

**Hydaway Ventures Corp.**  
**Management's Discussion and Analysis**  
**For the three and six months ended August 31, 2022**

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**INTRODUCTION**

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the three and six months ended August 31, 2022 prepared as of October 18, 2022, should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended August 31, 2022 and the related notes thereto of Hydaway Ventures Corp. ("the Company" or "Hydaway"), together with the audited financial statements of the Company for the year ended February 28, 2022. The MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company.

The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

**COMPANY OVERVIEW**

The Company was incorporated on January 29, 2021 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 208A - 980 West 1st Street, North Vancouver, British Columbia, Canada.

The Company currently has no operating business and is a Capital Pool Company as defined in the TSX Venture Exchange ("TSX.V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") under Policy 2.4.

On August 23, 2022, the Company successfully completed its initial public offering (the "IPO") and issued 2,500,000 shares of the Company at a price of \$0.10 per share for proceeds of \$250,000. The Company's common shares were listed on the TSX.V effective August 23, 2022, with its common shares commencing trading on the TSX.V on August 25, 2022 under the trading symbol "HIDE.P".

**RESULTS OF OPERATIONS**

*Six months ended August 31, 2022*

The Company recorded a net loss of \$40,786 (\$0.01 per share) for the six months ended August 31, 2022 (2021 – \$12,149 and \$0.00 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the six months ended August 31, 2022.

Variances of note in the operational expenses are:

Filing fees of \$6,366 (2021 - \$nil) includes stock transfer and regulatory fees. The transfer agent and filing fees were higher during the 2022 fiscal period, due to completion of the Company's IPO and the listing of the Company's common shares on the TSX.V.

Professional fees of \$12,673 (2021 - \$11,000) consist mainly of accounting, audit and legal fees. The professional fees during the six months ended August 31, 2022 were higher due to completion of the Company's IPO and the listing of the Company's common shares on the TSX.V.

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The Company recorded a share-based compensation expense of \$20,849 (2021 - \$nil) as a result of the vesting of the 275,000 stock options granted during the current fiscal period versus no stock options granted during the 2021 comparative fiscal period.

*Three months ended August 31, 2022*

The Company recorded a net loss of \$25,782 (\$0.01 per share) for the three months ended August 31, 2022 (2021 – \$2,617 and \$0.00 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the three months ended August 31, 2022.

Variances of note in the operational expenses are:

Filing fees of \$733 (2021 - \$nil) includes stock transfer and regulatory fees. The transfer agent and filing fees were higher during the 2022 fiscal period, due to completion of the Company's IPO and the listing of the Company's common shares on the TSX.V.

Professional fees of \$3,369 (2021 - \$2,550) consist mainly of accounting, audit and legal fees. The professional fees during the three months ended August 31, 2022 were higher due to completion of the Company's IPO and the listing of the Company's common shares on the TSX.V.

The Company recorded a share-based compensation expense of \$20,849 (2021 - \$nil) as a result of the vesting of the 275,000 stock options granted during the current fiscal period versus no stock options granted during the 2021 comparative fiscal period.

**SUMMARY OF SELECTED QUARTERLY RESULTS (UNAUDITED)**

The following table sets forth selected financial information from the Company's unaudited quarterly consolidated financial statements for the two most recently completed quarters.

	THREE MONTHS ENDED	
	August 31, 2022 \$	May 31, 2022 \$
Total assets	238,756	69,558
Working capital	224,169	54,564
Net income (loss)	(25,782)	(15,004)
Net income (loss) per share <sup>(1)</sup>	(0.01)	(0.01)

<sup>(1)</sup>The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants if any.

Total assets and working capital increased during the quarter ended August 31, 2022 as a result of the net proceeds received from the Company's IPO completed during the quarter.

The net losses for each of the two quarters ended are mostly attributed to the operating costs incurred in order to identify and evaluate assets and to complete the Company's IPO and listing on the TSX.V.

**FINANCING ACTIVITIES**

On August 23, 2022, the Company successfully completed its IPO and issued 2,500,000 shares of the Company at a price of \$0.10 per share for proceeds of \$250,000. Pursuant to the agency agreement dated June 22, 2022, Leede Jones Gable Inc. acted as agent (the "Agent") for the IPO. The Company paid to the Agent a cash commission of \$25,000 and granted the Agent non-transferable warrants entitling the Agent to purchase a total of 250,000 common shares at a price of \$0.10 per common share until August 23, 2024. In connection with the IPO, the Agent also received a corporate finance fee of \$15,750, including applicable taxes.

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Legal and listing fees of \$28,377 were paid in connection with the IPO.

**LIQUIDITY AND CAPITAL RESOURCES**

As at August 31, 2022, the Company had cash of \$232,324 and a working capital of \$224,169. During the six months ended August 31, 2022, net cash used in operating activities was \$27,390, and net cash provided by financing activity was \$180,970 of net proceeds received from the Company's IPO.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company's condensed interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As at August 31, 2022, the Company had accumulated losses of \$71,218 since its inception and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon raising additional capital to complete the acquisition of an asset or business and the achievement of profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

**CAPITAL EXPENDITURES**

The Company incurred \$nil in capital expenditures during the six months ended August 31, 2022 (2021 - \$nil).

**RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the three and six months ended August 31, 2022, compensation paid to key management consisted of share-based payments of \$20,849 and \$20,849 (2021 – \$nil and \$nil) to directors and officers.

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**CRITICAL JUDGMENTS AND ESTIMATES**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Significant accounting estimates*

- i. the measurement of deferred income tax assets and liabilities
- ii. the determination of fair value for share-based payments related to incentive stock options and compensation warrants granted, modified or settled

*Significant accounting judgments*

- i. the evaluation of the Company’s ability to continue as a going concern

**NEW STANDARD AND INTERPRETATIONS NOT YET ADOPTED**

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

**CURRENT SHARE DATA**

As at the date of this MD&A, the Company has 4,500,001 common shares issued and outstanding and the following options and warrants outstanding:

<b>Type of security</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry date</b>
Stock options	275,000	\$ 0.10	August 23, 2027
Agent’s Warrants	250,000	\$ 0.10	August 23, 2024

**DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements for the three and six months ended August 31, 2022 and this accompanying MD&A (the “Interim Filings”).

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should

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refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

**RISKS AND UNCERTAINTIES**

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

The Company does not currently have an operating business. Where an acquisition or participation is warranted, funding in addition to the IPO funding may be required. These additional funds may not be available on terms acceptable to the Company. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the TSX.V, at which time the TSX.V may suspend or de-list the Company's shares from trading.

**OTHER INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).