor from their computers an automatically-calculated savings of diesel fuel 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.

The HydraLytics™ software is designed to allow dynaCERT to provide documented proof to the market of the effectiveness of the HydraGEN™ Technology as stated. Since the data used and processed is taken from a vehicle's OBD port, HydraLytics™ removes any doubts about the performance of the HydraGEN™ Technology as it does not rely on any human interpretation which could possibly be biased or prone to error. With HydraLytics™, 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.

HydraLytics™ software also enables a user to access telematics information from locations equipped with an internet connection. The HydraLytics™ software also clearly displays historical daily and weekly travel data after the HydraGEN™ Technology has been installed on a vehicle. HydraLytics™ 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 HydraLytics™ allows truckers and fleet owners to review historical and current performance of their on-road and off-road vehicles.

DISH Telematics

In September 2020, dynaCERT International Strategic Holdings Inc. ("DISH"), a wholly-owned subsidiary of dynaCERT, Inc. entered into a 25-month Development and Royalty Agreement with Corsario Ltd. ("Corsario") and GP Logix Inc. ("GP Logix"), a wholly-owned subsidiary of Corsario, for the development of technology including

software and hardware exclusively on behalf of DISH for its expansion into the FreightTech industry. As per the agreement, DISH agreed to license certain licensed products, on a non-exclusive basis, to GP Logix, subject to payment to DISH of 50% royalty on the net sales of GP Logix. The development of all proprietary right, title in and to the technology, intellectual property or work product, including all intellectual property rights therein, is to be assigned to, and owned by, DISH. dynaCERT views this as an opportunity to enter into the FreightTech industry as a supplementary evolution of services that fit naturally with dynaCERT's fuel-savings and emission-savings market, while increasing the scope of applications and utility of its HydraLytics™ Technology (which measures and tract the fuel savings and greenhouse gas reductions (CO₂e) in real time for users). This is in response to the growing industry needs of logistics companies and the broader trucking management software ecosystem. For a discussion regarding certain accounting treatments of the foregoing transaction, see "Loss on loans, investments, and prepayments" regarding the impairment of the 25-month prepayment under this agreement.

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 concluded 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 NO_x by 46.1%.

The Company's "Smart ECU" has shown significant advantages and improvements over the prior version of the ECU in several key areas: reading, collecting, storing and transmitting of data pertaining to fuel efficacy and emissions reduction; communicating with the engine's onboard computer; learning and altering the flow of gases produced; GPS capability; providing General Packet Radio Service ("GPRS") capability for remote access and allowing for future tracking and monitoring of Carbon Credits. This capability is aimed at providing users and dynaCERT with accurate data for which to promote, collect and use the carbon credits to a competitive financial advantage.

European Homologation

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 and is utilized throughout the entire European Union under the Convention of Road Traffic (1968).

Applications for ABE National Type Approval must meet stringent testing and validations required by rigorous and exacting regulation in Germany. dynaCERT's HydraGEN™ Technology is the only hydrogen gas supply system that has ever been approved by KBA and received Homologation for the ABE National 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 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 worldwide 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.

The new HG1R24 and HG2R24 Euro-versions of the HydraGEN™ Technology have completed and passed the EMC and mechanical testing and the testing submissions have been sent to the KBA for finalization of what is termed in Germany as a 'Delta Approval', which is required when products that have already passed ABE Certification get

upgrades from the manufacturer. The 'Delta Approval' consists of routine electrical and mechanical tests and does not require the 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 as were conducted by Continental EMITEC, TÜV Nord for the original ABE certification.

On November 10, 2021, the Company was informed by the KBA that the Delta Approval for the HG1 has been released.

UAE Homologation

In July 2020, the Company reported that in the United Arab Emirates, where the Company has an active dealer, Castle Star General Trading LLC, the Company's products have received homologation of dynaCERT's HydraGEN™ Technology by way of seven (7) unique Certificates of Conformity and Schedules of Certification under the Emirates Conformity Assessment Scheme, based on TÜV Süd testing in Germany. The Company's products can now be offered to numerous markets in Dubai and other parts of the UAE and the Middle East.

United Nations Smart Sustainable Cities

In August 2020, the Company received the "Smart Sustainable Company Rating Seal" based on the results of the rigorous analysis of Triple-A Analytics GmbH of Austria ("Triple-A"). This honourable distinction of dynaCERT and its HydraGEN™ Technology as it applies to the United Nations Sustainable Development Goals as well as United Nations Global Compact Principals has been evaluated as "high", the highest global ranking in its category. In dynaCERT's Triple-A Smart Sustainable Company Evaluation, Triple-A reported that the United Nations Sustainable Development Goals and the Paris Climate Accord form the world's strongest common agenda for achieving peace and prosperity on a healthy earth. The extraordinary Triple-A endorsement of dynaCERT allows its Dealers to engage with cities with the assurance that the Company's HydraGEN™ Technology has a significant contribution to the Sustainable Development Goals.

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.

On its HG2 models, the Company has developed these units to adapt *dynaCERT's* HydraGEN™ Technology that was originally developed for the HG1 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 HGxC 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* also is developing its HydraLytica™ Telematics system and subsequent enhancements whereby users can monitor both carbon emission savings and fuel savings in real time of each vehicle outfitted with HydraGEN™ Technology units.

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 HydraLytica™ services to end users.

dynaCERT's HydraGEN™ electrolyser has gone through a series of transformations over the past 17 years to meet the market demand. *dynaCERT*'s Alkaline Hydrogen HG3 electrolyser is best suited for hydrogen applications up to a pressure of 15 bars and production capacity requirements of up to 500 L/hour. The stackable horizontal design makes it capable to meet higher hydrogen and oxygen demand.

dynaCERT's R&D Department is also developing a larger-volume AEM electrolyser to produce Hydrogen Gas under pressure in larger quantities than its current HydraGEN™ technology. This has been done to date using current and available known technologies while R&D 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 or understood.

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

The Company now owns 9 distinct patents for 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 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 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 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 EPO (European Patent Office) application (application number 17862395.5) has been allowed and the patent has been registered in Germany, France & the UK. The fees have been paid and we are waiting for the patents to be issued. Additionally, the applications that were filed in Israel (265880), Saudi Arabia (519401612) and China (201780065362) have been allowed.

Patent Applications

Some of the significant patent applications are described below.

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 and patent number 10934952 and patent number 10961926 have been issued.. The fees have been paid and the Company is waiting for the patents to be issued. Another continuation application (application number 17184005), which was filed on February 24, 2021, has been allowed. The fees have been paid and the Company is waiting for the patent to be issued.

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, 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 US application number 16837032 has been allowed. The fees have been paid and the Company is waiting for the patent to be issued.

Government Support Programs and Initiatives

In 2019, the Company held discussions with governmental representatives of Ontario and Quebec to have dynaCERT's products recognized for greenhouse gas emission reductions. As well, senior management continue to attend multiple Canadian Federal Government meetings with the objective of gaining support of its technology for federal ministries aiming to reduce their fuel consumption and to lower their net carbon emissions. In addition, the Company continues to retain senior consultants to assist with Provincial Government relations matters and Aboriginal relationships.

In 2021, dynaCERT was invited by the Government of the Province of Ontario to participate in their Hydrogen Strategy Working Group under the guidance of the Ministry of the Environment, Conservation and Parks. The Ontario government established this new Hydrogen Strategy Working Group to help inform the development of the hydrogen strategy for the Province of Ontario. This working group is intended to build on the input that the Ontario government received through the public consultation process and Ontario's hydrogen discussion paper. Members of the Hydrogen Strategy Working Group will also provide advice on how to use hydrogen across various sectors and help Ontario compete in the global hydrogen market. The Ontario government has invited 21 Ontario hydrogen economy participants to the Hydrogen Strategy Working Group, which consists of experts from industry, government and academia.

Carbon Credits

Management believes that there exists an opportunity to monetize carbon credits from the HydraGEN™ Technology operating on all Internal Combustion Engines. Toward this goal, the Company's patented "Smart ECU" can allow the

receipt of allocated Carbon Credits through a European platform which is consistent with the requirements resulting from the Paris Accord.

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 two different but significant dynaCERT applications in the certification of the carbon reductions generated by its HydraGEN™ Technology: (a) Verra, a highly recognized international certification organization based in Washington, DC; and (b) the Clean Development Mechanism (CDM) for developing countries which has been administered globally since April 6, 2007 by the United Nations offices in Bonn, Germany, and which bases its criteria as a result of an EU Directive 92/57/EEC (OJ L245, 26.8.92) in the Kyoto Protocol. 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. With the support of EP, the Company completed and submitted the application for a new methodology to obtain Carbon Credits from the planned Carbon Credit projects to be made available to dynaCERT clients. The application, submitted to Verra under its VCS (Verified Carbon Standard) program, specifies a 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 furthered the application through multiple internal reviews and submitted subsequent questions and concerns to the Company, following which Verra (in January 2021) approved the Company's concept note that is designed to secure Carbon Credits by deploying the HydraGEN™ Technology HydraLytics™ Telematics on a global basis. Verra is preparing the documentation, as well as independent 3rd party auditing, which is required prior to the final approval of the methodology for collecting and trading of the carbon credits.

In October 2021, the executive management of Verra, which manages the world's largest greenhouse gas program, the Verified Carbon Standard, announced to *dynaCERT* that the Company's Methodology in respect of its Carbon Credit Certification has reached a new important stage. As part of its normal required process of certification, Verra has advanced *dynaCERT's* Carbon Credit Methodology to its Global Public Comment Stage in order to meet Verra's Verified Carbon Standard. Verra has indicated that: "This Methodology applies to project activities that improve efficiency of vehicle fleets and mobile machinery (e.g.: fleets of trucks, buses, cars, taxis or motorized tricycles, excavators, cranes), resulting in reduced fuel usage and GHG emissions. This Methodology is globally applicable."

On March 17, 2022 notification was received by the senior programme officer of Verra that Verra posted the request for proposals for the Validation/Verification Body (VVB) on its website and has sent it out to the list of accredited VVBs. The accredited VVBs had until the 30th of March to submit proposals. Verra will send dynaCERT the VVBs proposals and then will work with dynaCERT to select an appropriate VVB. dynaCERT will then be able to begin the assessment process.

Competitive Conditions

The Company has been developing the HydraGEN™ Technology for over eighteen years. Though the Company has faced competition from other types of fuel savings measures over its years of development, including other hydrogen injection technologies that have emerged from time to time (though none on a commercial scale, nor with the range of products, certifications, market penetration and industry segment ranges and technology protections as the Company), the Company's products provide superior performance and value propositions over any of its potential competitors. Further, the Company has established significant barriers to entry into the industry segments that it serves, including:

- Unique approach to separating hydrogen and oxygen;
- Significant investment and 18 years of R&D;
- Internationally patented technology;
- Certifications in various global jurisdictions (which are expensive, difficult and time consuming to obtain);
- Global marketing strategy across multiple verticals through a diversity of different types of Dealers in various market segments; and

- First to market advantage.

The Company does not consider that it has any direct hydrogen technology competitors in its markets at the present time. Though electric vehicles have emerged in some segments of the automobile industry as an alternative to fossil fuel consumption, they do not represent a significant competitive threat to the Company's products and industry segments at the present time for various reasons, including but not limited to the following: long haul electric vehicles are not yet established at all in all parts of the world and are not adequate replacements for large commercial diesel engines; high capital costs as users need an entirely new vehicle if they wish to adapt to electric power, as opposed to an after-market retrofit; usage costs and servicing costs; long battery charging time, implying longer downtimes for truckers; Battery weight; greatly reduced payload capacity and economics of long haul trucking; unreliable in hostile weather environments; and sufficient electrical power is not readily available in remote jurisdictions where long haul trucking operates.

New Products / Segments

OEMs

In January 2021, the Company entered into an agreement with Martin Technologies LLC to collaborate on scientific expansions required to introduce dynaCERT's HydraGEN™ Technology to Original Equipment Manufacturers ("OEM's") globally. This agreement contemplates that the scientific and engineering aspects of dynaCERT's existing HydraGEN™ Technology will be further industrialised for deployment to the OEM market. Upon completion of phase one of the ongoing testing and validation of the science behind dynaCERT technology, in order to verify that the introduction of gases from the HydraGEN™ unit improved the fuel efficiency, Martin Technologies determined that further work is warranted to overcome certain sensors causing the engine's computer under some conditions to override the benefits of the gases introduced.

New Markets

The Company is running trial programs to further verify the HydraGEN™ Technology to satisfy potential customers on their own transport, equipment and power generation systems. These programs are continuously ongoing. Below is a summary of currently ongoing trial programs and other collaboration arrangements.

Dubai

dynaCERT has recently deployed to Dubai a senior tech along with one engineer supported with the Company's technical team in Canada working directly with the technical and engineering team at the OEM of one of the largest stationary power supply companies in the world. They are currently running this pilot project with the Company's HG-4 being tracked and monitored with both dynaCERT's HydraLytica™ technology along with special flow meters, and emission testing equipment.

Austrian Adoption

In advance of receiving KBA ABE Homologation for Europe, dynaCERT secured permission to install units on government-owned vehicles in Austria. In 2019, the Province of Carinthia ordered and installed two of four HydraGEN™ HG145B units on Euro IV diesel-powered heavy-duty road service vehicles owned by the Province of Carinthia. The office of the provincial government of Carinthia, in consultation with the Road and Maintenance Department and dynaCERT, extended the pilot project in Carinthia. In September 2020, two MAN Euro VI dump trucks of the province's public services were equipped with the HydraGEN™ Technology. The installation was executed by dynaCERT GmbH in conjunction with one of its European Dealers, Freetron, and the results are being monitored for emission and fuel reductions.

Municipalities

In September 2020, the Company agreed to equip diesel powered vehicles of the City of Woodstock, Ontario with the Company's HydraGEN™ Technology to reduce carbon emissions and reduce fuel costs. A conventional public transit bus and a recycling packer truck have had HydraGEN™ HG2R Technology units installed. The duty cycles for these vehicles range from 8 hours to 16 hours per day and can be compared to other vehicles in the Woodstock fleet of a similar age and duty cycle. The Company has provided the City with the results of the recorded baseline carbon

emissions (O₂, NO, NO₂, NO_x, CO, CO₂, Flue Temp) of the City of Woodstock's entire bus and garbage fleet and an estimate of the potential greenhouse gas reductions and fuel savings that can be realized. The City has indicated that it remains committed to a HydraGEN™ adoption of its fleet.

dynaCERT is also working with provincial and federal governments, several municipalities and power utility providers across Ontario supplying quotes and extensive analyst reports for their fleets showing the potential fuel savings and, more importantly, the emissions reductions and greenhouse gas reductions that could potentially be realized with the utilization of the Company's HydraGEN™ carbon emission reduction technology.

The Company is currently engaged in face-to-face discussions with municipalities such as City of Brampton, City of Timmins and City of Mississauga, as well as the Federal Government, about opportunities for pilot projects and the potential for deployment of the Company's technology within government operations. This includes government staff and elected officials. One major power utility producer in Ontario has purchased an initial 15 units.

Alltrucks Network

Alltrucks GmbH & Co. KG, a joint venture of the leading automotive and commercial vehicle suppliers Bosch, Knorr-Bremse and ZF, entered into a formal agreement with dynaCERT in September 2020. Alltrucks is to introduce and promote marketing, installation and servicing of dynaCERT's HydraGEN™ Technology product line to 300 of Alltrucks' partner establishments in Germany. Although restricted in 2021 by the COVID-19 pandemic, Alltrucks has initiated these promotional activities, with support and training for Alltrucks' partners through the dynaCERT GmbH team.

Galaxy Power Inc.

In June 2021, the Company agreed with Galaxy Power Inc. ("Galaxy Power"), a newly-formed Canadian private corporation, to advise Galaxy Power, from time to time, on general innovative Hydrogen Clean Technology advancements throughout Canada. dynaCERT's Hydrogen-On-Demand solutions, existing proprietary technology, patents, know-how and all future dynaCERT projects remain as dynaCERT's continued and exclusive focus outside the scope of Galaxy Power and are not affected in any way by this association. Galaxy Power is controlled by two directors and officers of the Company.

Galaxy Power is a newly formed single purpose vehicle set up exclusively for the purposes of advancing a pollution-free North America, focusing specifically on new Canadian Clean Technology developments and other forms of Clean Technology and related green fuels, unrelated to *dynaCERT's* HydraGEN™ Technology, with the mission of "Generating Ideals for Ideal Generations".

Galaxy Power's strategic corporate objectives are aimed at furthering a new Canadian hub of Clean Technology expertise in support of Canada's Clean Technology Industry and fostering efforts in lobbying for the growth of Canada's numerous and fast-growing Clean Technology enterprises especially through the rapid expansion of Canadian Government Incentives as they apply to Clean Technology.

Galaxy Power has expressed its intentions to continue to develop, in a non-dilutive way to dynaCERT, its collaborative know-how and to deploy such knowledge to eventually possibly seed or participate in future advancements in the numerous businesses of the Hydrogen Economy. In consideration of the collaboration of dynaCERT's support and industry know-how, DISH (dynaCERT's wholly-owned subsidiary) invested \$250,000 for 20% of Galaxy Power's equity, thereby enabling dynaCERT and DISH to benefit and participate in the possible growth and eventual commercialization of new originations of Canadian proprietary Clean Technology with no future commitments by dynaCERT nor DISH.

For a discussion regarding certain accounting treatments of the foregoing transactions, see "Loss on loans, investments, and prepayments" herein regarding the loss on investment.

Cycles

The markets for HydraGEN™ Technology are not cyclical nor seasonal. Diesel trucks and equipment operate globally 24/7 and mining and marine generators similarly operate irrespective of cycles or seasons.

Economic Dependence

Though the Company's agreements with its Dealers are all integral (collectively) to the Company's success, the Company's business is not substantially dependent on any single contract.

Changes to Contracts

There are no aspects of the Company's business that management reasonably expects to be affected during the current financial year by the renegotiation or termination of contracts, other than contracts that may be impacted by the COVID-19 pandemic and global financial crisis.

Employees

As of the date of this Annual Information Form, dynaCERT had thirty-seven (37) full time employees, no part time employees, eleven (11) contract consultants and no part time consultants.

Loss on loans, investments, and prepayments

The Company incurred the following losses on loans, investments, and prepayments, which are further described in note 24 to the Company's annual audited financial statements for the year-ended December 31, 2021.

Related party transactions

- 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 on these unsecured Option Loans after considering the creditworthiness of the debt holders, and the Company's recourse options.
- The Company advanced a subordinate loan in the form prescribed in Appendix B of National Instrument 31-103 in the principal amount of \$150,000 to Galaxy Placements Inc., a company controlled by a director and officer of the Company that applied to become an Exempt Market Dealer, and in addition, the Company acquired 20% of the issued and outstanding shares of Galaxy Power Inc. for consideration of \$250,000. Galaxy Power Inc. is a company controlled by two directors and officers of the Company. The Company recognized a loss on both the investment and the loan after considering the lack of security for the loan, there was no provision for a payment plan between the debt holder and the Company, and no foreseeable future economic benefit is expected on the investment.

Other transactions

- During fiscal 2020, the Company acquired 20% of the issued and outstanding shares of KK for consideration of US\$367,000. Additionally, the Company provided a loan to KK in the principal amount of US\$725,000. The Company has recognized a loss on the balance of the investment in KK of \$470,299, and a loss of \$976,459 for expected credit losses related to the loan with KK as the Company decided that it would no longer fund KK as KK does not appear to have, nor is it expected to have, the financial capacity to repay the loan and the investment.
- dynaCERT International Strategic Holdings Inc. (DISH), a wholly-owned subsidiary of dynaCERT, entered into a "25 month Development and Royalty Agreement" with Corsario Ltd. and GP Logix Inc., a wholly-owned subsidiary of Corsario of Mississauga (Canada), pursuant to which it made a prepayment of \$1,300,000. The Company recognized a loss on this amount as the work product being developed has not advanced as expected by the Company, resulting in significant uncertainty of the future economic benefit of the work product.

The Company's audit committee has engaged independent legal counsel to assist them in examining the validity, legal standing, enforceability, and potential future recoverability of the above noted related party and other transactions.

RISK FACTORS

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on the Company's business, financial condition, operating results or prospects. In addition to the other information set forth elsewhere in this Annual Information Form, prospective investors should carefully review the following risk factors:

Impact of COVID-19 Pandemic and Global Health Crisis

The rapid spread of COVID-19 worldwide has caused significant economic contraction and uncertainty, resulting in the Company not being able to produce product and thereafter to be able to ship product to its customers for an extended period of time. While the Company resumed operations on August 4, 2020, the worldwide pandemic starting in late 2019 slowed down parts of the Company's supply chain, thereby stopping all final assembly work on existing client orders until raw material deliveries resumed and were received towards the end of March 2020. Further, European shut down of non-essential commerce from January through August 2020 significantly affected the Company's ability to deliver finished goods as the Company's customers were not able to accept incoming goods or install HydraGEN™ Technology units on their trucks and equipment. Further sales efforts were also curtailed with potential Dealers and their customers all being affected by the Stay-at-Home rules put in place by the countries where the Company does business. Although the Ontario pandemic response was a few weeks behind the early stages of European experiences, in Ontario, the government mandated that all non-essential work be stopped, and employees be sent home on March 16, 2020 and the Company fully complied. While the Company was able to have a few materials-team members intermittently on hand for the receiving of the remaining raw materials that were in transit from the supply chain, all long-term deliveries to dynaCERT were put on hold at that time. The Ontario Government released certain qualifying companies and services to re-open in a Staged process. On Wednesday, July 28, 2020, the Ontario Government released companies in the Greater Toronto Area (GTA) to begin work at midnight on July 31, 2020. dynaCERT recalled employees for Tuesday, August 4, 2020, after the statutory holiday and has been operational since this re-opening date.

In anticipation of a release from the government to restart and return to work, the Company implemented COVID-centric policies and a daily acknowledgement to keep its employees safe as it works together to start to begin shipping HydraGEN™ Units to its customers, for example:

1. Policy 817: statement outlining the daily activities every employee must adhere to regarding proper Personal Protection Equipment (PPE) and workspace distancing.
2. Policy 818: guidelines and instruction on the proper use of PPE equipment.
3. Policy 819: guidelines on reporting illness while at work.
4. Policy 820: guidelines on maintaining sanitized workspace and equipment.
5. Acknowledgement: daily record keeping of employees entering the facility and their health status.

These policies were lifted by the Ontario Government on March 21, 2022 and restrictions on most public places were removed, except for public transit and health care settings. Remaining COVID-related restrictions are scheduled to terminate in Ontario on April 22 2022.

The Company maintained its staff and employees' payroll throughout the shutdown. The Company applied for and received \$1,009,539 in Government support for fiscal 2020 and has applied for \$596,688 for the year ended December 31, 2021.

Since late 2019, the global COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, among other measures, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets experienced significant volatility and sometimes even weakness. Governments and central banks reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The efficacy of the government and central bank interventions is unknown at this time.

The COVID-19 pandemic has continued to rapidly evolve and fluctuate throughout 2021, and the Company will continue to monitor the effects of COVID-19 on its business around the world. The extent to which COVID-19 may impact dynaCERT's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the emergence of variants of concern, the geographic spread of the disease, the duration and degree of future waves of infection, business closures or business disruptions, public health restrictions on travel and in-person interactions, and the effectiveness of action to contain and treat the disease in the United States, Mexico, Europe, South America, the Middle East and India, and the other markets where the Company may seek to offer its products. The Company cannot presently predict with accuracy the duration, scope and severity of any potential business closures or disruptions, or the overall effects of COVID-19 on its business over time. Though many shutdowns and restrictions have been lifted and businesses have re-opened in many parts of the world, future shutdowns or other business interruptions could result in material and negative effects on the Company's ability to conduct its business in the manner and on the timelines presently planned, which could have a material adverse impact on the Company's business, results of operation, and financial condition.

If future variants of the COVID-19 virus emerge and endure for a prolonged period of time, additional restrictions could be reimposed by governments and dynaCERT could experience further disruptions that could severely impact its business, financial condition, results of operations, cash flows, reputation, access to capital, cost of borrowing, access to liquidity, and/or business plan, including:

- the shut-down of production facilities or the delay or suspension of work due to workforce disruption or labour shortages caused by workers becoming infected with COVID-19, or government or health authority mandated restrictions on travel by workers or closure of facilities or worksites;
- disruptions relating to the manufacturing of its products, including disruptions relating to component production by the Company's partners and suppliers;
- challenges related to supply chain and logistics due to government-imposed restrictions that inhibit the flow of goods across borders; and
- continued global economic uncertainty that could impact buying patterns of the Company's partners and customers and demand for the Company's products and services.

These disruptions could negatively impact, and may materially negatively impact, the Company's business, financial condition (as a result of reduced demand by customers, build-up of inventories, higher credit losses on accounts receivable, and potential impairment of our goodwill and other assets), and results of operations in subsequent periods. In addition, COVID-19 could result in the continued significant disruption of global financial markets, reducing the Company's ability to access capital, which could negatively affect its liquidity in the future. Financial volatility has also adversely affected, and may continue to adversely affect, the value of our Common Shares.

The Company may be impacted by other global health pandemics or health risks in the future that could cause further supply chain disruption, business interruption, changes in customer demand for dynaCERT's products and services, stock price volatility, among other risks. Any of these events in isolation or in combination, could have a material negative impact on the Company's financial condition, operating results and cash flows.

Market Acceptance

dynaCERT's success will depend upon its current and proposed technologies, services and products meeting acceptable cost and performance criteria in the marketplace. There can be no assurances that the Company's technologies, services and products will meet applicable price or performance objectives or that unanticipated technical, regulatory or other problems will not occur which would result in increased costs or material delays.

Operating Results

There is no assurance that the Company will achieve profitability in the future or that the Company will be able to generate sufficient cash from operations or raise sufficient financing to fund the Company's operations. The Company's annual and quarterly results are affected by a number of factors, which include the level and timing of customer orders, fluctuations in materials costs and the mix of materials costs versus labour and manufacturing

overhead costs, in addition to the overall impact of the COVID-19 pandemic on each of these items. Other factors affecting annual and quarterly operating results may include price competition, the Company's experience in manufacturing a particular product, the efficiencies the Company achieved in managing inventories, fixed assets and manufacturing capacity, the timing of expenditures in anticipation of increased sales, the timing of acquisitions and related integration costs, customer product delivery requirements, product defects, shortage of raw materials or labour, expenditures or write-offs related to acquisitions, distribution and marketing costs, expenses relating to expanding existing manufacturing facilities or building new manufacturing facilities in a timely manner to meet market demand and overall economic conditions in the industry. The Company's ability to maintain effective internal control over financial reporting may be insufficient to allow us to accurately report financial results or prevent fraud, and this could cause financial statements to become materially misleading. The Company implements requirements for effective internal control over financial reporting in order to provide reasonable assurance with respect to financial reports and to prevent fraud. Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. Any one of these factors, or a combination thereof, could have a material adverse effect on the Company's business, financial condition or results of operations and could cause variability of results from period to period.

Audit Committee Review

The Company's audit committee has engaged independent legal counsel to assist them in examining the validity, legal standing, enforceability, and potential future recoverability of certain related party and other transactions as disclosed in note 24 of the audited financial statements. The outcome of the examination is unknown at this time and may result, amongst other matters, in the identification of one or more weaknesses in the Company's internal controls. The Company will disclose the results of the examination once they become available and determine the appropriate corrective measures, if any, at such time.

Economic Conditions

The Company's business and financial results are sensitive to global economic conditions, government funding program changes, conditions in the trucking and distribution markets as well as economic factors specific to the Company's industry, in addition to the overall impact of the COVID-19 pandemic on each of these items. Moreover, since a considerable part of the Company revenue comes from, or the Company operations depend upon, the Company's business activities outside of Canada, including in the United States, Mexico, Europe, South America, the Middle East and India, the Company's profitability could be affected by any major event having a negative impact on such foreign economies or the trade relations between Canada and such countries. Similarly, possible downturns in the economy, combined with uncertainties about interest rates, environmental policies and tax policy, could cause the Company's customers to delay, reduce or cancel capital expenditure plans which in turn could have a negative effect on the Company's results of operations. Downturns in the economy could also have a material adverse effect on the business or financial condition of one or more of the Company's key customers or distributors or on several customers and distributors that, in the aggregate, account for a material portion of the Company's sales.

Ability to Achieve and Manage Growth

The growth of dynaCERT's operations may place a strain on managerial, financial and human resources. dynaCERT's ability to continue to grow its business will depend on a number of factors, including: the availability of working capital; existing and emerging competition; the ability to maintain sufficient profit margins; to recruit and train additional qualified personnel, both with respect to sales, manufacturing and integration; and the ability to maintain and expand its network of sales channels necessary to increase the Company's presence in the marketplace for its products and services, in addition to the overall impact of the COVID-19 pandemic on each of these items. The Company may have difficulty managing faster than anticipated product demand. As products are launched, sales may be more than expected. During periods of quicker than anticipated expansion, the Company may have difficulty expanding the scope of its operations to match increased demand. In addition, the Company may be required to place more reliance on its strategic partners and suppliers, some of whom may not be capable of meeting the Company's production demands in terms of timing, quantity, quality or cost. Difficulties in effectively managing the budgeting, forecasting and other process control issues presented by any rapid expansion could harm the Company's business, prospects, results of operations or financial position. dynaCERT may also seek growth through acquisition from time

to time. This strategy may expose the Company to integration risks depending on the size of the acquisitions, the size of the investments, and the nature of the businesses acquired and possible conflicts of interest. If the Company is unable to identify potential acquisition opportunities or to invest in and successfully acquire and integrate new businesses and implement new equipment, systems, processes and facilities, the Company may be unable to expand its business as planned.

New Markets

The Company is presently planning to expand its product offerings into new applications and industry segments. The development of new products or new applications for existing technologies may require existing systems to be adapted or new systems to be acquired in order to successfully compete. Due to cost factors, competitive considerations or other constraints, there can be no assurance that the Company will be able to create new products or penetrate new markets or industry segments. The COVID-19 pandemic may also impact and/or delay the Company's ability to enter new markets or industry segments. Any inability of the Company to create new products and penetrate new markets or industry segments may adversely affect its business and financial condition and results of operations.

Rapid Technological Advancement

dynaCERT's business is one of constant evolution, rapidly changing technology and increasingly sophisticated customer requirements. The introduction of products utilizing new technology and the emergence of new industry standards may render dynaCERT's existing products obsolete and unmarketable and may exert price pressures on existing products. dynaCERT must be able to anticipate and react quickly to changes in technology or in the marketplace and develop new and enhanced products to meet the demands of dynaCERT's existing and potential customers. If dynaCERT is unable to source or develop products that are competitive in technology and price and that meet end-user needs, it could have a material adverse effect on dynaCERT's business, financial condition or results of operations.

Product Liability

The Company, like other manufacturing companies, is subject to a variety of potential liabilities connected with the Company's business operations, including potential liabilities and expenses associated with possible product defects. The Company's products can be highly complex and sophisticated and, from time to time, may contain design and manufacturing defects that are difficult to detect and correct. There can be no assurance that errors will not be found in new products after commencement of commercial shipments or, if discovered, that the Company will be able to successfully correct such errors in a timely manner or at all. In addition, there is no assurance that the Company will be able to fully simulate the environment in which the Company's products will operate. As a result, the Company may be unable to adequately detect design and manufacturing defects in the Company's products during its extensive product development testing and the defects may only become apparent after the products are installed and in use. The consequences of such errors and failures could have a material adverse effect on the Company's business, financial condition and results of operations. Consistent with industry practice, the Company allows customers to return products for warranty repair, replacement or credit. There is no assurance that such product returns will not exceed provisions taken in the future and, as a result, have a material adverse effect on future operating results. If any of the products distributed by the Company prove defective, the Company may be required to refund the price of or replace the product. Although some OEM manufacturers of diesel engines have acknowledged in writing that the Company's products do not void manufacturer's warranties on their engines, there is no assurance that all manufacturers worldwide will provide such confirmations. Though in the event of damage caused to an engine, manufacturers would generally have the burden of proving that such damage resulted from the Company's products, any failure by a manufacturer to honour warranties in the event of defects from the Company's products could result in claims against the Company if damage can be proven to be caused by the Company's products. Replacement or recall of products or claims against the Company due to manufacturer warranty voiding may cause the Company to incur significant expenses and adversely affect the Company's reputation and the Company's products. The Company maintains liability and other insurance coverage which the Company believes to be generally in accordance with industry practices. Nevertheless, such insurance coverage may not be adequate to fully protect the Company against substantial damage claims which may arise from product defects and failures.

Competition

The industries in which dynaCERT operates are competitive and rapidly changing. dynaCERT must continue to evaluate and develop its operational infrastructure and product offerings in order to service and support its customers and expand its operations and to maintain or enhance its competitive position, though the barriers to entry created by dynaCERT's years of development, patent protection, certifications and product ranges provide dynaCERT with a significant competitive advantage. Potential competitors may have greater financial, technical, sales, marketing and other resources, as well as greater name recognition. A number of companies with greater resources could attempt to increase their presence in such market by acquiring or forming strategic alliances with the Company's competitors or business partners. The Company may be required to reduce its prices in the future or offer other favourable incentives in order to recapture or maintain its market share or to sell new products and services, and any such reduction in price may have a material adverse effect on dynaCERT's profit margins and operating results. dynaCERT's success will depend significantly on management's ability to adapt to these competing forces, to develop products more rapidly and less expensively than the Company's competitors, and to educate potential customers as to the benefits of using dynaCERT's products and services. dynaCERT's existing and future competitors could introduce products with superior features, scalability and functionality at lower prices than dynaCERT's products and could also bundle existing and/or new products and services with other more established products and services in order to compete with the Company. Management expects additional competition from other established and emerging companies. Increased competition may result in price reductions, reduced gross margins and loss of market share, any of which could cause a material adverse effect to dynaCERT's business. dynaCERT may not be able to compete successfully against current and future competitors, and the failure to do so would harm dynaCERT's business. There are no assurances that competitive products or competing technology or solutions will not render dynaCERT's products obsolete or non-competitive or competitive only in certain markets. dynaCERT's strategies to mitigate these issues may prove to be ineffective.

Software Defects

dynaCERT's products include software that is highly complex and sophisticated and, from time to time, may contain design defects, security vulnerabilities or software "bugs" or failures that are difficult to detect and correct. Errors or defects may be found in software after commercial implementation and dynaCERT may be unable to successfully correct such errors or defects in a timely manner or at all. The occurrence of errors and defects in dynaCERT's software could result in loss of, or delay in, market acceptance of the Company's products, and correcting such errors and failures in its software could require significant expenditure of capital. dynaCERT typically provides warranties on its products and services and the failure of dynaCERT's products and services to operate as described may cause loss of customers, damage to the Company's reputation for delivering high-quality products, delay in or loss of market acceptance, additional warranty expenses or other costs. The consequences of such errors, failures and other defects and claims could have a material adverse effect on dynaCERT's business, financial condition or results of operations.

Price Variation

Changes in prices in the market may have a significant impact on the profitability of the Company's business. The Company's products include some components manufactured around the world. The price of goods can be influenced by various economic conditions such as demand and production capacity in the market, in addition to the overall impact of the COVID-19 pandemic. Moreover, the Company's reliance on suppliers and commodity markets to secure raw materials, parts and components used in the Company's products exposes the Company to volatility in the prices and availability of these materials. Changes in price for raw materials may not be recoverable through price changes under the contract terms with the Company's customers. The overall impact of price fluctuations is impossible to predict accurately and may adversely affect the Company's competitive position and the Company's profitability.

Dependence On Key Distributors

The Company has entered into contracts with several Dealers for its products. Given economic conditions and the COVID-19 pandemic, supply and demand factors in the industry, the Company's performance, internal initiatives of the Company's Dealers or other factors, Dealers may reduce or eliminate their purchases of the Company's products or services, or may use the competitive environment as leverage to obtain better prices and other concessions from the Company. More specifically, the loss of a key Dealer could cause a decline in revenues, which would likely result in a material decline in the Company's results of operations.

Replacement Or Reduced Use Of Products And Services

Certain of the Company's products may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be preferable for other reasons. The Company will need to remain current with the changing market for its products and services and technological and regulatory changes. If the Company fails to do so, this could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Dependence On Key Suppliers

The success of the Company's manufacturing operations is dependent on the timely supply of raw materials from the Company's manufacturers (some of which are international) to ensure the timely delivery of the Company's products to the Company's customers. However, disruptions in the Company's supply chain (as experienced as a result of the COVID-19 pandemic) can impact the Company's ability to deliver on schedule. Moreover, failure by one or more suppliers to meet performance specifications, quality standards or delivery schedules could adversely affect the Company's ability to meet the Company's commitments to customers, in particular if the Company is unable to purchase the key components and parts from those suppliers upon agreed terms or in a cost-effective and timely manner and if the Company cannot find alternative suppliers on commercially acceptable terms. The Company may not be able to recover any costs or liability the Company incurs as a result of any such failure from the applicable supplier, which could have a material adverse effect on the Company's financial condition or results of operations.

Currency Fluctuation

A significant portion of the Company's future revenues are expected to be in certain foreign currencies such as Euros and US dollars (but not necessarily exclusively those currencies) and, accordingly, the Company is exposed to market risks related to foreign exchange fluctuations. Similarly, the Company's products include a number of components manufactured by suppliers around the world and any volatility in the Canadian dollar may affect the Company's supply cost. As a result, major exchange rate fluctuations may have a significant impact on the Company's revenues, costs and, consequently, on the Company's gross margin.

International Operations & International Trade Relations

dynaCERT operates internationally through direct sales and Dealers with operations in Canada, the United States, Mexico, Europe, South America, the Middle East and India. The Company's international operations are subject to risks normally associated with conducting business in foreign countries, including among others:

- impacts resulting from the COVID-19 pandemic;
- an uncertain political and economic environment;
- the loss of revenue or property and equipment as a result of expropriation, confiscation, nationalization, contract deprivation and force majeure;
- war, terrorist acts or threats, civil insurrection, and geopolitical and other political risks;
- fluctuations in foreign currency and exchange controls;
- restrictions on the repatriation of income or capital;
- increases in duties, taxes and governmental royalties;
- changes in laws and policies governing operations of foreign-based companies; and
- trade restrictions or embargoes imposed by the U.S. or other countries.

If there is a dispute relating to the Company's international operations, dynaCERT may be subject to the exclusive jurisdiction of foreign courts or may not be able to subject foreign persons to the jurisdiction of a court in Canada or the U.S. In the international markets where the Company operates, dynaCERT is subject to various laws and regulations that govern the operation and taxation of its businesses and the import and export of the Company's products from country to country. There may be uncertainty about how these laws and regulations are imposed, applied or interpreted, and they could be subject to change. Since dynaCERT expects to derive a portion of its revenues from subsidiaries outside of Canada and the U.S., the subsidiaries paying dividends or making other cash payments or advances may be restricted from transferring funds in or out of the respective countries, or face exchange controls or taxes on any payments or advances. While the Company has developed policies and procedures designed to achieve compliance with applicable international laws, dynaCERT could be exposed to potential claims, economic sanctions, or other restrictions for alleged or actual violations of international laws related to the Company's international

operations, including anti-corruption and anti-bribery legislation, trade laws and trade sanctions. The Canadian government, the U.S. Department of Justice, the Securities and Exchange Commission, the U.S. Office of Foreign Assets Control, and similar agencies and authorities in other jurisdictions have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for such violations, including injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs, among other things. While the impact of any of these factors, if any of those risks materialize, cannot be accurately predicted, it could have a material adverse effect on the Company's reputation, business, financial condition, results of operations and cash flow.

War in Ukraine

The military conflict between Russia and Ukraine may increase the likelihood of supply 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 could adversely impact the Company's sales, costs, operations and/or development activities in future periods.

Reliance on Key Personnel

dynaCERT's success, now and in the future, will be dependent upon key personnel. If the Company's business is to expand in the future, it must continue to attract, develop, motivate and retain highly qualified and skilled employees, and particularly in the areas of sales, manufacturing and integration. The Company also must keep employees focused on its strategies and goals. Hiring and retaining qualified executives, engineers and qualified sales representatives are critical to its future, and competition for experienced employees in these areas can be intense. The failure to hire or the loss of key employees could have a significant impact on its operations. If dynaCERT is unable to hire and retain such employees, its business and results of operations may be adversely affected. Additions of new personnel and departures of existing personnel may disrupt the business and may result in the departure of other employees. The Company also depends on the continued service of its key personnel.

Safety Performance

Safety is a key factor for customers considering the Company's products. A decline in dynaCERT's safety performance could result in lower demand for its products and services, and this could have a material adverse effect on the Company's revenue, cash flow and earnings. The Company is subject to various health and safety laws, rules, legislation and guidelines which can impose material liability, increase its costs or lead to lower demand for its products and services.

Intellectual Property Infringement

Although most of dynaCERT's technology is either patent-protected or proprietary in nature and management does not believe that dynaCERT's products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. Alternatively, dynaCERT may be required to re-design those products that use allegedly infringing technology, which may be costly or time-consuming, or make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products. In addition, such litigation could be disruptive to dynaCERT's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's defense against those claims or its attempt to license the patents or rework its products to ensure that they comply with judicial decisions. Any of the foregoing could have a material adverse effect on dynaCERT's business, financial condition or results of operations.

Failure to Expand

dynaCERT may not be able to expand in a cost-effective or timely manner, may require significant additional expenses and development and operational resources, and may strain management, financial and operational resources in the course of conducting its operations. The Company continually looks to expand its products and services into certain international markets, which may be impacted or restricted as a result of the COVID-19 pandemic. As it expands into new international markets, the Company may have only limited experience in marketing and operating products and

services in such markets and may also face regulatory issues in such markets. In other instances, the Company may rely on the efforts and abilities of foreign business partners in such markets. Certain international markets may be slower than domestic markets in adopting the Company's products and services and recovering from the COVID-19 pandemic, and its operations in international markets may not develop at a rate that supports its level of investment. The lack of market acceptance or the Company's inability to generate satisfactory revenues from such markets may have a material adverse effect on dynaCERT's business, financial condition or results of operations.

Failure to Succeed in Promoting, Strengthening and Continuing to Establish the dynaCERT Brand

The Company may fail to promote, strengthen and continue to establish the dynaCERT brand, which could prevent the Company from acquiring new customers, increasing market share and increasing revenues.

Credit Risk

The Company is exposed to credit risks related to the Company's accounts receivable in the normal course of business. Trade receivables are presented on the statement of financial position net of an allowance for doubtful accounts, which allowance is based on the Company's best estimate as to the probability of collecting uncertain accounts. Uncertainty regarding the collection of accounts may derive from various indicators, including deterioration in the creditworthiness of a client or an abnormal delay in payment of past-due invoices.

Insurance Sufficiency, Availability And Rate

Although the Company believes its insurance coverage to be appropriate for the nature of the risks relative to the costs of coverage, such coverage may not be adequate. Furthermore, the Company's ability to procure effective insurance at favorable rates is dependent on various operational factors including the number of claims and amounts paid out. Furthermore, the Company may become the subject of claims, lawsuits and and/or administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters. The Company's insurance may not cover all of its potential losses, or the Company may be subject to various retentions or deductibles under its insurance. A judgment may be rendered against the Company, in which the Company could be uninsured, or which exceed the amounts currently reserved or anticipate incurring for such matters.

Cyber Security

The inherent cyber security risks related to both the Company's business and operational and data network and associated systems are high. The Company has been increasingly working to effectively manage and contain these inherent risks. However, given the ever-changing threat landscape and increased sophistication of techniques used by cyber criminals and state-run operatives, the likelihood of a security breach has grown recently. The need to increase exposure of business systems to the public internet along with enabling access to end-users of the Company's products and services to establish online contact requires the Company to continually evaluate new countermeasures to increase prevention and detection capabilities, and to effectively monitor its computing and networking environments which could result in a change to the current operational and data network security systems.

Information Security

The efficient operation of dynaCERT's business is dependent on computer hardware and software systems. In the ordinary course of dynaCERT's business, dynaCERT collects, encrypts and stores sensitive data, including intellectual property, proprietary business information and identifiable personal information of its employees and customers. The Company's information technology and infrastructure may be vulnerable to attacks by hackers and cyberterrorists motivated by, among others, geopolitical, financial or activist reasons, or breached due to employee error, malfeasance or other disruptions. Any such disclosed, lost, stolen or compromised attack, breach, access, disclosure or loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions to dynaCERT's operations, decreased performance, increased costs and damage to dynaCERT's reputation, which could have a material adverse effect on its business, financial condition, results of operations and cash flow. If any programs or systems were to fail or create erroneous information in the Company's hardware or software network infrastructure, possible consequences include a loss of communication links, product failures and inability to automatically process commercial transactions or engage in similar automated or computerized business activities. Any such consequence could have a material adverse effect on the Company's business.

Conservation Measures And Technological Advances

A continued, significant reduction in world fuel prices, fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to internal combustion engines, and technological advances in fuel economy and energy generation devices could reduce the demand for the Company's products. Changing consumer behaviour and travel/transportation patterns resulting from the COVID-19 pandemic may have a material impact on the demand for the Company's products. The Company cannot predict the impact of changing demand for internal combustion engines products, and any major changes could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Need for Future Financing

The future development of the Company's interests may require additional financing. There are no assurances that such financing will be available, or if available, available upon terms acceptable to the Company.

Future Equity Sales May Cause Dilution

dynaCERT may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) to finance its operations or expansion. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may have a material adverse effect on the prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of the voting power and may experience dilution in the Company's earnings per share.

Dividends

dynaCERT does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by its Board of Directors in the context of the Company's earnings, financial condition and other relevant factors. Until the time that the Company does pay dividends, which it may never do, dynaCERT shareholders will not be able to receive a return on their Common Shares unless they sell them at a gain. The Company has not declared or paid any dividends on the Common Shares since incorporation, and it is not anticipated that any dividends will be declared or paid in the immediate or foreseeable future. Any decision to pay dividends will be made by the Board of Directors on the basis of earnings, financial requirements and other conditions existing at such future time.

Shareholder Activism

The Company may be subject to legal and business challenges in the operation of the Company due to actions instituted by activist shareholders or others. These activities may not be aligned with a long-term shareholder value creation for all. Responding to such actions could be costly and time-consuming, may not align with the Company business strategies and could divert the attention of the Company's Board of Directors, executive team and senior management from the pursuit of the Company's business strategies. Perceived uncertainties as to the Company's future direction as a result of activism may lead to the perception of a change in the direction of the business or other instability and may adversely affect the Company's relationships with vendors, customers, prospective and current employees and others.

Conflicts

Certain of the Company's directors may be engaged in other activities, on their own behalf and on behalf of other companies, and situations may arise where the directors and officers, through the other companies in which they are involved, may be in competition with the Company. Conflicts of interest, if any, that arise will be subject to and governed by procedures prescribed by the OBCA, which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the OBCA.

Catastrophic Events, Natural Disasters, Severe Weather And Disease

The Company's business may be negatively impacted to varying degrees by a number of events which are beyond the Company's control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornadoes, fires, floods, ice storms or other natural or manmade catastrophes. While the Company engages in emergency preparedness to mitigate risks, including business continuity planning, such events can evolve very rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that the Company's operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Company from performing its obligations to third parties. A catastrophic event, including an outbreak of infectious disease, a pandemic or a similar health threat, such as the COVID-19 pandemic, or fear of any of the foregoing, could adversely impact the Company by causing operating or supply chain delays and disruptions, labour shortages, expansion delays and production shutdowns which could have a negative impact on the Company's ability to conduct its business and may increase the Company's costs. In addition, liquidity and volatility, credit availability and market and financial conditions generally could change at any time as a result. Any of these events in isolation or in combination, could have a material negative impact on the Company's financial condition, operating results and cash flows.

DIVIDENDS AND DISTRIBUTIONS

dynaCERT has not declared or paid any dividends on the Shares since incorporation. The payment of dividends in the future will be at the discretion of the Board and will be dependent on the future earnings and financial condition of the Company and such other factors as the Board considers appropriate.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, of which 381,484,180 Common Shares were issued and outstanding as at the date of this Annual Information Form. In addition, 31,545,806 Common Shares (ranging in exercise prices from \$0.25 to \$0.71) are reserved for issuance under stock options granted to directors, officers, employees and consultants and 21,650,260 common share purchase warrants (ranging in exercise prices from \$0.65 to \$1.00) are outstanding. The Company also has a restricted share unit plan, though no units have been issued thereunder to date.

All of the Common Shares rank equally as to voting rights, participation in a distribution of the Company's assets on liquidation, dissolution or winding-up and the entitlement to dividends. The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each of the Common Shares carries with it the right to one vote.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the Common Shares will be entitled to receive, on a *pro rata* basis, all of the assets remaining after the Company has paid out its liabilities. The holders of Common Shares are entitled to receive any dividends declared by *dynaCERT* on the Common Shares.

Stock Options

The Company has a stock option plan (the "Option Plan"), which provides that the Board of Directors may from time to time, in its discretion grant to directors, officers and employees of the Company and to consultants retained by the Company, non-transferable options to purchase Common Shares, or such other shares as may be substituted therefore, in the capital of the Company for a period of up to ten (10) years from the date of the grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares of the Company at the date of the grant.

The purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, officers and employees of the Company and consultants retained by the Company to acquire Common Shares, thereby: (i) increasing the proprietary interests of such persons in the Company; (ii) aligning the interests of such persons with the interests of the Company's shareholders generally; (iii) encouraging such persons to remain associated with the Company; and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Company.

The principal features of the Option Plan are as follows:

- The maximum number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan and all other compensation plans of the Company (including the RSU Plan) shall not (collectively) exceed ten percent (10%) of the total number of issued and outstanding Common Shares of the Company from time to time.
- Under the Option Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12 month period must not exceed 5% of the Company's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12 month period must not exceed 2% of the Company's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Company's issued and outstanding Common Shares in any 12 month period.
- The exercise price for options granted under the Option Plan will not be less than the market price of the Company's Common Shares at the time of the grant.
- Options will be exercisable for a term of up to ten (10) years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Company. Options will terminate on the earlier of the date of the expiration of the options and 90 days after the optionee ceases to hold the position or positions of director, officer, employee or consultant of the Company. In the case of optionees who perform investor relations services, such options shall terminate on the date that is 30 days after the termination of the employment or cessation of services.
- Options granted under the Option Plan are non-transferable and non-assignable, except by will or by the laws of descent and distribution.
- The participation of Insiders of the Company is limited under the Option Plan such that: (i) the number of Common Shares issuable to Insiders of the Company pursuant to the Option Plan and any other security-based compensation arrangement of the Company cannot exceed, at any time, ten percent (10%) of the Company's issued and outstanding Common Shares; and (ii) the number of Common Shares issued to Insiders of the Company pursuant to the Option Plan and any other security-based compensation arrangement of the Company cannot exceed, within any one year period, ten percent (10%) of the Company's issued and outstanding Common Shares.

As of the date of this Annual Information Form, 38,148,418 Common Shares represents ten percent (10%) of the outstanding Common Shares of the Company. There are currently 31,545,806 Common Shares issuable upon the exercise of outstanding stock options, representing approximately 8.27% of the issued and outstanding Common Shares. Accordingly, there are 6,602,612 Common Shares available for grant under the Option Plan and the RSU Plan (as hereinafter defined and discussed below), representing approximately ten percent (10%) of the issued and outstanding Common Shares.

The following table reflects the stock options that are outstanding as of the date of this Annual Information Form:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining contractual life (years)	Number of options outstanding
September 19, 2022	\$0.58	0.55	1,000,000
October 23, 2022	\$0.65	0.65	1,166,000
January 31, 2023	\$0.50	0.93	3,770,000
April 5, 2023	\$0.50	1.10	238,096
October 4, 2023	\$0.25	1.61	316,000
March 1, 2024	\$0.38	2.02	4,059,210
May 15, 2024	\$0.35	2.23	250,000
July 30, 2024	\$0.50	2.44	600,000
September 9, 2024	\$0.50	2.56	500,000
October 11, 2024	\$0.50	2.65	50,000

Expiry Date	Exercise Price (\$)	Weighted Average Remaining contractual life (years)	Number of options outstanding
November 12, 2024	\$0.50	2.73	882,000
December 9, 2024	\$0.52	2.81	2,804,500
December 17, 2024	\$0.55	2.83	400,000
July 2, 2025	\$0.70	3.38	6,400,000
August 4, 2025	\$0.70	3.47	200,000
October 30, 2025	\$0.55	3.71	100,000
January 1, 2026	\$0.55	3.96	850,000
May 30, 2026	\$0.50	4.30	7,960,000
			31,545,806

Warrants

The Company has issued common share purchase warrants as part of units (each consisting of a Common Share and either a full or one-half of one warrant) through various private placements and one prospectus offering. The following table reflects the common share purchase warrants that are outstanding as of the date of this Annual Information Form:

Expiry Date	Remaining contractual life (years)	Number of Warrants outstanding	Exercise Price (\$)
November 14, 2023 ⁽¹⁾⁽²⁾	0.65	900,000	0.65
November 14, 2023 ⁽¹⁾⁽²⁾	0.65	14,000,000	0.65
June 18, 2022 ⁽³⁾	1.00	6,152,000	1.00
June 18, 2022 ⁽⁴⁾	0.68	598,260	0.68
		21,650,260	

Notes:

- (1) If at any time after the date that is four months and one day after the date of issuance, the closing trading price of the Common Shares on the TSX is greater than \$0.80 per Common Share for a period of 10 consecutive business days, then the Company may, at its discretion give notice of the acceleration of some or all of these warrants to the holder and, in such case, the expiry time shall be 5:00 p.m. (Toronto time) on the 30th day after the date on which such notice is deemed to have been given by the Company to the holder.
- (2) Such warrants were initially set to expire in November 2021. The Company applied to the TSX and was granted approval in respect of the extension of the term of all of the Company's unlisted warrants to November 14, 2023.
- (3) These warrants were issued in connection with the Company's \$8,367,400 underwritten prospectus offering in June 2020. Such warrants are governed by a warrant indenture, are listed on the TSX and trade under the symbol DYA.WT. As the TSX Company Manual prohibits amendments to listed warrants, the term of these warrants has not been extended.
- (4) Broker warrants.

Restricted Share Unit Plan

The Company has a restricted share unit plan (the "RSU Plan"), which is administered by the Compensation and Nominating Committee under the supervision of the Board of Directors as compensation to officers, directors, consultants, and employees. The Compensation and Nominating Committee determines the terms and conditions upon which a grant is made, including any performance criteria or vesting period. The purpose of the RSU Plan is to further align the interests of the Company's senior executives, key employees, consultants and directors with those of the Company's Shareholders. The following is a summary of the material terms of the RSU Plan.

- Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of restricted share units (each, an "RSU") as the Board deems appropriate, with vesting provisions also to be determined by the Board, subject to a maximum vesting term of three (3) years from the end of the calendar year in which RSUs were granted.
- All RSUs are to be evidenced by award agreements entered into in accordance with the RSU Plan.

- Upon vesting, each RSU entitles the participant to receive one Common Share, provided that the participant is continuously employed with or providing services to the Company. RSUs track the value of the underlying Common Shares, but do not entitle the recipient to the underlying Common Share until such RSUs vest, nor do they entitle a holder to exercise voting rights or any other rights attached to ownership or control of the Common Shares, until the RSU vests and the RSU participant receives Common Shares.
- Upon vesting, eligible participants shall be entitled to a cash payment equal to the number of RSUs granted, multiplied by the fair market value of the Common Shares on the redemption date or such number of Common Shares equal to the whole number of RSUs multiplied by the fair market value of the Common Shares on the redemption, such cash payment or Common Share issuance to be at the sole discretion of the Company.
- The maximum number of Common Shares to be reserved and authorized for issuance pursuant to RSUs granted under the RSU Plan and all other compensation plans of the Company (including the Option Plan) shall not (collectively) exceed ten percent (10%) of the total number of issued and outstanding Common Shares of the Company, from time to time.
- If the Company pays a dividend on the Common Shares outstanding subsequent to granting of RSUs, (the "Original RSUs") such Original RSUs shall be increased by an amount equal to: (a) the product of: (i) the aggregate number of Original RSUs held by the participant on the record date for such dividend; and (ii) the per Common Share amount of such dividend (or, in the case of any dividend payable in property other than cash, the per Common Share fair market value of such property as determined by the Compensation and Nominating Committee); divided by (b) the fair market value of the Common Shares on the date that the dividend is declared.
- In the event that the Company pays a dividend on the Common Shares in additional Common Shares, the number of Original RSUs shall be increased by a number equal to the product of: (a) the aggregate number of Original RSUs held by the participant on the record date of such dividend; and (b) the number of Common Shares (including any fraction thereof) payable as a dividend on one Common Share.
- The grant of any RSUs is subject to the following restrictions: (a) the aggregate number of Common Shares reserved for issuance pursuant to RSUs granted to any one individual in any twelve (12) month period shall not exceed one percent (1%) of the issued and outstanding Common Shares, unless disinterested shareholder approval is obtained; (b) the aggregate number of Common Shares reserved for issuance pursuant to RSUs granted to Insiders (as defined in the policies of the TSX), as a group, shall not exceed two percent (2%) of the issued and outstanding Common Shares, unless disinterested Common Shareholder approval is obtained; and (c) the aggregate number of Common Shares reserved for issuance pursuant to RSUs granted to any one individual in any twelve (12) month period, when combined with stock options granted under the Company's Stock Option Plan, shall not exceed five percent (5%) of the issued and outstanding Common Shares, unless disinterested Common Shareholder approval is obtained.
- The Board has the discretion under the RSU plan to permit the acceleration of the vesting date of any RSUs, all in the manner and on the terms as may be authorized by the Board.

As of the date of this Annual Information Form, there have been no RSU's issued. As there are currently 31,545,806 Common Shares issuable upon the exercise of outstanding stock options, representing approximately 8.27% of the issued and outstanding Common Shares, there are an aggregate of 6,602,612 RSUs available for issuance, provided however that the number of RSUs available for issuance shall fluctuate with grants (downwards), exercises (upwards), expiries (upwards) and cancellations (upwards) of stock options.

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares

The Shares have been listed and have traded on the TSX under the symbol "DYA" since July 7, 2020. The following table sets forth the price ranges and volume traded of Shares as reported by the TSX for the periods indicated.

2021	High	Low	Volume
	(\$)	(\$)	
January	0.86	0.50	33,882,271
February	0.76	0.57	21,959,010
March	0.63	0.51	12,116,281
April	0.56	0.46	7,271,665
May	0.49	0.36	6,128,637
June	0.445	0.32	4,634,609
July	0.40	0.35	2,888,782
August	0.375	0.27	4,077,292
September	0.29	0.22	4,707,956
October	0.24	0.20	5,297,555
November	0.40	0.23	14,480,391
December	0.25	0.19	3,994,240

Warrants

Certain warrants (a total of 6,152,000, all of which were issued in connection with the Company's \$8,367,400 underwritten prospectus offering in June 2020) are listed and trade on the TSX under the symbol "DYA.WT". The following table sets forth the price ranges and volume traded of such warrants as reported by the TSX for the periods indicated.

2021	High	Low	Volume
	(\$)	(\$)	
January	0.45	0.145	209,400
February	0.40	0.22	171,199
March	0.345	0.185	106,163
April	0.25	0.10	465,245
May	0.17	0.115	97,095
June	0.15	0.09	76,210
July	0.16	0.09	68,000
August	0.16	0.09	134,750
September	0.14	0.12	29,800
October	0.12	0.055	19,500
November	0.11	0.04	93,500
December	0.09	0.01	172,000

Prior Sales

The Company does not have any class of securities that is outstanding but not listed or quoted on a marketplace.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date hereof no Shares were held in escrow and there are no securities that are subject to contractual restrictions on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the names, province or state and country of residence, present positions with dynaCERT and principal occupations during the past five years of the executive officers and directors of dynaCERT.

Name, Province and Country of Residence and Present Office Held	Principal Occupation or Employment	Date of Appointment	Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and % of total issued and outstanding
JAMES PAYNE Ontario, Canada <i>Director, President, Chief Executive Officer and Director</i>	President and CEO of the Company. Also, President and CEO of V2R Group Inc., a project management company in the City of Toronto. Director of Lindsey Villages for families with Autism. Member of the Advisory Board of Sparta Capital Ltd.	October 2008	12,709,661 ⁽⁵⁾ (3.09 %)
JEAN-PIERRE COLIN Ontario, Canada <i>Director, Executive Vice President & Corporate Secretary</i>	Executive Vice-President of the Company. Corporate Strategy Consultant to outlier high-growth public companies and their shareholders.	December 2016 (as director) March 2020 (as Executive Vice-President)	Nil (0.00%)
WAYNE HOFFMAN ⁽²⁾⁽³⁾⁽⁴⁾⁽⁶⁾ Ontario, Canada <i>Director, Chairman of the Board</i>	Retired. Serving as Treasurer of Christians For Israel, Canada.	March 2014	7,797,200 (2.04%)
RICHARD LU ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada <i>Director</i>	Independent Consultant in the renewable energy and energy efficiency industry.	January 2014	400,000 (0.10%)
AMIR FARAH ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada <i>Director</i>	Government Relations and public affairs consultant at Blackridge Strategy Inc., a government relations firm in Southwestern Ontario working with all three levels of government in Canada, federal, provincial and municipal.	March 2019	100,000 (0.03%)
CARMELO MARRELLI Ontario, Canada <i>Chief Financial Officer</i>	Chief Financial Officer of the Company. Principal, Marrelli Support Services Inc., a firm that has delivers accounting and regulatory compliance services to listed companies on the TSX, TSX-V, the Canadian Securities Exchange (CSE) and other exchanges, as well as non-listed companies. In addition, affiliated with DSA Corporate Services Inc., a firm providing corporate secretarial and regulatory filing services to the junior capital market in Canada and Marrelli Trust Company Limited, a provincially registered trust company, offering transfer agent services.	January 2020	Nil (0.0%)

Notes:

(1) The information regarding the number of Common Shares beneficially owned, not being within the knowledge of the

Company, has been furnished by the respective nominees. These figures do not include any securities that are exercisable for Common Shares.

- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance Committee.
- (5) Such shares are held in Mr. Payne's personal name, as well as in a private corporation that he directly or indirectly owns or controls.
- (6) Mr. Hoffman served as President of the Company from 2009 to 2010.

Each of the directors has been elected or appointed to serve as such until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles or by-laws of the Company.

As of the date hereof, the directors and executive officers of dynaCERT as a group beneficially owned, directly or indirectly, or exercised control or direction over 20,076,361 Shares representing 5.26% of the issued and outstanding Shares. In addition, the directors and executive officers of dynaCERT, as a group, hold stock options that have been granted under the Option Plan entitling the holders thereof to acquire an aggregate of 9,075,000 Shares.

Biographies

Executive Officers

James Payne, President, Chief Executive Officer and a Director

Mr. Jim Payne is a Director, President and Chief Executive Officer of dynaCERT. Mr. Payne also serves on the board of directors of a charitable organization, "Lindsey Villages For Families with Autism", and on the board of directors of a junior Canadian oil producer, Saturn Oil & Gas Inc. (TSX-V: SOIL), which is committed to be at the forefront of ESG (Environmental, Social, Governance) in the future. Mr. Payne is also Director and Chief Executive Officer, and overseeing his sons in the running of their privately held construction, consulting, project management and real-estate development companies operating in the GTA and surrounding areas. Mr. Payne also serves on the advisory board of Sparta Capital Ltd., a TSX-V listed company seeking investment in energy-saving technologies, and continues to serve on the advisory board of Connect Church (an affiliation of the Pentecostal Assemblies of Canada). Mr. Payne graduated from St. Clair College in Construction Engineering, Project Management and Estimating in 197. He has over the years completed multiple business management and leadership courses and has a Certificate from the TSX-V for completing their course "Managing a Public Company". He has successfully built and managed his own private companies for over 40 years. This provides Mr. Payne with years of experience in accounting, business leadership, and the legal aspects of governance. Over the last decade, Mr. Payne has taken his natural networking skills and built on them to create strong team dynamics that lead to success and generate movement. With a strong leadership presence, Mr. Payne is leading dynaCERT in a way that has helped to streamline corporate activities, generate growth, form new partnerships, and bring the corporate vision to a reality.

Jean-Pierre Colin, Executive Vice-President, Corporate Secretary and a Director

Mr. Colin is a corporate strategy consultant to high-growth publicly listed companies. He has been a recognized senior securities industry executive and effective investment banking professional providing financing and mergers and acquisitions services to numerous prosperous issuers in Canada. As a result of his extensive financial background throughout his career, he has been called to lead teams of corporate finance professionals at national securities dealers, such as Richardson Greenshields of Canada Limited, JP Colin Securities Inc., Deacon Capital Corporation, Octagon Capital Corporation and Desjardins Securities Inc. He has also served as a corporate board director and C-suite executive of numerous public companies, often chairing audit committees, compensation committees and corporate governance committees, including with Premier Gold Mines; Wolfden Resources (sold to Zinifex for over \$350 million); Virginia Gold (whose Eleonore property was sold to Goldcorp for over \$ 1 billion); and, Pelangio Mines, the former controlling shareholder of Detour Gold, one of Canada's largest gold mining operations.

Carmelo Marrelli, Chief Financial Officer

Carmelo Marrelli is Chief Financial Officer of the Corporation. Mr. Marrelli is the principal of The Marrelli

Group of Companies. He is a Chartered Professional Accountant (CPA, CA, CGA) and a member of the Institute of Chartered Secretaries and Administrators, a professional body that certifies corporate secretaries. He has a Bachelor of Commerce degree from the University of Toronto. Mr. Marrelli acts as the chief financial officer for a number of issuers on the TSX, TSX Venture Exchange and CSE, as well as non-listed companies, and as a director of some publicly listed companies.

Enrico Schlapfer, Vice President, Global Sales

Mr. Schlapfer is a seasoned brand development, sales and marketing professional with over 20 years of experience in multiple industries. His exposure to various business cultures, widely divergent professionals and his fluency in 5 languages ensures his comfort level in global sales. Before devoting his work full-time to dynaCERT, Mr. Schlapfer had key sales positions in prestigious companies such as Nestle, Traxdata and Targus. In addition, he has served as Sales Director and COO in WorldConnect, in which he was a business partner.

Khoa Tran, Director of Finance

Khoa Tran has over 20 years of financial reporting and accounting experience. This includes over 15 years in management positions in world class global businesses for manufacturing and service environments. Mr. Tran was previously the Director of Finance for a mid-sized manufacturing company and Controller for various mid-sized and Fortune 500 automotive and manufacturing companies with international offices. A driven finance leader, his major focus has been on operational optimization and efficiencies through lean methodologies and best practices. Mr. Tran has been volunteering as Treasurer for a religious organization in GTA for the last 19 years, being responsible for finances and planning.

Directors

R. Wayne Hoffman, Chairman and a Director

Mr. Hoffman, a Chartered Professional Account (CPA, CA), was appointed as the Chairman of the Board of Directors of the Company on March 24, 2014 and as member of the Audit Committee on May 29, 2014. He possesses a strong financial and corporate governance background, having served as Vice-President, Finance at John Deere Limited for 25 years and President of John Deere Credit for over 8 years. Mr. Hoffman was a member of the Company's Business Advisory Committee from October 2007 until 2010 and served as President of the Company from 2009 to 2010.

Dr. Richard Lu, Director

Dr. Richard Lu is an experienced CEO with a demonstrated history of working in the renewables and environment industry. His skills include business planning, wind and solar energy, smart grid and manufacturing. Dr. Lu graduated from University of Toronto and holds a Master of Business Administration (MBA) and a Master of Health Science (MHSc). He has been President & CEO of Abundant Solar Energy Inc. since 2013 and prior to that was Managing Director of Sky Solar (Canada) Ltd., VP Business Development of ARISE Technologies Corporation, VP EHS and Chief Conservation Officer of Toronto Hydro Corporation, and Manager, Environment Health & Safety of Enbridge Gas Distribution.

Amir Farahi, Director

Amir Farahi is a Government Relations and Public Affairs consultant and is President of the Farahi Group of Companies. His public affairs firm serves a highly established clientele consisting of privately held enterprises and large national corporations. Mr. Farahi has extensive business knowledge of real estate, and project management. Mr. Farahi was columnist for 3 years for Metroland Media Group, a subsidiary of Torstar Corporation. He was a political commentator for Bell Media Inc. His municipal government experience involves being Chair of the City of London's Transportation Advisory Committee when it was planning to implement its Bus Rapid Transit initiative – considered the largest infrastructure project in the city's history. Mr. Farahi was also a co-founder of FillSpaces Technologies Inc., a company developed through Western University's Morrisette Institute for Entrepreneurship Powered by Ivey Business School, and a recipient of Ontario Centre of Excellence funding for its distinct artificial intelligence and

machine learning applications. Mr. Farahi was appointed as a senior advisor to Fanshawe College for the establishment of its acclaimed innovation centre. He holds a Bachelor of Arts Degree from Western University.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of dynaCERT is, as at the date of this Annual Information Form, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, except that during the months of April 2015 and May 2015, the then Chief Executive Officer, Mr. James Payne, was under a management cease trade order as a result of the late release of the audited annual financial statements of the Company for the year ended December 31, 2014.

Except as otherwise disclosed herein, no director, executive officer or Shareholder holding a sufficient number of Shares to affect materially the control of the Company: (a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder. Mr. Marrelli previously served as a Chief Financial Officer of Media Central Corporation Inc. ("MCC") from June 10, 2021 until January 25, 2022. Mr. Marrelli resigned for non-payment of services. Following Mr. Marrelli's resignation as Chief Financial Officer, MCC filed an assignment into bankruptcy on March 28, 2022 under the *Bankruptcy and Insolvency Act* (Canada).

None of the Company's directors or executive officers, nor, to the Company's knowledge, any Shareholder holding a sufficient number of the Company's securities to materially affect the control of dynaCERT, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflict of Interest

Circumstances may arise where members of the Board are directors or officers of corporations which are in competition to the interests of dynaCERT. No assurances can be given that opportunities identified by such Board members will be provided to dynaCERT. Pursuant to the OBCA, directors who have an interest in a proposed transaction upon which the Board is voting are required to disclose their interests and refrain from voting on the transaction. Dr. Richard Lu is a partner in Puma Hydrocarbons Inc., a private company that has entered into a standard Dealer agreement with dynaCERT. Jim Payne and Jean-Pierre Colin control and are directors of Galaxy Power Inc.

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Company's Audit Committee is attached to this Annual Information Form as Appendix "A".

Composition of the Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee recommends the auditors to be nominated and reviews the compensation of the auditors. The Audit Committee is directly responsible for overseeing the work of the auditors, must preapprove non-audit services, be satisfied that adequate procedures are in place for the review of the Company's public disclosure

of financial information extracted or derived from the Company's financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. All three of the Directors comprising the Audit Committee are independent within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110") of the Canadian Securities Administrators. All of the members of the Audit Committee are "financially literate" and have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The following are the current members of the Audit Committee:

Dr. Richard Lu (Chair) ⁽¹⁾	independent	Financially Literate
Wayne Hoffman ⁽¹⁾	independent	Financially Literate
Amir Farahi ⁽¹⁾	independent	Financially Literate

Notes:

- (1) Each of Dr. Lu and Mr. Farahi is independent as defined under NI 52-110. Mr. Hoffman is independent and is non-executive Chair of the Board of Directors of the Company, is retired and acts as such on a part-time basis.

Education and Experience

Dr. Richard Lu is an experienced CEO with a demonstrated history of working in the renewables and environment industry. His skills include business planning, wind and solar energy, smart grid and manufacturing. Dr. Lu graduated from University of Toronto and holds a Master of Business Administration (MBA) and a Master of Health Science (MHSc). He has been President & CEO of Abundant Solar Energy Inc. since 2013 and prior to that was Managing Director of Sky Solar (Canada) Ltd., VP Business Development of ARISE Technologies Corporation, VP EHS and Chief Conservation Officer of Toronto Hydro Corporation, and Manager, Environment Health & Safety of Enbridge Gas Distribution.

Mr. Hoffman, a Chartered Professional Account (CPA, CA), was appointed as the Chairman of the Board of Directors of the Company on March 24, 2014 and as member of the Audit Committee on May 29, 2014. He possesses a strong financial and corporate governance background, having served as Vice-President, Finance at John Deere Limited for 25 years and President of John Deere Credit for over 8 years. Mr. Hoffman was a member of the Company's Business Advisory Committee from October 2007 until 2010 and served as President of the Company from 2009 to 2010.

Amir Farahi, Director

Amir Farahi is a government relations and public affairs consultant at Blackridge Strategy Inc., an important government relations firm in Southwestern Ontario working with all three levels of government in Canada, federal, provincial and municipal.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed five last financial years was a recommendation of the Audit Committee of the Company to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in any of Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), 3.2 (*Initial Public Offerings*), 3.4 (*Events Outside Control of Member*), 3.5 (*Death, Disability or Resignation of Audit Committee Member*), 3.3(2) (*Controlled Companies*), 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*), 3.8 (*Acquisition of Financial Literacy*) or any exemptions identified in Sections 4, 5 or 6 of Form 52-110F1 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee of the Company has adopted a specific provision in its policy and procedures for the engagement of non-audit services. The Audit Committee is mandated to pre-approve any non-audit service, if any, to be provided to the issuer or its subsidiary entities by the issuer's external auditor. The Audit Committee of the Company reviews the engagement of all audit and non-audit services if warranted or as required.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees	Tax Fees	All Other Fees
2021	\$230,000	\$20,700	\$10,000	Nil
2020	\$158,000	\$12,640	\$7,350	Nil

Note:

- (1) Represents fees paid for professional services rendered by the Company's auditors, BDO LLP, for the audit of the Company's annual financial statements and services provided in connection with statutory and regulatory filings in respect of the 2020 and 2021 financial years. BDO LLP, Chartered Accountants was appointed as auditor of the Company on September 20, 2019.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Except as otherwise disclosed herein, dynaCERT is not a party to any legal proceedings nor is or was it a party to any legal proceedings, nor is or was any of its property the subject of any legal proceedings, during the financial year ended December 31, 2021. dynaCERT is not aware of any such contemplated legal proceedings.

The Company has filed a Statement of Claim with the Ontario Superior Court of Justice to recover costs associated with loss due to defective components, work related to redesign, and delays in income related to business interruption in the total amount of \$47.7 million. Included in the amount claimed is \$46.8 million relating to the opportunity loss on potential sales of \$70.8 million to June 30, 2017. The defendant has filed a Statement of Defense and the action is proceeding to discovery, however the COVID-19 pandemic has resulted in a delay of the scheduled examinations for discovery. In January and again in September 2021, both parties held examinations for discovery and the Company awaits answers to undertakings and refusals, including production of additional documents. A mediation of this dispute is anticipated to take place in April 2022.

Regulatory Actions

During the year ended December 31, 2021, there were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements that the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS MATERIAL TRANSACTIONS

Other than as disclosed herein, the Company is not aware of any material interest, direct or indirect, of: (i) any Shareholder that is a direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the voting rights attached to the Common Shares; (ii) any of the Company's directors or executive officers or the Company's subsidiaries' directors or executive officers; or (iii) any associate or affiliate of any of the foregoing, in any transaction which has been entered into within the three most recently completed fiscal years or during the current financial year, that has materially affected or will materially affect the Company.

TRANSFER AGENT AND REGISTRAR

TSX Trust Company, at its principal offices in Toronto, Ontario, is the transfer agent and registrar for the Common Shares. TSX Trust Company also serves as the warrant agent under a warrant indenture that governs the 6,152,000 warrants that are listed and posted for trading on the TSX.

MATERIAL CONTRACTS

The Company has not entered into any material contracts during the most recently completed fiscal year, before the most recently completed fiscal year, or during the current financial that are still in effect. All contracts that it has entered into have been entered into in the ordinary course of business.

INTERESTS OF EXPERTS

BDO Canada LLP, Chartered Accountants are the auditors of the Company and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Additional information relating to the Company may be obtained from SEDAR at www.sedar.com under the Company's profile.

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Management Information Circular and Proxy Statement of the Company dated August 11, 2021 relating to its most recent annual meeting of Shareholders that involved the election of directors.

Additional financial information is provided in the Company's financial statements and management discussion and analysis for the year ended December 31, 2021.

APPENDIX A

dynaCERT INC.

AUDIT COMMITTEE CHARTER

MANDATE OF THE AUDIT COMMITTEE

1. Purpose

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "Board") of dynaCERT Inc. (the "Company") to assist the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company.

2. Composition

- a) The Committee shall be composed of three or more directors as designated by the Board from time to time.
- b) The Chair of the Committee shall be designated by the Board from among the members of the Committee.
- c) The members of the Committee shall meet all applicable securities laws, instruments, rules and policies and regulatory requirements and their respective applicable exemptions (collectively "Applicable Laws"), including those relating to independence and financial literacy subject to applicable exemptions under Applicable Laws. Accordingly, each member shall be independent and financially literate within the meaning of Applicable Laws, subject to applicable exemptions.
- d) Each member of the Committee shall be appointed by, and serve at the pleasure of, the Board. The Board may fill vacancies in the Committee by appointment from among the Board.

3. Meetings

- a) The Committee shall meet at least quarterly in each financial year of the Company. The Committee shall meet otherwise at the discretion of the Chair or a majority of the members or as may be required by Applicable Laws.
- b) A majority of the members of the Committee shall constitute a quorum.
- c) The Committee shall hold an in-camera session, without any senior officers present at such session, at each meeting where a review of the interim and annual financial statements of the Company is discussed or when requested by a member of the Committee on an ad hoc basis.
- d) The time and place at which meetings of the Committee are to be held, and the procedures at such meetings, will be determined from time to time by the Chair. A meeting of the Committee may be called by notice, which may be given by written notice, telephone, facsimile, email or other communication equipment, given at least 48 hours prior to the time of the meeting, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent waive notice or otherwise signify their consent to the holding of such meeting.
- e) Members may participate in a meeting of the Committee by means of conference telephone or other communication equipment and, if so, such members are deemed to be in attendance of the Meeting.
- f) The Committee shall keep minutes of all meetings which shall be available for review by the Board.
- g) The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.
- h) The Committee may invite such directors, senior officers and other employees of the Company and such other advisors and persons as is considered advisable to attend any meeting of the Committee.
- i) Any matter to be determined by the Committee shall be decided by a majority of the votes cast from those Members in attendance at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

- j) The Committee shall report at once its determinations and recommendations to the Board.

4. Resources and Authority

The Committee has the authority to:

- a) engage, at the expense of the Company, independent counsel and other experts or advisors as is considered advisable;
- b) determine and pay the compensation for any independent counsel and other experts and advisors retained by the Committee;
- c) communicate directly with the independent auditor of the Company (the "Independent Auditor");
- d) conduct any appropriate investigation;
- e) request the Independent Auditor, any senior officer or other employee, or outside counsel for the Company, to attend any meeting of the Committee or to meet with any members of, or independent counsel or other experts or advisors to, the Committee; and
- f) have unrestricted access to the books and records of the Company.

5. Responsibilities

Financial Accounting, Internal Controls and Reporting Process

The Committee is responsible for:

- (a) reviewing management's report on, and assessing the integrity of, the internal controls over the financial reporting of the Company and monitoring the proper implementation of such controls;
- (b) reviewing and recommending for approval by the Board the quarterly unaudited financial statements, management's discussion and analysis ("MD&A") thereon and the other financial disclosure related thereto required to be reviewed by the Committee by Applicable Laws;
- (c) reviewing and reporting to the Board on the annual audited financial statements, the MD&A thereon and the other financial disclosure related thereto required to be reviewed by the Committee by Applicable Laws;
- (d) monitoring the conduct of the audit function;
- (e) discussing and meeting with, when considered advisable to do so and in any event no less frequently than annually, the Independent Auditor, the Chief Financial Officer (the "CFO") and any other senior officer or other employee which the Committee wishes to meet with, to review accounting principles, practices, judgments of management, internal controls and such other matters as the Committee considers appropriate; and
- (f) reviewing any post-audit or management letter containing the recommendations of the Independent Auditor and management's response thereto and monitoring any subsequent follow-up to any identified financial reporting or audit related weaknesses.
- (g) pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor or Independent Auditor.

Public Disclosure

The Committee shall:

- (a) review the quarterly and annual financial statements, the related MD&A, quarterly and annual earnings press releases, if any, and any other public disclosure documents that are required to be reviewed by the Committee under Applicable Laws; and
- (b) review the procedures which are in place for the review of the public disclosure by the Company of financial information extracted or derived from the financial statements of the Company and periodically assess the adequacy of such procedures.

Risk Management

- (a) The Committee should inquire of the senior officers and the Independent Auditor as to the significant risks or exposures, both internal and external, to which the Company is subject, and review the actions which the senior officers have taken to address such risks. In conjunction with the Corporate Governance Committee of the Board, the Committee should annually review the Directors' and Officers' Third-Party Liability Insurance of the Company.

Corporate Conduct

The Committee should ensure that there is an appropriate standard of corporate conduct relating to the internal controls and financial reporting of the Company.

The Committee should establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters; and
- (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Independent Auditor

- (a) The Committee shall recommend to the Board, for appointment by shareholders, a firm of external auditors to act as the Independent Auditor and shall monitor the independence and performance of the Independent Auditor. The Committee shall arrange and attend, as considered appropriate and at least annually, a private meeting with the Independent Auditor and shall review and recommend to the Board the remuneration of Independent Auditor.
- (b) The Committee should resolve any otherwise unresolved disagreements between the senior officers and the Independent Auditor regarding the internal controls or financial reporting of the Company.
- (c) The Committee should pre-approve all audit and non-audit services that are not prohibited by law (including Applicable Laws) to be provided by the Independent Auditor. The Committee may, and is authorized to, pre-approve non-audit services provided by the Independent Auditor up to a maximum cost of \$25,000 per engagement.
- (d) The Committee should review the audit plan of the Independent Auditor, including the scope, procedures and timing of the audit.
- (e) The Committee should review the results of the annual audit with the Independent Auditor, including matters related to the conduct of the audit.
- (f) The Committee should obtain timely reports from the Independent Auditor describing critical accounting policies and practices applicable to the Company, the alternative treatment of information within GAAP and IFRS that were discussed with the CFO, the ramifications thereof, and the Independent Auditor's preferred treatment and should review any material written communications between the Company and the Independent Auditor.
- (g) The Committee should review the fees paid by the Company to the Independent Auditor and any other professionals in respect of audit and non-audit services on an annual basis.
- (h) The Committee should review and approve the Company's hiring policy regarding partners, employees and former partners and employees of the present and any former Independent Auditor.
- (i) The Committee should monitor and assess the relationship between the senior officers and the Independent Auditor and monitor the independence and objectivity of the Independent Auditor.

Other Responsibilities

- (a) The Committee should review and assess the adequacy of this mandate (of the Audit Committee) from time to time and at least annually and submit any proposed amendments to the Board for consideration.
- (b) The Committee should perform any other activities consistent with this mandate and Applicable Laws as the Committee or the Board considers advisable.

6. Chair

The Chair of the Committee should:

- (a) provide leadership to the Committee and oversee the function of the Committee;
- (b) chair meetings of the Committee, unless not present, including in-camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations and decisions of the Committee and otherwise at such times and in such manner as the Chair considers advisable;
- (c) ensure that the Committee meets at least quarterly per financial year of the Company and otherwise as is considered advisable;
- (d) in consultation with the Chairman of the Board and the members, establish dates for holding meetings of the Committee;
- (e) set the agenda for each meeting of the Committee with input from other members, the Chairman of the Board, the Lead Director, if any, and any other appropriate individuals;
- (f) ensure that Committee materials are available to any director upon request;
- (g) act as liaison and maintain communication with the Chairman of the Board, the Lead Director, if any, and the Board to co-ordinate input from the Board and to optimize the effectiveness of the Committee;
- (h) report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
- (i) assist the members of the Committee to understand and comply with the responsibilities contained in this mandate;
- (j) foster ethical and responsible decision making by the Committee;
- (k) together with the Corporate Governance and the Nominating Committee (if any), oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- (l) ensure appropriate information is provided to the Committee by the senior officers to enable the Committee to function effectively and comply with this mandate;
- (m) ensure that appropriate resources and expertise are available to the Committee;
- (n) ensure that the Committee considers whether any independent counsel or other experts or advisors retained by the Committee are appropriately qualified and independent in accordance with Applicable Laws and exemptions thereto;
- (o) facilitate effective communication between the members of the Committee and the senior officers and encourage an open and frank relationship between the Committee and the Independent Auditor;
- (p) attend, or arrange for another member of the Committee to attend, each meeting of the shareholders of the Company to respond to any questions from shareholders that may be asked of the Committee; and
- (q) perform such other duties as may be delegated to the Chair by the Committee or the Board from time to time.